

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

IN THE MATTER OF:

**FIDELITY NATIONAL TITLE INSURANCE COMPANY,
CHICAGO TITLE INSURANCE COMPANY,
COMMONWEALTH LAND TITLE INSURANCE COMPANY,
LAWYERS TITLE INSURANCE CORPORATION,
SECURITY UNION TITLE INSURANCE COMPANY,
TICOR TITLE INSURANCE COMPANY AND
TICOR TITLE INSURANCE COMPANY OF FLORIDA**

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) **AID No.: 2010- 0 7 2**
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CONSENT ORDER

WHEREAS, the Arkansas Insurance Department (“Department”) and Fidelity National Title Insurance Company (“Fidelity”), NAIC #51586, Chicago Title Insurance Company (“Chicago Title”), NAIC #50229, Commonwealth Land Title Insurance Company (“Commonwealth”), NAIC #50083, Lawyers Title Insurance Corporation (“Lawyers Title”), NAIC #50024, Security Union Title Insurance Company (“Security Union”), NAIC #50857, Tigor Title Insurance Company (“Tigor”), NAIC #50067, and Tigor Title Insurance Company of Florida (“Tigor of FL”), NAIC #51535, (collectively, “Respondents”) hereby jointly and severally enter into this Consent Order subject to the review and approval of the Commissioner of the Department:

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 by the Respondents for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order

not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of this matter or any administrative proceedings nor shall this consent order be deemed an admission of fact or law on the part of the Respondents in that event.

3. Respondents fully understand that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondents for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. After consultation with legal counsel, the Respondents expressly waive all further procedural steps, and expressly waive all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

5. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

6. Fidelity, Chicago Title, Commonwealth, Lawyers Title, Security Union, Tigor and Tigor of FL are all companies which are a part of the Fidelity National Title Group family of title insurers. Fidelity National Financial, Inc. is the parent company of the Fidelity National Title Group.

7. Fidelity, Chicago Title, Commonwealth, Lawyers Title, Security Union, Tigor and Tigor of FL are title insurance companies that hold Certificates of Authority to do business in the

State of Arkansas. All of the companies have their administrative address at 601 Riverside Avenue, Jacksonville, FL 32204.

8. Fidelity has held a Certificate of Authority to do business in the State of Arkansas since January 1, 2003. Chicago Title has held a Certificate of Authority to do business in the State of Arkansas since June 6, 1962. Commonwealth has held a Certificate of Authority to do business in the State of Arkansas since November 9, 1973. Lawyers Title has held a Certificate of Authority to do business in the State of Arkansas since January 1, 1935. Security Union has held a Certificate of Authority to do business in the State of Arkansas since January 11, 1979. Ticor has held a Certificate of Authority to do business in the State of Arkansas since November 1, 1967. Ticor of FL has held a Certificate of Authority to do business in the State of Arkansas since December 29, 1995.

9. On or around August 13, 2008, Fidelity appointed Kande Lee Schrimsher, title insurance agent license number 328152, as its agent. The purpose of the appointment of Ms. Schrimsher was to utilize her countersignature as an Arkansas licensed title insurance agent on policies produced by First Title, LLC, of Duluth, Georgia, a wholly owned subsidiary of Fidelity, so that Fidelity could issue title insurance in Arkansas directly as was permitted by statute between January 1, 2008 and July 31, 2009.

10. Twenty (20) title insurance policies were issued directly by Fidelity subsequent to July 31, 2009 and were signed by Kande Lee Schrimsher as set forth in Paragraph 9 above in violation of Ark. Code Ann. § 23-103-403(a), effective July 31, 2009.

11. ServiceLink of Arkansas, LLC, title insurance agency license number 355882, has been operating in this state as a title insurance agency without an appointment by its insurer, Chicago Title.

12. All Respondents have issued multiple Closing Protection Letters on behalf of unlicensed entities since January 1, 2008.

13. Prior to May 12, 2010, Chicago Title issued title insurance commitments and policies directly through ServiceLink, a division of Chicago Title Insurance Company, an entity not licensed as a resident title insurance agency.

14. National Title Source, Inc., of Arkansas, title insurance agency license number 338944, has issued insurance commitments without the countersignature of a licensed title insurance agent authorized by the insurer. The commitments and policies that were being issued do not meet the 30-year statutory requirement nor were the searches conducted by or reviewed by their licensed and authorized agent.

15. Ticor of FL issued approximately 520 title insurance commitments and policies directly and without the use of an appointed, licensed title insurance agency or the countersignature of a licensed title insurance agent authorized by the insurer.

CONCLUSIONS OF LAW

16. The Commissioner has jurisdiction over the parties and over the subject matter herein pursuant to Ark. Code Ann. § 23-61-103.

17. Ark. Code Ann. § 23-103-403 requires that only a properly licensed and appointed title insurance agency shall issue title insurance policies, reports, or otherwise transact the business of title insurance and that all title insurance policies and reports covering an insurable interest in title to real property in this state shall be signed by an Arkansas licensed title insurance agent properly appointed by a title insurer and affiliated with a resident title insurance agency.

18. Ark. Code Ann. § 23-64-514(b) requires that an appointing insurer appoint a producer as its agent by filing a notice of appointment within fifteen (15) days after the date the agency contract is executed or the first insurance application is submitted.

19. Ark. Code Ann. § 23-103-408(b) requires that a minimum search shall include a review of all matters affecting the title to the property or interest to be insured for a continuous period of not less than the immediately preceding thirty (30) years.

20. Ark. Code Ann. § 23-103-408(a) and (c) requires that a title insurance report or policy shall not be issued unless the title insurance agency or title insurance agent has caused to be made a search of the title and that the title insurance policy shall not be issued until the title insurer or title insurance agent has caused to be made a determination of insurability of title in accordance with the title insurer's underwriting practices.

21. Ark. Code Ann. § 23-103-405(c)(2) requires that upon written request by a party to a closing with a licensed agency with which the title insurer has an agency contract, the insurer shall issue closing protection to the requesting party.

22. The Department, based on the Findings of Fact, above, concludes that Fidelity, Chicago Title, Ticor, and Ticor of FL improperly issued title insurance policies directly instead of through an appointed title insurance agency, in violation of Ark. Code Ann. § 23-103-403.

23. The Department, based on the Findings of Fact, above, concludes that Chicago Title allowed a title insurance agency to write title business without an appointment, in violation of Ark. Code Ann. § 23-64-514(b).

24. The Department, based on the Findings of Fact, above, concludes that Ticor issued title commitments and policies based on searches for a continuous period of less than the immediately preceding thirty (30) years, in violation of Ark. Code Ann. § 23-103-408(b).

25. The Department, based on the Findings of Fact, above, concludes that Ticor

issued title commitments and policies that were not based on searches conducted by a licensed title agency or agent nor searches caused to be made by a licensed title insurance agency or agent nor reviewed by a licensed title insurance agency or agent for insurability, in violation of Ark. Code Ann. § 23-103-408(a) and (c).

26. The Department, based on the Findings of Fact, above, concludes that all Respondents have issued Closing Protection Letters on behalf of unlicensed entities, in violation of Ark. Code Ann. § 23-103-405(c)(2).

27. Ark. Code Ann. § 23-103-416 authorizes the Commissioner to impose upon the insurer an administrative penalty in the amount of up to one thousand dollars (\$1,000) per violation or up to five thousand dollars (\$5,000) per violation if the insurer knew or reasonably should have known that the violation existed.

28. The Department recognizes that the violations described in the Findings of Fact were of a recurring nature. This Order covers and includes all violations similar to those described in the Findings of Fact committed by Respondents through June 30, 2010.

ORDER

NOW THEREFORE, on the basis of the foregoing and the waiver of the Respondents of their rights to a hearing and appeal under the Arkansas Uniform Administrative Procedures Act, Ark. Code Ann. §§ 25-15-201, *et seq.*, and the admission by the Respondents of the jurisdiction of the Commissioner, the Commissioner finds that the Respondents have jointly consented to the entry of this Order and that the following Order is appropriate and in the public interest.

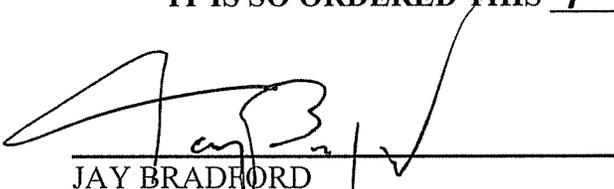
IT IS HEREBY ORDERED that:

Fidelity National Title Insurance Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Lawyers Title Insurance Corporation, Security

Union Title Insurance Company, Ticor Title Insurance Company and Ticor Title Insurance Company of Florida shall jointly pay a single administrative penalty of Fifty Thousand Dollars (\$50,000). The administrative penalty shall be paid within thirty (30) days from the entry of this Order.

This Consent Order is in the public interest, is in the best interests of the parties hereto, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By signatures affixed below, the Respondents affirmatively state that they have freely agreed to the entry of this Consent Order, that they have been advised that they may consult legal counsel in this matter and have had the opportunity to consult with legal counsel should they have desired to do so, that they waive their rights to a hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof. The parties, by signing this Consent Order, 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, other than the terms of settlement set forth in this Consent Order, are binding upon them.

IT IS SO ORDERED THIS 4th day of August, 2010.

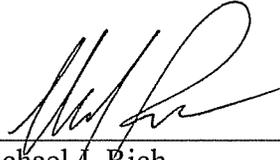


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

APPROVED FOR ENTRY:



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