

FINDINGS OF FACT

1
2 1. ORNTIC is authorized to transact title insurance as an
3 insurer in the State of Arizona pursuant to a Certificate of
4 Authority issued by the Director.

5 2. The Examiners were authorized by the Director to
6 conduct a market conduct examination of ORNTIC and its agents.
7 The on-site examination covered policies issued and claims
8 closed by ORNTIC from April 1, 1991 through June 30, 1994.

9 3. During the time period covered by the market conduct
10 examination (the "Examination"), ORNTIC had title insurance
11 underwriting agreements in effect with the agents listed above.
12 These agreements authorized the agents to issue policies of
13 title insurance on behalf of ORNTIC.

14 4. ORNTIC and its agents have filed rates and rules for
15 calculation of title insurance premiums and escrow fees with the
16 ADOI. Unless specifically noted otherwise, any discussion which
17 follows of these rates and rules refers to rates and rules
18 currently in effect which were filed with the ADOI pursuant to
19 A.R.S. § 20-376(A).

20 5. The Examiners randomly selected and reviewed 2805
21 title policies issued by Respondents during the period covered
22 by the Examination, as follows:

23 ORTAM 1,385 policies
24 ORTAP 1,156 policies
25 PTA, 264 policies

26 6. The Respondents rated policies other than pursuant to
27 ORNTIC's filed rates and rules, resulting in overcharges and
28 undercharges to the insureds on title policies, as follows:

.....

	Undercharges		Overcharges		% Error	
	#	\$	#	\$		
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2						
3	ORTAM	11	696.25	1	328.00	0.9%
4	ORTAP	8	2172.72	1	16.00	0.8%
5	PTA	1	32.50	1	124.00	0.8%

7. ORTAM failed to produce 31 additional title files which were requested by the Examiners, and ORTAP failed to produce 18 additional title files requested by the Examiners, for the period covered by the Examination.

CONCLUSIONS OF LAW

1. By deviating from ORNTIC's filed rates for the issuance of title policies, ORTA violated A.R.S. §§ 20-376(H)(repealed 1993) and 20-379(A)(effective 1992).

2. By failing to produce all records requested by the Examiners for the period covered by the Examination, ORTA violated A.R.S. §§ 20-157(A) and 20-1581(A).

3. Grounds exist for the entry of all other provisions of the following Order.

ORDER

Respondents, having admitted the jurisdiction of the Director to enter this Order, having waived the Notice of Hearing and the hearing, having waived any and all rights to appeal this Order, and having consented to the entry of this Order, and there being no just reason for delay:

IT IS HEREBY ORDERED THAT:

1. Within 60 days of the filed dated of this Order, ORNTIC's agents shall refund overcharges of premium totalling \$344,000, to the insureds listed in Exhibits 5 and 6 of the Report (attached to this Order as Exhibit A).

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ORNTIC's agents shall pay interest on the above amounts to these insureds at the rate of 10% per annum calculated from the date each payment was received by the agent to the date of the refund. Each refund shall be accompanied by a letter to the insured previously approved by the Director. A list of refunds, giving the name and address of each insured to whom a refund was made, the base amount of each refund, the amount of interest paid, and the date of the refund, shall be provided to the ADOI when all refunds have been made. This list shall be furnished to the Department within 70 days of the filed date of this Order.

2. The Department shall be permitted, through authorized representatives, to verify that Respondents have complied with all provisions of this Order.

3. Pursuant to A.R.S. § 20-379(B), ORTA shall pay civil penalties totalling \$6,543.97. This amount shall be paid to the Director to be forwarded to the State Treasurer for deposit in the State General Fund, and shall be provided to the Market Conduct Examinations Division of the Department on or before February 1, 1996.

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4. The Report of Examination of the Market Conduct Affairs of ORNTIC as of December 9, 1994, including the objections of ORNTIC and its agents, shall be filed with the Department when this Order has been filed.

DATED at Phoenix, Arizona this 4th day of March, 1996.

Chris Herstam
Chris Herstam
Director of Insurance

CONSENT TO ORDER

1
2 1. Respondent Old Republic National Title Insurance
3 Company has reviewed the attached Order.

4 2. Respondent is aware of its right to a hearing, at
5 which hearing Respondent may be represented by counsel, present
6 evidence and cross-examine witnesses. Respondent irrevocably
7 waives its right both to demand a public hearing and to seek
8 judicial review of this Consent Order.

9 3. Respondent admits the jurisdiction of the Director of
10 Insurance, State of Arizona, and consents to the entry of this
11 Order.

12 4. Respondent states that no promise of any kind or
13 nature whatsoever has been made to induce it to enter into this
14 Order and that it has entered into this Order voluntarily.

15 5. Respondent acknowledges that the acceptance of this
16 Order by the Director of Insurance, State of Arizona, is solely
17 to settle this matter against it and does not preclude any other
18 agency or officer of the state or subdivision thereof from
19 instituting other civil or criminal proceedings as may be
20 appropriate now or in the future.

21 6. Carleton R. Lago, who holds the
22 office of Vice President of Old Republic National
23 Title Insurance Company, is authorized to enter into this Order
24 for and on its behalf.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

25
26 December 19, 1995
27 Date

By 

CONSENT TO ORDER

1
2 1. Respondent Old Republic Title Insurance Agency, Inc.
3 has reviewed the attached Order.

4 2. Respondent is aware of its right to a hearing, at
5 which hearing Respondent may be represented by counsel, present
6 evidence and cross-examine witnesses. Respondent irrevocably
7 waives its right both to demand a public hearing and to seek
8 judicial review of this Consent Order.

9 3. Respondent admits the jurisdiction of the Director of
10 Insurance, State of Arizona, and consents to the entry of this
11 Order.

12 4. Respondent states that no promise of any kind or
13 nature whatsoever has been made to induce it to enter into this
14 Order and that it has entered into this Order voluntarily.

15 5. Respondent acknowledges that the acceptance of this
16 Order by the Director of Insurance, State of Arizona, is solely
17 to settle this matter against it and does not preclude any other
18 agency or officer of the state or subdivision thereof from
19 instituting other civil or criminal proceedings as may be
20 appropriate now or in the future.

21 6. Carleton R. Lago _____, who holds the
22 office of Senior Vice President & Secretary of Old Republic Title
23 Insurance Agency, Inc., is authorized to enter into this Order
24 for and on its behalf.

OLD REPUBLIC TITLE INSURANCE AGENCY, INC.

25
26 December 19, 1995
27 Date

By _____
28

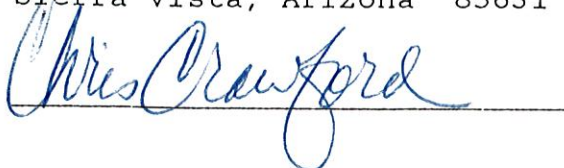
1 COPY of the foregoing mailed/delivered
2 this 5th day of March , 1996, to:

3 Charles R. Cohen
4 Deputy Director
5 Gregory Y. Harris
6 Executive Assistant Director
7 Lewis D. Kowal
8 Chief Administrative Law Judge
9 Erin H. Klug
10 Chief Market Conduct Examiner
11 Saul R. Saulson
12 Examinations Supervisor
13 Market Conduct Examinations Division
14 Mary Butterfield
15 Assistant Director
16 Life & Health Division
17 Deloris E. Williamson
18 Assistant Director
19 Rates & Regulations Division
20 Gary Torticill
21 Assistant Director and Chief Financial Examiner
22 Corporate & Financial Affairs Division
23 Cathy O'Neil
24 Assistant Director
25 Consumer Services Division
26 John Gagne
27 Assistant Director
28 Investigations Division
Dean Ehler
Supervisor
Property and Casualty Section
Maureen Catalioto
Supervisor
Licensing Section
DEPARTMENT OF INSURANCE
2910 North 44th Street, Suite 210
Phoenix, AZ 85018

20 Richard A. Cecchettini, President
21 Old Republic National Title Insurance Company
22 400 Second Avenue South
23 Minneapolis, Minnesota 55401

23 John A. Dosa, President
24 Old Republic Title Insurance Agency, Inc.
25 3200 North Central Avenue, Suite 2550
26 Phoenix, Arizona 85012

25 R. Keith Newlon, President
26 Pioneer Title Company
27 P.O. Box 1900
28 Sierra Vista, Arizona 85631



OLD REPUBLIC TITLE AGENCY, INC. - MARICOPA COUNTY
INCLUDING PINAL COUNTY

<u>Crit</u>	<u>Title Policy No.</u>	<u>File No.</u>	<u>General Title Violation</u>	
			<u>O/C</u>	<u>U/C</u>
1	BY 165204	51-004,415		\$25.00
2	B 3040211	29-007,005	\$328.00	
* 3	BQ 274420	06-611,103		32.50
* 4	BZ 419578	51-005,176		27.00
* 5	DY 85425	06-610,964		25.00
* 6	RLC 242550	06-610,993		224.00
* 7	RLC 242582	51-005,079		20.30
* 8	BQ 274435	42-007,791		58.00
* 9	BQ 274356	56-002,686		69.45
*10	MK 183203	04-419,424		55.50
*11	MP 178179	42-008,524		64.50
*12	MK 183245	62-000,247		94.50
	<u>Total</u>		<u>\$328.00</u>	<u>\$696.25</u>

*Consent Order Docket No. 7646 filed 2-14-92.

(Exhibit 5)

OLD REPUBLIC TITLE AGENCY, INC. - PIMA COUNTY

<u>Crit</u>	<u>Title</u> <u>Policy No.</u>	<u>File No.</u>	<u>General Title</u> <u>Violation</u>	
			<u>O/C</u>	<u>U/C</u>
1	AL 3017754	65542		\$ 175.00
2	BQ 202640	67687		143.00
* 3	AQ 176608	73322	\$ 16.00	
* 4	SB 281005	100966		24.00
* 5	SB 281136	100991		159.00
* 6	FTY 175188	101937		50.00
* 7	MK 257969	107715		17.00
* 8	SB 281398	102800		1173.50
* 9	FTH 002096	102800		431.25
	Total		\$ 16.00	\$2172.72

*Consent Order Docket No. 7646 filed 2-14-92.

(Exhibit 6)