

PRESS RELEASE

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For Immediate Release
September 8, 2005

The Arizona Department of Insurance and LandAmerica Title Companies Reach Regulatory Settlement Regarding Captive Reinsurance Arrangements \$1 Million to Red Cross and \$250,000 Education Fund

PHOENIX – The Arizona Department of Insurance (ADOI) reached a Regulatory Settlement Agreement with LandAmerica Financial Group, Inc. (LandAmerica) to resolve ADOI's investigation into LandAmerica's three title companies in Arizona, *Commonwealth Land Title Insurance Company, Lawyers Title Insurance Company and Transnation Title Insurance Company*, regarding their use of Captive Reinsurance Arrangements from 1997 to February, 2005, when the LandAmerica companies voluntarily terminated these Captive Reinsurance Arrangements nationwide.

Under these Captive Reinsurance Arrangements, the LandAmerica title companies shared a portion of a consumers' title insurance premium and risk with captive reinsurers, resulting in a potential benefit to the reinsurer, or its owners. Although the LandAmerica companies disclosed these Arrangements to their customers and did not charge any higher premium than they would have otherwise charged, ADOI questioned the legality of these premium sharing Arrangements as possible violations of the Arizona anti-inducement statute (A.R.S. § 20-1585) which prohibits title insurers from paying an inducement to obtain title insurance business.

To resolve this investigation, LandAmerica agreed to contribute \$1,000,000 to the Arizona Chapters of the American Red Cross for the benefit of Arizona citizens and the victims of Hurricane Katrina recently evacuated to Arizona. In addition, LandAmerica will establish a \$250,000 Title Insurance Education Fund, under ADOI oversight and administration, to educate Arizona consumers about title insurance and raise awareness of consumers' rights in title insurance matters.

"The ADOI is pleased with LandAmerica's willingness to resolve this matter to the benefit of Arizona consumers and, in this time of national crisis, in recognition of the responsibilities we all share in contributing to our common, collective humanity." said Christina Urias, Insurance Director.

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