

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
CHICAGO TITLE INSURANCE) **Market Conduct Examination**
COMPANY (NAIC #50229)) **No. 1712-81-TGT**
) **NAIC MATS NO. MO-HICKSS1-87**

ORDER OF THE DIRECTOR

NOW, on this **26th** day of **June**, 2020, Director, Chlora Lindley-Myers, after consideration and review of the market conduct examination report of Chicago Title Insurance Company (NAIC #50229) (hereinafter “CTIC”), examination report number 1712-81-TGT, prepared and submitted by the Division of Insurance Market Regulation (hereinafter “Division”) pursuant to §374.205.3(3)(a)¹, does hereby adopt such report as filed. After consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (“Stipulation”), relating to market conduct examination No. 1712-81-TGT, the examination report, relevant work papers, and any written submissions or rebuttals, the findings and conclusions of such report are deemed to be the Director’s findings and conclusions accompanying this order pursuant to §374.205.3(4). The Director does hereby issue the following orders:

This order, issued pursuant to §374.205.3(4), §374.280 RSMo, and §374.046.15. RSMo, is in the public interest.

IT IS THEREFORE ORDERED that CTIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that CTIC shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain those corrective actions at all times, and shall fully comply with all terms of the Stipulation.

IT IS FURTHER ORDERED that CTIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$48,500 payable to the Missouri State School Fund in connection with the examination number 1712-81-TGT.

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016 as amended.

IT IS SO ORDERED.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of my office
in Jefferson City, Missouri, this 26th day of June, 2020.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

**IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI**

In Re:)
)
 CHICAGO TITLE INSURANCE) **Market Conduct Examination**
 COMPANY (NAIC #50229)) **No. 1712-81-TGT**
) **NAIC MATS NO. MO-HICKSS1-87**
)

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Chicago Title Insurance Company (NAIC #50229) (hereinafter “Chicago Title”), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Commerce and Insurance (hereinafter “the Department”), an agency of the State of Missouri, created and established for administering and enforcing all laws in relation to insurance companies doing business in the State of Missouri;

WHEREAS, Chicago Title has been granted a certificate of authority to transact the business of insurance in the State of Missouri;

WHEREAS, the Division conducted a market conduct examination of Chicago Title, examination #1712-81-TGT;

WHEREAS, based on the market conduct examination of Chicago Title, the Division alleges that:

1. In four instances, Chicago Title did not provide notification to the Director of the Department (hereinafter “Director”) of agency terminations in violation of §381.018.5¹ and §375.022.

¹ All references, unless otherwise noted, are to Missouri Revised Statutes 2016, as amended.

2. In 65 instances, Chicago Title sold title insurance through an agency at a time when the agency was not licensed in the State of Missouri in violation §381.115.2 (1), §381.115.4, and §375.076.1.

3. In 13 instances, Chicago Title failed to enforce its agency contracts thereby materially aiding agencies in engaging in the practice of employing unlicensed individuals in violation of §381.115 and §381.023.

4. In four instances, Chicago Title did not submit required T-6 reports to the Department in violation of §381.023.

5. In 68 instances, Chicago Title contracted with an agency to charge a rate for its policies that was different from the filed rate in violation of §381.181.

6. In 12 instances, Chicago Title instructed its agents to round liability amounts to the next highest thousand in violation of §381.181 and 20 CSR 500-7.100 (2) (B).

7. In two instances, Chicago Title allowed a Centralized Refinance Rate to be improperly charged to insureds in violation of §381.181 and 20 CSR 500-7.100 (2) (A) & (B).

8. In 11 instances, insureds were charged a \$25.00 premium for the ALTA 8.1 Environmental Lien Endorsement although that endorsement was not filed with the Director in violation of §381.181 and 20 CSR 500-7.100 (2) (A).

9. In 28 instances, the rate charged for Chicago Titles insurance was different from the rate filed with the Director in violation of §381.181, 20 CSR 700-1.150 (2), §375.936 (6) (a), §375.934 and §381.019.1.

10. Chicago Title did not provide formal underwriting guidance to its agents regarding re-issue rates which may have resulted in agents applying re-issue rates in an unfairly discriminatory manner in violation of §381.018.4.

11. In three instances, premium was not disclosed as Chicago Title's policy forms were not used as filed in violation of §381.085.2 and 20 CSR 500-7.130 (1) (B).

12. In three instances, premium shown on policies did not match the premium listed on the disclosure or invoice, or the filed risk rate in violation of §381.085 and 20 CSR 500-7.130 (1) (B).

13. In one instance, a response to a criticism issued by the examiners was received outside of the statutory time limit in violation of §374.205.2 (2).

WHEREAS, the Division and Chicago Title have agreed to resolve the issues raised in the market conduct examination as follows:

A. **Scope of Agreement.** This Stipulation of Settlement and Voluntary Forfeiture (hereinafter "Stipulation") embodies the entire agreement and understanding of the signatories with respect to the subject matter contained herein. The signatories hereby declare and represent that no promise, inducement or agreement not herein expressed has been made, and acknowledge that the terms and conditions of this agreement are contractual and not a mere recital.

B. **Remedial Action.** Chicago Title agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain such remedial actions at all times, to reasonably ensure that the errors noted in the market conduct examination report do not recur. Such remedial actions shall consist of the following:

1. Chicago Title agrees that it will provide timely notice to the Department of the termination of agency contracts pursuant to §381.018.5.

2. Chicago Title agrees that it will maintain records adequate to determine whether an agent or agency is licensed during the time it has a contractual agreement with Chicago Title. Chicago Title further agrees that it will not permit the solicitation or negotiation of its title

insurance policies by unlicensed agents or agencies and will not pay commissions to unlicensed agents or agencies for the solicitation, negotiate or sale of its title insurance policies.

3. Chicago Title agrees to issue a bulletin to its agents and agencies reminding them of their obligation under the contract to comply with Missouri laws including licensure laws. For a period of three years from the date of the Order approving this Stipulation, Chicago Title further agrees that as part of its annual T-6 review, it will note instances from the files sampled, the licensure status of agents and agencies. If an agency or agent is found to be unlicensed, Chicago Title will make note on their T-6 report and inform the agent or agency. Chicago Title agrees that it will timely submit T-6 reports to the Department pursuant to §381.023.

4. Chicago Title agrees that it will not charge, and it will contractually prohibit its agents or agencies from charging premium that is not in accordance with the premium schedules filed with the Director or utilizing rates that differ from the Company's filed rates.

5. Chicago Title agrees that premium refunds will be provided to all individual consumers listed in the chart on page 13 of the final market conduct report, who purchased an owner's policy or incurred the cost of the lender policy, in the amount of the difference between the rate charged and the filed rate. Chicago Title further agrees to ensure that either Chicago Title or its agent will conduct a review of all policies issued through ServiceLink, LLC from January 2, 2014 until January 4, 2017, to determine if individual consumers who purchased an owner's policy or incurred the cost of the lender policy were charged a rate in excess of the filed rate. In the event that an individual consumer noted above was charged a rate in excess of the filed rate, Chicago Title agrees that a premium refund will be provided to that individual consumer in the amount of the difference between the rate charged and the filed rate. Interest will be included with all premium refunds in an amount to be determined pursuant to §374.191. A letter will accompany all

premium refunds noting that as a result of a Missouri Market Conduct Examination it was determined that the individual consumer was entitled to a partial refund of premium.

6. Chicago Title agrees that premium refunds will be provided to all policyholders listed in the chart on page 15 of the final market conduct report, in the amount of the difference between the rate charged as listed on the disclosure statement and the filed rate. Chicago Title further agrees to ensure that either Chicago Title or its agents will conduct a review of all Chicago Title policies issued from January 1, 2017 until December 31, 2019 by Chicago Title Insurance Company, Chicago Title Company, LLC, Amrock Inc. (f/k/a Title Source Inc.), Title Star Agency, and Rieschel & Rieschel, to determine if the policyholder was charged a rate as listed on the disclosure statement in excess of the filed rate. In the event that a policyholder was charged a rate as listed on the disclosure statement in excess of the filed rate, Chicago Title agrees that a premium refund will be provided to the policyholder in the amount of the difference between the rate charged as listed on the disclosure statement and the filed rate. Interest will be included with all premium refunds in an amount to be determined pursuant to §374.191. A letter will accompany all premium refunds noting that as a result of a Missouri Market Conduct Examination it was determined that the policyholder was entitled to a partial refund of premium.

7. Chicago Title agrees that it will issue a bulletin to its agents instructing that liability be rounded to the next highest hundred rather than the next highest thousand.

8. Chicago Title agrees that it will file with the Director all endorsements that result in a charge to the insured if the charge is not listed as a fee on the settlement statement.

9. Chicago Title agrees that in contracts with agents authorized to write in Missouri only, it will require that the agent quote, charge and collect from Missouri purchasers the rates filed with the Director rather than quote, charge or collect based on a "National Rate." Chicago

Title also agrees that in its contracts with agents authorized to write in Missouri only, it will require the agent to remit to the Company a percentage of rates based on the rates filed with the Director rather than based on a “National Rate.” Chicago Title further agrees that it will include the Missouri filed rate chart (Form T-7) as an addendum to the contract.

10. Chicago Title agrees that in its contracts with agents authorized to write in Missouri and also in other states, it will include in its contract with agents a clarification or footnote to the “rates and Remittances” provision that requires the agent to quote, charge and collect premium for Missouri risks that are based on the rates filed with the Director and will require its agent to report and remit a percentage of rates to the Company based on the filed Missouri rate rather than based on a “National Rate.” Chicago Title also agrees that this clarification will be included in all places in the contract or in any addendum to the contract that specifies the percentage of premium the agent is to remit to the Company. Chicago Title further agrees that it will include the Missouri filed rate chart (Form T-7) as an addendum to the contract.

11. Chicago Title agrees to establish underwriting guidelines regarding re-issue rates and make those guidelines available to its agents.

12. Chicago Title agrees to withdraw and discontinue the use of the Centralized Refinance Rate for the State of Missouri. Chicago Title will only have one refinance rate on file with the Director which will be utilized by all of its policy issuing agents. The filing withdrawal notification shall be submitted through the System for Electronic Rate and Form Filing (“SERFF”) and include a statement that the filing is being submitted “as a result of a Missouri Market Conduct Examination.”

13. Chicago Title agrees to issue a bulletin to its agents reminding them of their obligation to make disclosures in compliance with §381.019 and 20 CSR 500-7.050 and to ensure

that premium shown on the policy matches premium listed on the disclosure statement. For a period of three years from the date of the Order approving this Stipulation, Chicago Title further agrees that as part of its annual T-6 review, it will note instances in the files sampled, where an agent or agency fails to disclose premium and charges, where the premium listed on the policy fails to match the premium on the disclosure statement, or fails to provide disclosures complying with §381.019 and 20 CSR 500-7.050.

14. Chicago Title agrees to respond to criticisms issued in future Missouri market conduct examinations in a timely manner as required under §374.205.2 (2).

C. **Compliance.** Chicago Title agrees to file documentation with the Division, in a format acceptable to the Division, within 180 days of the entry of a final order of any remedial action taken pursuant to Paragraph B to implement compliance with the terms of this Stipulation and to document the payment of any restitution required by this Stipulation. Such documentation is provided pursuant to §374.205.

D. **Fees.** Chicago Title agrees to pay any reasonable examination fees expended by the Division in conducting its review of the documentation provided by Chicago Title pursuant to Paragraphs B and C of this Stipulation.

E. **Voluntary Forfeiture.** Chicago Title agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$48,500 such sum payable to the Missouri State School Fund, in accordance with §374.049.11 and §374.280.2.

F. **Other Penalties.** The Division agrees that it will not seek penalties against Chicago Title, other than those agreed to in this Stipulation, in connection with the above-referenced market conduct examination.

G. **Non-Admission.** Nothing in this Stipulation shall be construed as an admission by Chicago Title, this Stipulation being part of a compromise settlement to resolve disputed factual and legal allegations arising out of the above-referenced market conduct examination.

H. **Waivers.** Chicago Title, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights for procedural requirements, including notice and an opportunity for a hearing, and review or appeal by any trial or appellate court, which may have otherwise applied to the above-referenced market conduct examination.

I. **Changes.** No changes to this Stipulation shall be effective unless made in writing and agreed to by representatives of the Division and Chicago Title.

J. **Governing Law.** This Stipulation shall be governed and construed in accordance with the laws of the State of Missouri.

K. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and Chicago Title respectively.

L. **Counterparts.** This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single document. Execution and delivery of this Stipulation by facsimile or by an electronically transmitted signature shall be fully and legally effective and binding.

M. **Effect of Stipulation.** This Stipulation shall become effective only upon entry of a Final Order by the Director approving this Stipulation.


N. **Request for an Order.** The signatories below request that the Director issue an Order approving this Stipulation, and ordering the relief agreed to in the Stipulation, and consent to the issuance of such Order.

DATED: 6-24-2020



Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 6/15/20



VP/Compliance and
Regulatory Counsel

[Name and Title]
Chicago Title Insurance Company

STATE OF MISSOURI
DEPARTMENT OF COMMERCE AND INSURANCE



FINAL MARKET CONDUCT EXAMINATION REPORT
Title Insurance Business of

Chicago Title Insurance Company
NAIC #50229

MISSOURI EXAMINATION #1712-81-TGT

NAIC EXAM TRACKING SYSTEM #MO-HICKSS1-87

June 23, 2020

Home Office
601 Riverside Avenue
Jacksonville, FL 32204

TABLE OF CONTENTS

FOREWORD	3
SCOPE OF EXAMINATION.....	4
COMPANY PROFILE.....	5
EXECUTIVE SUMMARY	6
EXAMINATION FINDINGS	7
I. PRODUCER LICENSING	7
A. Agency Terminations.....	7
B. Unlicensed Business.....	7
C. T-6 Reviews	10
II. UNDERWRITING AND RATING PRACTICES	11
A. Rates.....	11
B. Underwriting	21
C. Disclosures	22
III. CRITICISMS AND FORMAL REQUESTS TIME STUDY	23
A. Criticism Time Study	23
B. Formal Request Time Study.....	23
EXAMINATION REPORT SUBMISSION.....	24

FOREWORD

This is a targeted market conduct examination report of Chicago Title Insurance Company, NAIC #50229. This examination was conducted at the offices of the Missouri Department of Commerce and Insurance (DCI) located in Jefferson City, Missouri as well as at a few title agency locations.

This examination report is generally a report by exception. However, failure to criticize specific practices, procedures, products, or files does not constitute approval thereof by the DCI.

During this examination, the examiners cited errors made by the Company. Statutory citations are as of the examination period unless otherwise noted.

Where used in this report:

- “Company,” “Chicago Title,” “Chicago Title Insurance Company,” “CTIC” and “Chicago” all refer to Chicago Title Insurance Company;
- “CSR” refers to the Missouri Code of State Regulation;
- “DCI” refers to the Missouri Department of Commerce and Insurance, formerly the Department of Insurance, Financial Institutions and Professional Registration;
- “Director” refers to the Director of the Missouri Department of Commerce and Insurance;
- “NAIC” refers to the National Association of Insurance Commissioners;
- “CPL” refers to Closing Protection Letter; and
- “RSMo” refers to the Revised Statutes of Missouri. All citations are to RSMo (Supp. 2016), unless otherwise specified.

SCOPE OF EXAMINATION

The DCI has authority to conduct this examination pursuant to, but not limited to, §§374.110, 374.190, 374.205, 375.445, 375.938, 375.1009, and Chapter 381, RSMo.

The purpose of this examination was to determine if the Company complied with Missouri statutes and DCI regulations and to consider whether the Company's operations were consistent with the public interest. The primary period covered by this review was January 1, 2014 through December 31, 2016, unless otherwise noted. However, errors outside of this time period found during the course of the examination may also be included in the report.

The examination included a review of the following areas of the Company's operations for its title insurance business: underwriting and rating, producer licensing, and claims handling.

The examination was conducted in accordance with the standards in the NAIC's Market Regulation Handbook.

In performing this examination, the examiners only reviewed a sample of the Company's practices, procedures, products, and files. Therefore, some noncompliant practices, procedures, products, and files may not have been found. As such, this report may not fully reflect all of the practices and procedures of the Company. Failure to identify or criticize improper or noncompliant business practices in this state or other jurisdictions does not constitute acceptance of such practices.

COMPANY PROFILE

The Company provided the following Company history to the examiners.

Chicago Title Insurance Company (“CTIC”) was incorporated in Missouri on August 31, 1961, as a wholly owned subsidiary of Chicago Title and Trust Company (“CT&T”), an Illinois corporation, which was a publicly held corporation until it was acquired by Lincoln National Corporation, an Indiana corporation, on September 12, 1969.

On June 27, 1985, Lincoln National Corporation sold CT&T to Allegheny Corporation, a Delaware corporation, wherein Allegheny acquired 3,719 shares of CT&T, representing all of the shares issued and outstanding.

Effective June 17, 1998, CT&T became a subsidiary of Chicago Title Corporation, a newly formed Delaware corporation that was an independent publicly traded company spun off to the stockholders of Allegheny Corporation.

On March 20, 2000, Fidelity National Financial, Inc. (“FNF”), a Delaware corporation that is publicly traded on the New York Stock Exchange under the symbol FNF, acquired CT&T, and its subsidiaries including CTIC, as a result of the merger of Chicago Title Corporation with and into FNF with FNF surviving the merger. CTIC re-domesticated from Missouri to Nebraska effective October 1, 2007.

On December 31, 2010, CT&T contributed to its subsidiary FNF Control I, Inc., a Delaware corporation, all of the stock of CTIC. On January 31, 2011, CTIC became a subsidiary of Fidelity National Title Group, Inc., a Delaware corporation, when FNTG Holdings, Inc. (formerly named FNF Control I, Inc.) contributed all of the stock of CTIC.

Therefore, since January 31, 2011, CTIC is a wholly owned subsidiary of Fidelity National Title Group, Inc. (“FNTG”), a Delaware corporation, which in turn, is a wholly owned subsidiary of FNTG Holdings, LLC, a Delaware limited liability company, which in turn, is a wholly owned subsidiary of FNF.

CTIC re-domesticated from Nebraska to Florida effective March 1, 2017.

EXECUTIVE SUMMARY

The DCI conducted a targeted market conduct examination of Chicago Title Insurance Company. The examiners found the following areas of concern:

- The Company failed to provide notification to the Director of four agency contract terminations.
- The Company paid commissions on 65 policies to American Title Group for selling, soliciting, or negotiating insurance in Missouri while not licensed.
- The Company contracted with its direct agency that employed and/or contracted with unlicensed individuals to perform insurance related activities. The Company's annual review of this agency failed to uncover the issue.
- The Company failed to submit annual review reports (T-6 reports) to the DCI for two agencies.
- Forty-six policies sold by ServiceLink, LLC were charged a rate greater than the filed rate. Chicago Title contracted with ServiceLink to charge a rate that differs from the filed rate.
- Two policies sold by ServiceLink, LLC were charged a rate less than the filed rate.
- Fifteen policies sold by agencies that contracted with the Company were charged a rate greater than the filed rate.
- Five policies sold by agencies that contracted with the Company were charged a rate less than the filed rate.
- The Company instructed its agents to use a rounding method contrary to Missouri law that resulted in an overcharge to premium in 12 policies.
- The Centralized Refinance Rate was used by an agency to rate two policies when the agency did not have written authorization to use the rates as required by the Company pursuant to its rate filing, which resulted in one policy being overcharged and the other undercharged.
- In 11 policies, an endorsement was attached and an unfiled rate of \$25 was charged.
- In three policies, the premium was not disclosed on the policy.
- In three policies, the premium reflected on the policy did not match the premium listed on the disclosure or invoice and did not match the filed rate.
- Reissue rates were not applied to policies in a consistent manner. The Company failed to provide underwriting and rating guidelines to its agents regarding the use of reissue rates.
- The Company contracted with agencies to charge and remit premium based on a national rate that included premium and title service fees, instead of the filed rate.

EXAMINATION FINDINGS

I. PRODUCER LICENSING

Missouri law requires the Company to sell its insurance products through individuals and entities, which are licensed by DCI. The Missouri licensing process intends to protect the public interest by requiring title insurance agents to pass an examination in order to qualify for a license. This process seeks to ensure that the prospective producer is competent and trustworthy.

The examiners found the following errors during their review.

A. Agency Terminations

1. The Company provided the contract start dates and termination dates for agencies it contracted with during the examination timeframe. The agency contract terminations were compared to the Company's notifications of agency terminations to the Director for the same time period.

The Company failed to provide notification of agency terminations to the Director for the following four agencies.

Agent ID	Agency Name	License	Term Date
4845.1.72.25	St. Joseph Title And Abstract Company, Inc	4303	11/10/2016
4267.1.74.25	SingleSource Property Solutions, LLC	8036298	6/8/2016
132117.1.72.25	Via Solutions, LP	112507	3/24/2016
7500.1.72.25	Regions Insurance Services of Alabama, Inc.	8019901	6/28/2014

Reference: §§381.018.5 and 375.022, RSMo.

B. Unlicensed Business

1. The Company conducted business selling title insurance to consumers through American Title Group, LLC. American Title Group, LLC did not have an active Business Entity Producer (BEP) license during part of the examination timeframe in which they sold or serviced the Company's title insurance policies. The Company allowed American Title Group, LLC to act on its behalf by underwriting, examining, negotiating, rating and/or selling title insurance products. Conducting the business of title insurance in Missouri requires a proper license issued by the DCI. While unlicensed, American Title Group, LLC sold 65 policies on behalf of the Company and received \$12,377.85 in commission. The Company paid commissions to American Title Group for selling, soliciting, or negotiating insurance in Missouri while it was unlicensed.

Policy No	File No	Eff Date	Producer Last
xxxxxxx-xxxx2952	xxxx-12-57	1/25/2016	American Title Group, LLC
xxxxxxx-xxxx5839	xxxx-12-37	1/25/2016	American Title Group, LLC
xxxxxxx-xxxx3252	xxxx-12-55	1/27/2016	American Title Group, LLC
xxxxxxx-xxxx3083	xxxx-12-33	1/27/2016	American Title Group, LLC

Policy No	File No	Eff Date	Producer Last
xxxxxxx-xxxx5905	xxxx-12-42	1/27/2016	American Title Group, LLC
xxxxxxx-xxxx5984	xxxx-12-51	1/27/2016	American Title Group, LLC
xxxxxxx-xxxx3353	xxxx-12-56	1/27/2016	American Title Group, LLC
xxxxxxx-xxxx6106	xxxx-11-53	1/29/2016	American Title Group, LLC
xxxxxxx-xxxx6207	xxxx-12-48	2/1/2016	American Title Group, LLC
xxxxxxx-xxxx3525	x/1/2316	2/2/2016	American Title Group, LLC
xxxxxxx-xxxx9581	x/6/2316	2/2/2016	American Title Group, LLC
xxxxxxx-xxxx3635	x/10/2316	2/2/2016	American Title Group, LLC
xxxxxxx-xxxx3751	x/5/2316	2/3/2016	American Title Group, LLC
xxxxxxx-xxxx2442	x/9/2316	2/3/2016	American Title Group, LLC
xxxxxxx-xxxx1194	x/7/2316	2/4/2016	American Title Group, LLC
xxxxxxx-xxxx2463	x/13/2316	2/4/2016	American Title Group, LLC
xxxxxxx-xxxx5483	x/3/2316	2/5/2016	American Title Group, LLC
xxxxxxx-xxxx3531	xx/31/2315	2/9/2016	American Title Group, LLC
xxxxxxx-xxxx5122	x/18/2316	2/11/2016	American Title Group, LLC
xxxxxxx-xxxx3826	x/19/2316	2/12/2016	American Title Group, LLC
xxxxxxx-xxxx3732	x/16/2316	2/12/2016	American Title Group, LLC
xxxxxxx-xxxx3126	x/14/2316	2/12/2016	American Title Group, LLC
xxxxxxx-xxxx3927	x/17/2316	2/15/2016	American Title Group, LLC
xxxxxxx-xxxx5728	x/8/2316	2/16/2016	American Title Group, LLC
xxxxxxx-xxxx9411	x/11/2316	2/17/2016	American Title Group, LLC
xxxxxxx-xxxx4081	xxxx-01-34	2/19/2016	American Title Group, LLC
xxxxxxx-xxxx9309	x/15/2316	2/19/2016	American Title Group, LLC
xxxxxxx-xxxx5282	x/20/2316	2/19/2016	American Title Group, LLC
xxxxxxx-xxxx3994	x/29/2316	2/19/2016	American Title Group, LLC
xxxxxxx-xxxx3605	xxxx-12-53	2/19/2016	American Title Group, LLC
xxxxxxx-xxxx4190	x/22/2316	2/22/2016	American Title Group, LLC
xxxxxxx-xxxx4279	x/28/2316	2/23/2016	American Title Group, LLC
xxxxxxx-xxxx1881	xxxx-01-38	2/23/2016	American Title Group, LLC
xxxxxxx-xxxx8599	x/2/2316	2/23/2016	American Title Group, LLC
xxxxxxx-xxxx9518	xxxx-01-35	2/24/2016	American Title Group, LLC
xxxxxxx-xxxx3214	x/25/2316	2/24/2016	American Title Group, LLC
xxxxxxx-xxxx4387	x/31/2316	2/24/2016	American Title Group, LLC
xxxxxxx-xxxx2078	xxxx-01-32	2/26/2016	American Title Group, LLC
xxxxxxx-xxxx9581	x/5/2316	3/2/2016	American Title Group, LLC
xxxxxxx-xxxx8874	x/9/2316	3/2/2016	American Title Group, LLC
xxxxxxx-xxxx8533	x/8/2316	3/3/2016	American Title Group, LLC
xxxxxxx-xxxx8639	x/12/2316	3/3/2016	American Title Group, LLC
xxxxxxx-xxxx5768	x/11/2316	3/3/2016	American Title Group, LLC
xxxxxxx-xxxx5767	x/11/2316	3/3/2016	American Title Group, LLC

Policy No	File No	Eff Date	Producer Last
xxxxxxx-xxxx9657	x/26/2316	3/4/2016	American Title Group, LLC
xxxxxxx-xxxx7994	x/25/2316	3/4/2016	American Title Group, LLC
xxxxxxx-xxxx2240	x/14/2316	3/10/2016	American Title Group, LLC
xxxxxxx-xxxx8073	xxxx-02-31	3/11/2016	American Title Group, LLC
xxxxxxx-xxxx9842	x/18/2316	3/11/2016	American Title Group, LLC
xxxxxxx-xxxx9736	x/4/2316	3/11/2016	American Title Group, LLC
xxxxxxx-xxxx8988	x/16/2316	3/11/2016	American Title Group, LLC
xxxxxxx-xxxx9103	x/21/2316	3/11/2016	American Title Group, LLC
xxxxxxx-xxxx8651	x/23/2316	3/14/2016	American Title Group, LLC
xxxxxxx-xxxx9271	x/24/2316	3/14/2016	American Title Group, LLC
xxxxxxx-xxxx9188	x/15/2316	3/14/2016	American Title Group, LLC
xxxxxxx-xxxx8162	xxxx-02-37	3/15/2016	American Title Group, LLC
xxxxxxx-xxxx2797	xxxx-02-30	3/16/2016	American Title Group, LLC
xxxxxxx-xxxx2836	xxxx-02-36	3/16/2016	American Title Group, LLC
xxxxxxx-xxxx8222	xxxx-02-43	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx2914	xxxx-02-44	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx2867	x/29/2316	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx9243	xxxx-02-48	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx3056	xxxx-02-40	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx8336	xxxx-02-45	3/22/2016	American Title Group, LLC
xxxxxxx-xxxx9314	x/2/2316	3/22/2016	American Title Group, LLC

Reference: §§375.076.1, 381.115, 381.031.1(17) & (19), RSMo.

2. The Company contracted with the following agencies while the agencies were not compliant with Missouri law. The agency contract requires the agent to follow Missouri law, which includes maintaining an agent license. The agencies employed unlicensed persons and/or contracted with unlicensed persons and entities to perform activities requiring licensure as a title agent or agency. The persons or entities listed in the chart below performed an activity that required licensure as a title agent or agency and were not licensed.

Title insurers are required to conduct on-site annual reviews of the title agency and agents with which it has a contract. The purpose of the review is to detect violations of Chapter 381, RSMo, to determine compliance with the Issuing Agency Agreement, and to determine compliance with the underwriting standards and guidelines as established by the insurer. The reviews should include, but are not limited to, 12 areas set out in §381.023.2, RSMo. The agency agreements between the Company and the agencies listed below generally contain a clause that states the agent is to comply with all applicable federal, state, and local laws. Checking the licensure of the people performing insurance related activities on behalf of the Company is within the scope of checking the agency's compliance with the Issuing Agency Agreement. No compliance issues were reported for these agencies in the T-6 reports. The Company's annual reviews were insufficient to detect licensure and agency agreement issues. It is in the interest of the insurer that the persons soliciting, negotiating, selling, and issuing its title insurance policies are properly licensed.

Policy No	File No	Policy Eff Date	Agency	Unlicensed Person/Entity	Activity
xxxxx0935	xxxxx0935	3/12/2014	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx1690	xxxxx1690	5/1/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx4992	xxxxx4992	12/1/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx2976	xxxxx2976	6/24/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx1726	xxxxx1726	5/2/2014	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx1091	xxxxx1091	10/4/2016	Chicago Title Insurance Company	Gustavo Abello	executed policy
xxxxx1155	xxxxx1155	9/20/2013	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx9703	xxxxx9703	3/10/2014	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx3082	xxxxx3082	5/27/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx0126	xxxxx0126	3/24/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx3653	xxxxx3653	10/2/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx1608	xxxxx1608	7/30/2014	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy
xxxxx4248	xxxxx4248	8/19/2015	Chicago Title Company, LLC (DE)	Gustavo Abello	executed policy

Reference: §§381.115.1, .2, .3, & .4, and 381.023, RSMo.

C. T-6 Reviews

1. The Company failed to submit T-6 reports to the DCI for the following two agencies in the years indicated.

Agency	Contract Date	Year No T-6
Chicago Title Company, LLC (DE)	5/12/2011	2014, 2015, 2016
Great American Title Of Missouri, LLC	12/28/2015	2016

Reference: §381.023, RSMo.

II. UNDERWRITING AND RATING PRACTICES

This section of the report provides a review of the Company’s underwriting and rating practices. These practices include the use of policy forms, adherence to underwriting guidelines, assessment of premium, and procedures used to decline coverage. The examiners reviewed how the Company handled issuing policies to ensure that the Company adhered to its own underwriting guidelines, filed rates, and Missouri statutes and regulations.

Because of the time and cost involved in reviewing each policy/underwriting file, the examiners utilized sampling techniques in conducting compliance testing. A policy/underwriting file is reviewed in accordance with 20 CSR 100-8.040 and the *NAIC Market Regulation Handbook*. Error rates are established when testing for compliance with laws that apply a general business practice standard (e.g., §§375.930 – 375.948 and §375.445, RSMo) and compared with the NAIC benchmark error rate of ten percent (10%). Error rates in excess of the NAIC benchmark error rate are presumed to indicate a general business practice. Errors indicating a failure to comply with laws that do not apply the general business practice standard are separately noted as errors and are not included in the error rate calculations.

An error can include, but is not limited to, any miscalculation of the premium based on the information in the file, an improper acceptance or rejection of an application, the misapplication of the Company’s underwriting guidelines, incomplete file information preventing the examiners from readily ascertaining the Company’s rating and underwriting practices, and any other activity indicating a failure to comply with Missouri statutes and regulations.

The Company utilizes direct operations and independently owned agencies to provide its product to Missouri consumers.

The examiners reviewed title and policy files to determine the accuracy of rating and adherence to prescribed and acceptable underwriting criteria.

A. Rates

1. The Company contracted with ServiceLink, LLC to solicit, negotiate, and issue the Company’s title insurance policies. The contract included a “Schedule of Remittances” wherein the Company contracted with ServiceLink, LLC to charge a rate for its policies that was different from the rates that were filed with DCI. This caused an overcharge of premium in 46 policies. Insurers must charge premium according to the rates they have filed with the Director of DCI.

Policy No	File No	Policy Type	Policy Eff Date	Policy Amount	Rate Charged	Rate filed with Dept	Diff in rate charged to filed rate
xx-xxx-xx-xxx5583-01	xxx5583	Simultaneous (Lender)	1/14/2014	133,673.00	15.25	5.89	9.36
xx-xxx-xx-xxx6382-01	xxx6382	Simultaneous (Lender)	2/28/2014	220,000.00	10.00	4.00	6.00
xx-xxx-xx-xxx2850-01	xxx2850	Simultaneous (Lender)	5/14/2014	76,312.00	10.00	4.00	6.00
xx-xxx-xx-xxx5339-01	xxx5339	Simultaneous (Lender)	5/5/2015	98,188.00	10.00	4.00	6.00
xx-xxx-xx-xxx6509-01	xxx6509	Simultaneous (Owner)	3/25/2014	135,000.00	395.00	158.00	237.00

Policy No	File No	Policy Type	Policy Eff Date	Policy Amount	Rate Charged	Rate filed with Dept	Diff in rate charged to filed rate
xx-xxx-xx-xxx4683-01	xxx4683	Simultaneous (Owner)	5/19/2014	185,900.00	497.00	198.72	298.28
xx-xxx-xx-xxx7445-01	xxx7445	Owners	6/3/2014	26,750.00	94.50	37.52	56.98
xx-xxx-xx-xxx0027-01	xxx0027	Owners	6/9/2014	7,000.00	24.50	9.80	14.70
xx-xxx-xx-xxx2029-01	xxx2029	Owners	9/30/2014	11,399.00	42.00	15.96	26.04
xx-xxx-xx-xxx3175-01	xxx3175	Simultaneous (Owner)	12/15/2014	144,250.00	415.00	165.44	249.56
xx-xxx-xx-xxx5036-01	xxx5036	Simultaneous (Owner)	12/23/2014	200,000.00	525.00	210.00	315.00
xx-xxx-xx-xxx7258-01	xxx7258	Owners	10/8/2014	166,524.70	459.00	183.28	275.72
xx-xxx-xx-xxx6587-01	xxx6587	Owners	12/29/2014	23,500.00	84.00	32.90	51.10
xx-xxx-xx-xxx2775-01	xxx2775	Owners	2/10/2015	75,974.03	253.00	101.20	151.80
xx-xxx-xx-xxx0008-01	xxx0008	Owners	8/26/2015	3,103.00	14.00	10.00	4.00
xx-xxx-xx-xxx5148-01	xxx5148	Owners	9/23/2015	129,249.09	385.00	153.44	231.56
xx-xxx-xx-xxx5841-01	xxx5841	Simultaneous (Owner)	9/15/2015	315,000.00	845.00	302.00	543.00
xx-xxx-xx-xxx5190-10	xxx5190	Owners	12/31/2015	3,600.00	14.00	10.00	4.00
xx-xxx-xx-xxx6151-01	xxx6151	Owners	8/10/2016	156,578.12	439.00	175.28	263.72
xx-xxx-xx-xxx5380-01	xxx5380	Owners	8/24/2016	139,759.56	405.00	161.84	243.16
xx-xxx-xx-xx-xxx2140-01	xxx2140	Lenders	11/1/2013	108,279.00	240.75	95.81	144.94
xx-xxx-xx-xx-xxx2841-01	xxx2841	Lenders	12/19/2013	88,271.00	100.00	80.80	19.20
xx-xxxx-xxx-xx-xx-xx-x-xx-xxxx0979	xxxxx0555	SIMULTANEOUS ISSUE	12/30/2013	166,500.00	10.00	4.00	6.00
xx-xxxx-xxx-xx-xxx-xx-x-xx-xxxx2882	xxxxx3988	LOAN POLICY	3/21/2014	100,350.00	226.75	90.28	136.47
xx-xxxx-xxx-xx-xxx-xx-x-xx-xxxx7542	xxxxx2558	REISSUE/REFINANCE	2/21/2014	83,959.00	115.80	77.20	38.60
xx-xxx-xx-xxx8997-01	xxx8997	Simultaneous (Lender)	4/3/2014	111,443.00	10.00	4.00	6.00
xx-xxx-xx-xxx0728-01	xxx0728	Simultaneous (Lender)	3/19/2014	144,892.00	10.00	4.00	6.00
xx-xxx-xx-xxx1230-01	xxx1230	Simultaneous (Lender)	8/8/2014	85,050.00	10.00	4.00	6.00
xx-xxx-xx-xxx8238-01	xxx8238	Simultaneous (Lender)	8/19/2015	106,312.00	10.00	4.00	6.00
xx-xxx-xx-xxx0585-01	xxx0585	Owners	1/21/2014	12,000.00	42.00	16.80	25.20
xx-xxx-xx-xxx0732-01	xxx0732	Simultaneous (Owner)	6/20/2014	52,000.00	181.00	72.80	108.20
xx-xxx-xx-xxx9672-01	xxx9672	Owners	8/11/2014	61,951.85	211.00	84.40	126.60
xx-xxx-xx-xxx0330-01	xxx0330	Simultaneous (Owner)	10/27/2014	122,000.00	369.00	117.60	251.40
xx-xxx-xx-xxx3786-01	xxx3786	Owners	2/4/2015	156,727.17	439.00	175.44	263.56
xx-xxx-xx-xxx5927-01	xxx5927	Owners	10/10/2014	110,896.00	347.00	138.72	208.28
xx-xxx-xx-xxx5401-01	xxx5401	Owners	10/30/2014	33,900.00	119.00	47.46	71.54
xx-xxx-xx-xxx0882-01	xxx0882	Owners	6/9/2015	20,166.06	73.50	28.28	45.22
xx-xxx-xx-xxx2322-01	xxx2322	Owners	3/10/2015	40,765.56	143.50	57.12	86.38
xx-xxx-xx-xxx4346-01	xxx4346	Owners	4/15/2016	88,960.97	292.00	116.32	175.68
xx-xxx-xx-xxx7441-01	xxx7441	Simultaneous (Owner)	4/19/2016	330,000.00	785.00	314.00	471.00
xx-xxx-xx-xxx3946-01	xxx3946	Owners	8/23/2016	20,300.00	73.50	28.42	45.08
xx-xxx-xx-xxx5959-01	xxx5959	Owners	11/3/2015	177,435.35	481.00	192.00	289.00
72-300-06-3415891-01	xxx5891	Owners	4/14/2016	53,349.25	187.00	74.08	112.92
xx-xxxx-xxx-xx-xxx-xx-x-xx-xxxx8278	xxxxx2747	LOAN POLICY	1/15/2014	80,332.00	125.00	100.00	25.00
xx-xxxx-xxx-xx-xxx-xx-x-xx-xxxx5997	xxxxx6806	LOAN POLICY	11/22/2013	116,011.00	320.00	101.27	218.73
xx-xxxx-xxx-xx-xxx-xx-x-xx-xxxx2534	xxxxx6240	LOAN POLICY	2/28/2014	99,647.00	250.00	89.76	160.24

The Company received its split of the premium as defined in the contract based on the unfiled rate. It appears the Company does not perform any checks or reconciliation of policies issued and the amounts of liability versus premium remitted.

Title insurers are required to conduct on-site annual reviews of the title agency and agents with which it has a contract. The purpose of the review is to detect violations of Chapter 381, RSMo, to determine compliance with the Issuing Agency Agreement, and to determine compliance with the underwriting standards and guidelines as established by the insurer. The reviews should include, but are not limited to, 12 areas set out in §381.023.2, RSMo. One of the areas listed is, “Reconciliation of orders with commitments, title searches, title policies, and collection of premiums.” A review of the rate charged for the policy should be a part of this review. The Company’s annual reviews failed to detect that the rate charged for Missouri policies was not the filed rate.

Reference: §§381.181.1, .2, .3, 381.023.1 & .2, RSMo., and 20 CSR 500-7.080.

2. In two policies, the premium charged was less than the amount calculated using the risk rate filed with the Director, resulting in premium underpayments. Insurers must charge premium according to the rates they have filed with the Director.

Policy No	File No	Policy Type	Policy Eff Date	Policy Amount	Rate Charged	Rate filed with Dept	Diff in rate charged to filed rate
xx-xxx-xx-xxx7038-01	xxx7038	Owners	11/5/2014	62,959.93	10.00	85.60	-75.60
xx-xxx-xx-xx-xxx2403-01	xxx2403	Lenders	11/26/2013	133,458.00	100.00	113.45	-13.45

Reference: §381.181.1, .2, & .3, RSMo.

3. The following two tables show the incorrect premium charged to an insured. Insurers must charge premium according to the rates they have filed with the Director of the DCI.

a. In 15 policies, the premium charged to the insured was inconsistent with the risk rate filed with the Director resulting in an overpayment of premium.

Policy No	File No	Policy Type	Agency Name	Policy Amount	Premium in Data	Premium on Policy	Premium on disclosure	Premium calculated by Examiner	Overage
xxxxx0935	xxxxx0935	OPO	Chicago Title Company, LLC (DE)	87,000.00	86.40	86.40	86.40	84.00	2.40
xxxxxxx-xxxx6546	xxxx3809	REISSUE LOAN	Amrock Inc.	181,343.00	88.44	220.47	220.47	88.20	132.27
xxxxxxx-xxxx0110	xxxx0017	REISSUE LOAN	Amrock Inc.	107,470.00	57.36	142.88	142.88	57.15	85.73

Policy No	File No	Policy Type	Agency Name	Policy Amount	Premium in Data	Premium on Policy	Premium on disclosure	Premium calculated by Examiner	Overage
xxxxxxx-xxxx4568	xxxx-01-95	BASIC OWNERS	Title Star Agency, LLC	173,800.00	473.00			189.04	283.96
xxxxxxx-xxxx6712	x/8/2415	REISSUE OWNERS	Title Star Agency, LLC	180,000.00	291.00			194.00	97.00
xxxx1091	xxxx1091	OPO	Chicago Title Insurance Company	8,840.00	325.00		325.00	12.46	312.54
xxxxxxx-xxxx5489	xxx57/RJ	REISSUE OWNERS	Rieschel & Rieschel, L.C.	28,900.00	82.60	33.04	33.04	31.50	1.54
xxxxxxx-xxxx3624	xxxx2304	REISSUE LOAN	Amrock Inc.	138,045.00	70.38	200.01	200.01	70.00	130.01
xxxxxxx-xxxx2201	xxxx1976	REISSUE LOAN	Amrock Inc.	67,100.00	38.64	95.52	95.52	38.21	57.31
xxxxxxx-xxxx8827	xxxx2764	REISSUE LOAN	Amrock Inc.	170,850.00	85.50	214.00	214.00	83.77	130.23
xxxxxxx-xxxx8151	xxxx4724	REISSUE LOAN	Amrock Inc.	186,550.00	90.54	225.93	225.93	90.37	135.56
xxxxxxx-xxxx0728	xxxx6387	REISSUE LOAN	Amrock Inc.	172,125.00	89.98	223.69	223.69	89.41	134.28
xxxxxxx-xxxx2071	xxxx7166	REISSUE LOAN	Amrock Inc.	110,700.00	69.70	173.73	173.73	69.49	104.24
xxxxxxx-xxxx8886	xxxx6753	BASIC LOAN	Amrock Inc.	104,300.00	56.10	139.51	139.52	93.01	46.51
xxxxxxx-xxxx5538	xxxx1049	BASIC LOAN	Amrock Inc.	270,000.00	120.36	322.25	322.25	209.00	113.25

Reference: §381.181.1, .2, & .3, RSMo, and 20 CSR 500-7.100(2)(A) & (B).

b. In five policies, the premium charged to the insured was inconsistent with the risk rate filed with the Director resulting in an underpayment of premium.

Policy No	File No	Policy Type	Agency Name	Policy Amount	Premium in Data	Premium on Policy	Premium on disclosure	Premium calculated by Examiner	Undercharge
xxxxxxx-xxxx8071	xxx9084	REISSUE OWNERS	Boone-Central Title Company	202,000.00	130.80	130.80	130.80	130.96	-0.16
xxxxxxx-xxxx7586	xxxx6340	BASIC LOAN	Wiggins Abstract Company	89,325.00	48.91	48.91	48.91	50.26	-1.35
xxxxxxx-xxxx4554	xxxx5292	BASIC LOAN	Wiggins Abstract Company	81,333.00	45.07	45.07	45.07	51.60	-6.53

XXXXXXX- XXXX7426	XXXX6425	BASIC LOAN	Amrock Inc.	179,715.00	87.60	87.60	87.60	145.86	-58.26
XXXXXXX- XXXX5679	XXXX5802	REISSUE LOAN	Amrock Inc.	77,286.00	43.44	26.94	26.94	43.10	-16.16

Reference: §381.181.1, .2, & .3, RSMo, and 20 CSR 500-7.100(2)(A) & (B).

4. The Company instructed its agents to round liability amounts to the next highest thousand instead of the next highest hundred.

Several underwriting files in our sample contained a print out of a rate calculator titled “CTIC FAMILY OF COMPANIES RATE CALCULATOR Kansas and Missouri.” Instructions on the rate calculator state, “All liability amounts should be rounded to the next highest thousand and entered without the last three zero’s.”

20 CSR 500-7.100 (2)(B) states, “when computing insurance premiums on a fractional thousand of insurance (except as to minimum premiums), multiply those fractional thousands by the rate per thousand applicable, considering any fraction of one hundred dollars (\$100) as a full one hundred dollars (\$100).”

In 12 policies, the risk rate was rounded to the next highest one thousand instead of one hundredth, causing an overcharge of premium.

Policy No	File No	Policy Type	Agency Name	Policy Amount	Risk Rate on Policy	Risk Rate by rounding to 100s
XXXXXXXX-XXXX0728	xxx3194	BASIC OWNERS	United Land Title, LLC	97,500.00	127.60	127.00
XXXXXXXX-XXXX9442	xxx-xxxx-xx-xxx2-S01	BASIC OWNERS	Select Title Group LLC	134,250.00	158.00	157.44
XXXXXXXX-XXXX3470	xxx-xxxx-xx-xxx6-S01	BASIC OWNERS	Select Title Group LLC	163,200.00	181.20	180.56
XXXXXXXX-XXXX2230	xxx-xxxx-xx-xxx9-C00	BASIC LOAN	Clear Title Group	175,500.00	143.20	142.85
XXXXXXXX-XXXX7848	xxx-xxxx-xx-xxx1-C00	BASIC LOAN	Clear Title Group	136,900.00	115.90	115.83
XXXXXXXX-XXXX4250	xxxx-06-37	BASIC LOAN	Title Star Agency, LLC	96,662.00	87.60	87.36
XXXXXXXX-XXXX0037	x/13/2415	REISSUE LOAN	Title Star Agency, LLC	116,758.00	61.14	61.06
XXXXXXXX-XXXX0925	x5-086	REISSUE OWNERS	Mike Keith Abstract & Title, Inc.	191,500.00	122.16	121.92
XXXXXXXX-XXXX3562	xxx9198	BASIC LOAN	Deed Research, Inc	108,500.00	57.78	57.57
XXXXXXXX-XXXX7737	xxxx6627	REISSUE LOAN	Amrock Inc.	103,560.00	55.68	55.51
XXXXXXXX-XXXX8439	xxxx2955	REISSUE LOAN	Amrock Inc.	150,050.00	75.07	75.04

Policy No	File No	Policy Type	Agency Name	Policy Amount	Risk Rate on Policy	Risk Rate by rounding to 100s
xxxxxxx-xxxx5312	xxxx3637	REISSUE LOAN	Amrock Inc.	341,725.00	155.64	155.56

Reference: §381.181, RSMo, and 20 CSR 500-7.100 (2)(B).

5. The Company’s rate filing effective May 13, 2011 contains a Centralized Refinance Rate, wherein an agent can charge the rate on loan transactions that meet the following criteria:

1. The loan is not in excess of \$1,500,000.00;
2. The loan is secured by a mortgage or deed of trust encumbering real property improved with a one-to-four family residential dwelling unit or residential condominium unit;
3. The loan proceeds must be used to refinance an existing loan secured by the same property;
4. Electronic and paperless order opening and electronic and paperless delivery of the preliminary report or commitment; and
5. The new policy coverage is ALTA in form (including and ALTA Loan Policy or ALTA Short Form Residential Loan Policy) with streamlined searching providing for generic exceptions for CC&Rs, easements, minerals, mineral rights or survey matters.

Note 1: Not applicable to construction loans or loan policies issued concurrently with owner’s policies.

Note 2: There is no additional charge for any endorsements customarily issued concurrently with a policy priced pursuant to this Section when requested at the time of policy issuance.

Note 3: No agent or underwritten title company may offer this rate unless expressly authorized in writing by the Company’s management to do so for each lender.

The Centralized Refinance Rate for liability amounts between \$1 and \$250,000 is \$100. In two policies, the agent charged the insured the Centralized Refinance Rate. According to the Company, the agent did not have express written authorization by the Company’s management to use the Centralized Refinance Rate. “Note 3” of the rate filing requires this authorization. The rates charged were inconsistent with the Company’s filed rate. The use of the Centralized Refinance Rate, when not expressly authorized, resulted in an overcharge for one policy and an undercharge for the other.

Policy No	File No	Policy Type	Policy Eff Date	Agency Name	Policy Amount	Risk Rate in Data	Risk Rate on Policy	Risk Rate on MO disclosure/ HUD	Rate as filed
xxxxxxx-xxxx6364	xxx547-1	BASIC LOAN	5/19/2014	National Link, LP	79,850.00	100.00	100.00	100.00	73.92
xxxxxxx-xxxx6494	xxx464-1	BASIC LOAN	9/4/2014	National Link, LP	160,000.00	100.00	100.00	100.00	132.00

Reference: §381.181.1, .2, & .3, RSMo, and 20 CSR 500-7.100(2)(A) & (B).

6. In 11 policies, the insured was charged \$25 in premium for the ALTA 8.1 Environmental Protection Lien endorsement, which is an unfiled rate. Rates must be filed with the Director prior to use.

Policy No	File No	Policy Type	Agency Name
xxxxxxx-xxxx3624	xxxx2304	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx2201	xxxx1976	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx8827	xxxx2764	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx2071	xxxx7166	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx8886	xxxx6753	BASIC LOAN	Amrock Inc.
xxxxxxx-xxxx0532	xxxx0039	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx5538	xxxx1049	BASIC LOAN	Amrock Inc.
xxxxxxx-xxxx0608	xxxx1877	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx8552	xxxx1018	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx5312	xxxx3637	REISSUE LOAN	Amrock Inc.
xxxxxxx-xxxx8948	xxxx1322	REISSUE LOAN	Amrock Inc.

Reference: §381.181.1, .2, & .3, RSMo, and 20 CSR 500-7.100(2)(A).

7. The following list of policies and agencies were wrote under contract with the Company to charge and remit based on a “National Rate” which differs from the filed rate. The column labeled “Risk Rate in Data (National Rate)” is the premium amount based on the contract, the amount reported and remitted to the Company by its agents, and the amount reported to the Director, but not the rate the Company filed.

File No	Policy Type	Agency Name	Policy Amount	Risk Rate in Data (National Rate)	AGT RET PREM	NET (REMIT) PREM	Premium based on filed risk rate	% prem contracted to remit to CTIC	% prem actually remitted to CTIC (filed rate)
xx-x7855	BASIC OWNERS	St. Joseph Title And Abstract Company, Inc	202,900.00	305.00	244.00	61.00	212.40	20%	29%
x4-433	BASIC OWNERS	Mike Keith Abstract & Title, Inc.	218,000.00	561.00	392.70	168.30	224.40	30%	75%
x5-086	REISSUE OWNERS	Mike Keith Abstract & Title, Inc.	191,500.00	305.40	213.78	91.62	122.16	30%	75%
xxx92/KC	REISSUE OWNERS	Rieschel & Rieschel, L.C.	75,000.00	203.80	132.47	71.33	81.52	35%	88%
xxx13/KC	REISSUE LOAN	Rieschel & Rieschel, L.C.	81,900.00	114.20	74.23	39.97	45.36	35%	88%

File No	Policy Type	Agency Name	Policy Amount	Risk Rate in Data (National Rate)	AGT RET PREM	NET (REMIT) PREM	Premium based on filed risk rate	% prem contracted to remit to CTIC	% prem actually remitted to CTIC (filed rate)
xxx57/RJ	REISSUE OWNERS	Rieschel & Rieschel, L.C.	28,900.00	82.60	53.69	28.91	33.04	35%	88%
xxx3-036	BASIC LOAN	Ste Genevieve County Abstract Co Inc	90,000.00	205.00	143.50	61.50	82.00	30%	75%
xxx4-010	SIMULTANEOUS LOAN	Ste Genevieve County Abstract Co Inc	25,000.00	10.00	7.00	3.00	4.00	30%	75%
xxx4-043	BASIC OWNERS	Ste Genevieve County Abstract Co Inc	74,000.00	247.00	172.90	74.10	98.80	30%	75%
x9277	REISSUE LOAN	Cole County Abstract & Title Co.	186,000.00	10.00	8.00	2.00	4.00	20%	50%
x3705	SIMULTANEOUS LOAN	Cole County Abstract & Title Co.	124,128.00	10.00	8.00	2.00	4.00	20%	50%
x3756	REISSUE OWNERS	Cole County Abstract & Title Co.	127,000.00	282.60	226.08	56.52	113.04	20%	50%
x3456	SIMULTANEOUS LOAN	Cole County Abstract & Title Co.	123,000.00	10.00	8.00	2.00	4.00	20%	50%
xxxx-01-95	BASIC OWNERS	Title Star Agency, LLC *	173,800.00	473.00	402.05	70.95	189.04	15%	38%
x/8/2415	REISSUE OWNERS	Title Star Agency, LLC *	180,000.00	291.00	247.35	43.65	194.00	15%	23%
xxxx-08-89	REISSUE LOAN	Title Star Agency, LLC	204,000.00	244.20	207.57	36.63	97.68	15%	38%
x/1/2514	BASIC LOAN	Title Star Agency, LLC	128,000.00	274.00	232.90	41.10	109.60	15%	38%
xxxx-06-37	BASIC LOAN	Title Star Agency, LLC	96,662.00	219.00	186.15	32.85	87.60	15%	38%
xx/29/2414	REISSUE LOAN	Title Star Agency, LLC	168,000.00	206.40	175.44	30.96	82.56	15%	38%
xxxx-04-75	REISSUE LOAN	Title Star Agency, LLC	184,000.00	223.20	189.72	33.48	89.28	15%	38%
x/13/2415	REISSUE LOAN	Title Star Agency, LLC	116,758.00	152.85	129.92	22.93	61.14	15%	38%
xxxx-10-43	REISSUE LOAN	Title Star Agency, LLC	126,170.00	163.35	138.84	24.51	109.10	15%	22%
xxxx-03-83	REISSUE LOAN	Title Star Agency, LLC	312,000.00	357.60	303.96	53.64	143.04	15%	38%
xxxx223C	REISSUE OWNERS	Staton Abstract & Title Company	20,000.00	42.00	29.40	12.60	16.80	30%	75%
xxxx602C	BASIC OWNERS	Staton Abstract & Title Company	76,500.00	254.50	178.15	76.35	101.80	30%	75%
xxxx285C	REISSUE OWNERS	Staton Abstract & Title Company	13,000.00	45.60	31.92	13.68	9.20	30%	149%

File No	Policy Type	Agency Name	Policy Amount	Risk Rate in Data (National Rate)	AGT RET PREM	NET (REMIT) PREM	Premium based on filed risk rate	% prem contracted to remit to CTIC	% prem actually remitted to CTIC (filed rate)
xxxx039C	SIMULTANEOUS LOAN	Staton Abstract & Title Company	54,000.00	10.00	7.00	3.00	4.00	30%	75%
xxx300c	BASIC OWNERS	Boyd & Boyd, Inc.	134,000.00	393.00	275.10	117.90	157.20	30%	75%

a. The Company contracted with the following agencies to “quote, charge and collect rates” that were different from the rates filed with the Director.

The “Schedule of Rates and Remittances” attached to and forming a part of the contract between the Company and the agency states the following:

In paragraph one, “Attached hereto and incorporated herein is a Schedule of Rates setting forth the rates for title insurance of Principal for the area covered by this contract. Agent shall quote, charge and collect said rates for each policy issued.”

In paragraph three, “If said manual does not include service or processing charges, Agent shall determine and fix those charges in accordance with his usual customary practices.”

In paragraph four, “For each commitment, policy and endorsement of Principal, the order for which was initiated by Agent, and which is issued by Agent pursuant to this contract, Agent shall report and remit xx% of the rates set forth in the manual referred to in Paragraph numbered “1” of this Schedule, including simultaneous issue...”

In paragraph four, “Principal’s compensation shall be the amount required to be remitted hereunder by Agent. Agent’s compensation shall be the rates and charges herein required to be collected, less the amounts to be remitted to Principal.”

The Company contracted with these agencies to quote, charge and collect rates for policies that are higher than the filed rates, and to remit a percentage of the higher unfiled rates to the Company based on the percentage agreed upon in the contract. Section 381.181.2 states, “No title insurer or title agent may use or collect any premium after September 28, 1987, except in accordance with the premium schedules filed with the director as required by subsections 1 and 2 of this section...” The contract is wrote in such a way as to conflict with Missouri law.

The contract also states agents shall fix the service and processing charges in accordance with the usual and customary practice. Contracting to remit a percentage of premium not based on the filed rate, but on a higher “national rate” may cause the

agent to “fix” its service fees and charges higher to offset the additional remittance to the Company.

While the amount shown on the HUD settlement statement or other disclosure may match the filed rate, the reporting of premium and remittance to the Company was based on the unfiled “National Rate”, which consists of the filed rate and agency title service fees.

Reference: §381.181.1 & .2, RSMo.

b. The Company provided its agents with a rate calculator that calculates the unfiled rate (rates in the “Schedule of Rates and Remittances” that is part of the contract) and the filed rate based on the policy amount. The calculator includes a “Reported Premium” and a “Premium/Risk Rate” with an explanation that “Reported Premium” is for agents who report based upon this rate. The Company stated that the reported premium amount on the rate calculator, which is the “National Rate,” and the percentage share remitted to Chicago Title consisted of fees and premium. The “National Rate” are the rates in the “Schedule of Rates and Remittances” attached to the contract. In contracting for a remittance percentage based on the “National Rate”, the Company is receiving a percentage of the service fees charged to the insured by the agency. For example, some agency contracts indicate a 30% remittance based on the rates in the “Schedule of Rates and Remittances.” Since these rates are comprised of the filed risk rate and the agency fees, in this example the Company is receiving 30% of the filed risk rate and 30% of the agency fees.

20 CSR 700-1.150(2) reads, “*In order to charge an incidental fee, the insurer or insurance producer is required to actually perform a service or incur a cost.*” Since the Company has not incurred a cost or performed a service related to the fees charged by the agency, the Company is not entitled to any part of the fees charged.

Reference: §375.052, RSMo and 20 CSR 700-1.150(2).

c. The Company uses the “reported premium” or “National Rate” amount to calculate the premium tax that it reports to the DCI. The Company has reported to the Director a premium amount not based on its filed rate. The premium reported is comprised of the filed rate and agency service fees. Section 148.370 states that insurers shall pay a tax upon direct premiums received by it from policyholders in this state. Section 381.031.1(14) defines premium as “*risk rates charged to the insured*”. 20 CSR 500-7.090 defines risk rate as the “*total consideration paid by or on behalf of the insured for a title insurance policy. Risk rate shall include the title insurance agent's commission but shall not include any charge as defined in subsection (1)(A).*” (emphasis added) Subsection (1)(A) defines “charge” as “*any fee charged to the insured, or paid for the benefit of the insured, for the performance of title-related services other than the risk rate charged for title insurance. This charge shall include, but not be limited to, fees for abstracts, title search and examination and handling of escrows, settlement, or closings.*” 20 CSR 700-1.150(6) states, “*All incidental fees charged to the insured or applicant for insurance by the insurer shall be considered premium for purposes of the premium tax imposed pursuant to section 148.320, RSMo.*” In this case, the title service fees are charged to the insured by the agent

not by the Company and should not be considered part of the premium. The Company did not incur a cost or perform a service for which the fees were charged. The Company is improperly reporting premium to the Director.

Reference: §§148.370, & 381.031.1(14), RSMo and Regulations 20 CSR 500-7.090 & 20 CSR 700-1.150(6)

d. The Company treats the national rate as the premium charged and collected by its agents for all insurance policies issued by the agents under this type of contract. This is evidenced by the way the contract is written, how it's reported and remitted to the Company by agents, and that it is reported as premium by the Company for tax purposes. However, it is not disclosed to the consumer as such. On the Missouri required disclosures, the agency discloses only the premium based on the filed risk rate. This is an improper disclosure to consumers of the premium actually charged. Insureds should know the actual premium being charged, even though it is an unfiled rate.

Reference: §§375.936(6)(a), & 381.019.1, RSMo.

B. Underwriting

The Company has not provided any formal underwriting guidance to agents regarding reissue rates.

However, several underwriting files contained a copy of the Fidelity National Financial National Rate Calculator for the underwriter, Chicago Title Insurance Company, which indicated that to be eligible for the reissue rate on an owners policy, "the new policy must be issued to a purchaser or lessee of real estate from a person whose title as Owner has previously been insured by any company prior to the application for the new policy." For a Loan policy to be eligible for the reissue rate it states, "the new mortgage title insurance policy must be issued for an Owner of property who has had the title to such property previously insured as Owner by any title insurer." The National Rate Calculator was utilized by the Company's agents and was found in many underwriting files in our sample.

The reissue rate is not consistently being applied by the Company's agents. Without formal underwriting guidance from the Company on when to apply the reissue rate, rates may be applied by the Company's agents in an unfairly discriminatory manner.

For example, policy number xxxxxxx-xxxx3534 was issued by Franklin County Title Company. The reissue rate was applied even though two of the prior policies were underwritten by a title insurer other than Chicago Title. The policy covered multiple properties that were on several prior title policies.

For policy number xxxxxxx-xxxx2485 issued by Boyd & Boyd, Inc. the reissue rate was not given. The Company stated that the agent utilized its prior work and examination from a prior policy and transaction but, since the prior policy was issued on a different title insurer, it did not qualify for

the reissue rate. This is inconsistent with policy number xxxxxxx-xxxx3534 and with the information on the National Rate Calculator.

Depending on the agency used for title insurance, a purchaser of the Company’s title insurance may or may not receive the reissue rate when the policy is eligible. Title insurers are required to establish underwriting guidelines.

Reference: §§381.018.4 and 381.171.1, RSMo.

C. Disclosures

1. In three policies, the premium was not disclosed. All policies and standard form endorsements are required to contain the premium collected for the issuance of the policy as calculated from the filed risk rate. The Company’s policy forms were not used as filed.

Policy No	File No	Policy Type	Agency Name
xxxxxxx-xxxx4568	xxxx-01-95	BASIC OWNERS	Title Star Agency, LLC
xxxxxxx-xxxx6712	x/8/2415	REISSUE OWNERS	Title Star Agency, LLC
xxxx1091	xxxx1091	OPO	Chicago Title Insurance Company

Reference: §381.085, RSMo and 20 CSR 500-7.130(1)(B).

2. The premium shown on the three policies does not match the premium listed on the disclosure or invoice, nor does it match the filed risk rate. All policies and standard form endorsements are required to contain the premium collected for the issuance of the policy as calculated from the filed risk rate.

Policy No	File No	Policy Type	Agency Name	Policy Amount	Risk Rate in Data	Risk Rate on Policy	Risk Rate on invoice or disclosure	Risk Rate calculated by Examiner
xxxxxxx-xxxx7367	xxx-xxxx-xx-xxx4-S04	BASIC LOAN	Select Title Group LLC	319,500.00	4.00	244.00	4.00	4.00
xxxxxxx-xxxx5793	xxx-xxxx-xx-xxx0-S09	BASIC LOAN	Select Title Group LLC	240,562.00	4.00	188.70	4.00	4.00
xxxxxxx-xxxx1278	xxxx285C	REISSUE OWNERS	Staton Abstract & Title Company	13,000.00	45.60	9.20	18.20	16.80

Reference: §381.085, RSMo., and 20 CSR 500-7.130(1)(B)

III. CRITICISMS AND FORMAL REQUESTS TIME STUDY

This study is based upon the time required by the Company to provide the examiners with the requested material or to respond to criticisms. Missouri law requires companies to respond to criticisms and formal requests within 10 calendar days. In the event an extension was requested by the Company and granted by the examiners, the response was deemed timely if it was received within the subsequent time frame granted. If the response was not received within that time period, the response was not considered timely.

A. Criticism Time Study

Calendar Days	Number of Criticisms	Percentage
Received within the time limit including any extensions	14	93%
Received outside time limit including any extensions	1	7%
Total	15	100%

Reference: §374.205.2(2), RSMo.

B. Formal Request Time Study

Calendar Days	Number of Requests	Percentage
Received within the time limit including any extensions	22	100%
Received outside time limit including any extensions	0	0%
Total	22	100%

Reference: §374.205.2(2), RSMo.

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Chicago Title Insurance Company (NAIC #50229), Examination Number 1712-81-TGT. This examination was conducted by Martha Long and Julie Hesser. The findings in the Final Report were extracted from the Market Conduct Examiner's Draft Report, dated September 19, 2019. Any changes from the text of the Market Conduct Examiner's Draft Report reflected in this Final Report were made by the Chief Market Conduct Examiner or with the Chief Market Conduct Examiner's approval. This Final Report has been reviewed and approved by the undersigned.



6-23-2020

Date

Stewart Freilich

Chief Market Conduct Examiner