

DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

In Re:)
)
AMERICAN GUARANTY TITLE) **Market Conduct Investigation No. 415459**
INSURANCE COMPANY)
(NAIC # 150-51411))
)

ORDER OF THE DIRECTOR

NOW, on this 10th day of April, 2024, Director, Chlora Lindley-Myers, after consideration and review of the Stipulation of Settlement and Voluntary Forfeiture (hereinafter “Stipulation”) entered into by the Division of Insurance Market Regulation (hereinafter “Division”), and American Guaranty Title Insurance Company (hereinafter “AGTIC”), relating to the market conduct investigation no. 415459, does hereby issue the following orders:

This order, issued pursuant to §374.046.15¹ and §374.280 is in the public interest.

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

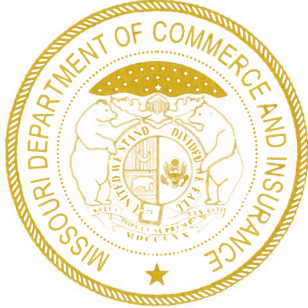
IT IS FURTHER ORDERED that AGTIC shall not engage in any of the violations of statutes and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain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

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

IT IS FURTHER ORDERED that AGTIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$18,500.00, payable to the Missouri State School Fund.

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 10th day of April, 2024.



Chlora Lindley-Myers
Chlora Lindley-Myers
Director

IN THE DEPARTMENT OF COMMERCE AND INSURANCE
STATE OF MISSOURI

In Re:)
)
AMERICAN GUARANTY TITLE) Market Conduct Investigation No. 415459
INSURANCE COMPANY)
(NAIC # 150-51411))
)

STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter the “Division”), and American Guaranty Title Insurance Company (hereinafter “AGTIC”), 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, AGTIC 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 investigation of AGTIC, investigation case no. 415459; and

WHEREAS, based on the market conduct investigation of AGTIC, the Division alleges that:

1. In 38 instances, AGTIC used three unlicensed entities and other entities who used unlicensed third-party vendors to run title searches in conjunction with the issuance of a title insurance policy in Missouri, in violation of § 381.115.4 RSMo.¹

¹ All statutory references, unless otherwise noted, are to the 2016 Revised Statutes of Missouri.

2. In 24 instances, AGTIC did not first obtain proof that an unlicensed entity was operating in compliance with rules and regulations in Missouri prior to issuing policies based on full title searches completed by this entity, in violation of § 381.115.8.

3. In two instances, AGTIC's conduct was not consistent with sound underwriting practices in that AGTIC issued title insurance policies without full title searches after receiving the limited property reports, in violation of § 381.071.1(2) and 20 CSR 500-7.200(1).

WHEREAS, the Division and AGTIC have agreed to resolve the issues raised in the market conduct investigation 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.** AGTIC agrees to take remedial action bringing it into compliance with the statutes and regulations of Missouri and agrees to maintain those remedial actions at all times. Such remedial actions shall include the following:

1. AGTIC shall conduct an audit back to March 3, 2016, to ensure that no other limited title searches were used in the issuance of a title insurance policy without a full title search by a licensed vendor. AGTIC shall report the findings back to the Department in a format acceptable to the Department, within 30 days after the completion of the audit.

2. AGTIC shall conduct an audit back to March 3, 2016, to ensure that no other full title searches by unlicensed vendors were used in the issuance of the title insurance policy in Missouri. AGTIC shall report the findings back to the Department in a format acceptable to the Department.

3. AGTIC shall implement an annual audit of the software operating system that tracks the licensing status of the vendors in Missouri to ensure only licensed vendors are being used to run full title searches. AGTIC shall conduct this audit for a period of five years from the date the Director of the Department (hereinafter "Director") signs an Order approving this Stipulation.

4. AGTIC shall conduct a random audit every six months to ensure that the title insurance policies are issued appropriately with full searches conducted by licensed vendors and in compliance with Missouri law. AGTIC shall provide a report to the Department of the first two audits, in a format acceptable to the Department. AGTIC shall conduct this audit for a period of five years from the date the Director signs an Order approving this Stipulation.

C. **Compliance.** AGTIC agrees to file documentation pursuant to § 374.190 with the Division, in a format acceptable to the Division, within 90 days of the entry of an Order approving this Stipulation, of any remedial action taken to implement compliance with the terms of this Stipulation.

D. **Voluntary Forfeiture.** AGTIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$18,500.00, such sum payable to the Missouri State School Fund, in accordance with §§ 374.049.11 and 374.280.2.

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

F. **Waivers.** AGTIC, after being advised by legal counsel, does hereby voluntarily and knowingly waive any and all rights to 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 market conduct investigation no. 415459.

G. **Amendments.** No amendments to this Stipulation shall be effective unless made in

writing and agreed to by authorized representatives of the Division and AGTIC.

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

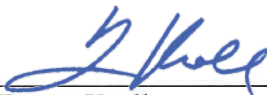
I. **Authority.** The signatories below represent, acknowledge and warrant that they are authorized to sign this Stipulation, on behalf of the Division and AGTIC, respectively.

J. **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 by facsimile or by electronically transmitted signature shall be fully and legally effective and binding.

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of an Order by the Director approving this Stipulation.


L. **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: April 8, 2024



Teresa Kroll
Chief Market Conduct Examiner
Division of Insurance Market Regulation

DATED: April 2, 2024



Name: RONALD BLITENTHAL
Title: VP, REGULATORY COUNSEL
American Guaranty Title Insurance Company