

**IN THE DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI**

In Re:)
)
AMERICAN GUARANTY TITLE INSURANCE) **Market Conduct Investigation**
COMPANY (NAIC #51411)) **No. 313016**

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 (NAIC #51411) (hereinafter "AGTIC"), as follows:

WHEREAS, the Division is a unit of the Missouri Department of Insurance, Financial Institutions and Professional Registration (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 in Missouri; and

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

WHEREAS, the Division conducted a Market Conduct Investigation of AGTIC, investigation #313016; and

WHEREAS, based on the Market Conduct Investigation of AGTIC, the Division alleges that:

1. In 134 instances, AGTIC used and collected premiums at rates that had not been filed with the Director in violation of §381.181, RSMo 1994, 20 CSR 7.100(2)(A), and 20 CSR 7.130(1)(B).

2. In two instances, AGTIC terminated an agency relationship and reported the termination and the reasons for the termination to the Director, but failed to timely file the report

within seven days in violation of §381.018.5¹.

3. In one instance, AGTIC terminated an agency relationship but failed to report the termination and the reasons for the termination to the Director within seven days in violation of §381.018.5.

WHEREAS, during the investigation AGTIC reported that there were policies issued or delivered to the insured 2-3 years after the policy effective date.

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, but are not limited to, the following:

1. AGTIC agrees that the Company and its agents will only use risk rates consistent with risk rates filed by the Company with the Department. AGTIC agrees if it has not already, to modify their rate manual to conform to the risk rates previously filed by the Company with the Department.

2. AGTIC has represented that they have conducted a review of Missouri policies for 2013-2017, to determine if consumers were overcharged based on the use of incorrect risk rates. AGTIC provided a total restitution of \$13,400 to those affected consumers.

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

3. If AGTIC terminates its contract with a title agency, AGTIC agrees within seven (7) days of the termination, to notify the Director of the termination and of the reasons for termination pursuant to §381.018.5.

4. AGTIC agrees that it will timely issue/deliver policies to its insured as required by §381.038.3.

C. **Compliance.** AGTIC agrees to file documentation with the Division, in a format acceptable to the Division, within 30 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. Such documentation is provided pursuant to §374.190.

D. **Voluntary Forfeiture.** AGTIC agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$450.00 such sum payable to the Missouri State School Fund, in accordance with §374.280.

E. **Other Penalties.** The Division agrees that it will not seek penalties against AGTIC, other than those agreed to in this Stipulation, in connection with Market Conduct Investigation #313016.

F. **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 examinations.

G. **Waivers.** AGTIC, 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 Market Conduct Investigation #313016.

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

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

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

K. **Effect of Stipulation.** This Stipulation shall not become effective until entry of a Final Order by the Director of the Department (hereinafter 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: 7/19/2019



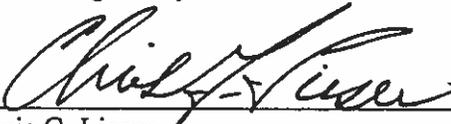
Angela L. Nelson, Director
Division of Insurance Market Regulation

DATED: 7/19/2019



Stewart Freilich
Senior Regulatory Affairs Counsel

DATED: 7/11/2019



Chris G. Lieser
Senior Vice President and Chief Financial Officer
American Guaranty Title Insurance Company