ORDER OF THE DIRECTOR

NOW, on this 27th day of AUGUST, 2012, Director John M. Huff, after consideration and review of the market conduct investigation of First American Title Insurance Company (NAIC #50814), (hereafter referred to as “First American”) investigation number 11017-50814-PC, conducted by the Division of Insurance Market Regulation pursuant to §374.190 RSMo, and the Stipulation of Settlement (“Stipulation”), does hereby issue the following orders:

This order, issued pursuant to §374.046.15, RSMo (Cum. Supp. 2011) and §374.280 RSMo, is in the public interest.

IT IS THEREFORE ORDERED that First American and the Division of Insurance Market Regulation having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

IT IS FURTHER ORDERED that First American shall not engage in any of the violations of law and regulations set forth in the Stipulation and shall implement procedures to place the Company 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.

IT IS FURTHER ORDERED that the First American shall pay, and the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, shall accept, the
Voluntary Forfeiture of $34,500, 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 27th day of August, 2012.

John M. Huff
Director
TO: First American Title Insurance Company  
1 First American Way  
Santa Ana, CA 92707  

RE: First American Title Insurance Company (NAIC #50814)  
Missouri Market Conduct Investigation #11017-50814-PC  

**STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE**  

It is hereby stipulated and agreed by John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, hereinafter referred to as "Director," and First American Title Insurance Company, (NAIC #50814), (hereafter referred to as "First American"), as follows:  

WHEREAS, John M. Huff is the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereafter referred to as "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; and  

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

WHEREAS, the Department conducted a Market Conduct Investigation of First American and prepared report number 11017-50814-PC; and  

WHEREAS, the report of the Market Conduct Investigation revealed that:  

1. In seventeen (17) instances, First American terminated an agency relationship but failed to report the termination and the reasons for the termination to the Director in seven days in violation of
2. In one (1) instance, First American terminated an agency relationship and reported the termination to the Director, but failed to report the termination within 7 days in violation of §381.018.5;

3. In four (4) instances, First American failed to perform on-site audits of its agents for 2008 and/or provide copies of the audit reports to the Director within 120 days in violation of §§381.023.1 and .4;

4. In five (5) instances, First American failed to perform an on-site audit of its agent for 2009 and/or provide copies of the audit reports to the Director within 120 days in violation of §§381.023.1 and .4;

5. In two (2) instances, First American failed to perform on-site audits of its agents for 2010 and/or provide copies of the audit reports to the Director within 120 days in violation of §§381.023.1 and .4;

6. In twenty (20) instances, First American performed on-site audits of its agents but failed to provide those audits to the Director within 120 days of the completion of the audit in violation of §381.023.4 and 20 CSR 500-7.080 (3) (B).

WHEREAS, First American hereby agrees to take remedial action bringing it into compliance with the statutes and agrees to maintain those corrective actions at all times including, but not limited to, taking the following actions:

1. First American agrees to take corrective action to assure that the errors noted in the above-referenced market conduct investigation report do not recur; and

2. First American agrees to file documentation with the Director within 90 days of the entry of a final order closing this investigation of all remedial actions taken by it to implement compliance with the terms of this Stipulation.

WHEREAS, First American, 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, which may have otherwise applied to the above referenced Market Conduct Investigation; and

WHEREAS, First American hereby agrees to the imposition of the ORDER of the Director and as a result of Market Conduct Investigation #11017-50814-PC further agrees, voluntarily and knowingly to surrender and forfeit the sum of $34,500.

1 All references, unless otherwise noted, are to Missouri Revised Statutes 2000, as amended.
NOW, THEREFORE, in lieu of the institution by the Director of any action for the SUSPENSION or REVOCATION of the Certificate(s) of Authority of First American to transact the business of insurance in the State of Missouri or the imposition of other sanctions, First American does hereby voluntarily and knowingly waive all rights to any hearing, does consent to the ORDER of the Director, and does surrender and forfeit the sum of $34,500, such sum payable to the Missouri State School Fund, in accordance with §374.280.

DATED: 8/15/2012

President  
Dennis J. Gilmore  
First American Title Insurance Company