

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

In Re:)
)
FIDELITY NATIONAL TITLE) **Market Conduct Examination**
INSURANCE COMPANY (NAIC #51586)) **No. 1701-76-TGT**
) **NAIC MATS NO. MO-HICKSS1-76**

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 Fidelity National Title Insurance Company (NAIC #51586) (hereinafter “FNTIC”), examination report number 1701-76-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. 1701-76-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 FNTIC and the Division having agreed to the Stipulation, the Director does hereby approve and agree to the Stipulation.

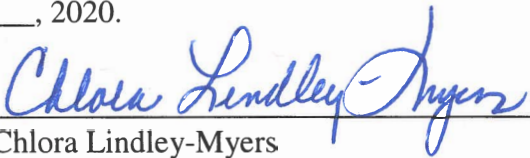
IT IS FURTHER ORDERED that FNTIC shall not engage in any of the violations of law and regulations set forth in the Stipulation, shall implement procedures to place it in full compliance with the requirements in the Stipulation and the statutes and regulations of the State of Missouri, and to maintain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

IT IS FURTHER ORDERED that FNTIC shall pay, and the Department of Commerce and Insurance, State of Missouri, shall accept, the Voluntary Forfeiture of \$45,900 payable to the Missouri State School Fund in connection with the examination number 1701-76-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
Director



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

In Re:)
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FIDELITY NATIONAL TITLE) **Market Conduct Examination**
INSURANCE COMPANY (NAIC #51586)) **No. 1701-76-TGT**
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STIPULATION OF SETTLEMENT AND VOLUNTARY FORFEITURE

It is hereby stipulated and agreed by the Division of Insurance Market Regulation (hereinafter “the Division”) and Fidelity National Title Insurance Company (NAIC #51886) (hereinafter “Fidelity”), 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, Fidelity 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 Fidelity, examination #1701-76-TGT;

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

1. In nine instances, agent files requested during the examination could not be located and provided in violation of §381.071.3¹.

2. In six instances, Fidelity sold title insurance through an agency at a time when the

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

agency was not licensed in the State of Missouri in violation §381.115.2 (1), §381.115.4, and §375.076.1.

3. In nine instances, Fidelity did not timely submit required T-6 reports to the Department in violation of §381.023.

4. In 34 instances, Fidelity contracted with an agency which charged a rate for its policies that was different from the filed rate in violation of §381.181.

5. In one instance, there was inadequate documentation contained in the underwriting file to determine if the correct rate was charged on the policy and in one instance Fidelity failed to maintain an electronic record in a manner that allowed the examiners to readily ascertain the rating practices in the file, both in violation of §374.205.2 (2) and 20 CSR 100-8.040.

6. In three instances, Fidelity's settlement agent failed to timely present deeds for recording in violation of §381.026.1, and in one instance there was inadequate file documentation to determine if the deed was timely presented for recording in violation of §381.026.1 and 20 CSR 100-8.040.

7. In two instances, the premium charged for a policy was different from the Company's filed rate in violation of §381.085.

8. Fidelity 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).

9. In one instance, Fidelity's agent failed to disclose the correct premium on the HUD Settlement Statement in violation of §381.019 and 20 CSR 500-7.050.

10. In 14 instances, policies were not issued/delivered to the insured in violation of §381.038.3.

11. In one instance, an endorsement was issued on a policy that had the capacity to

mislead the insured about the identity of the underwriter.

12. In 27 instances, no documentation was maintained in the file from which it could be determined whether policies were timely issued to the insured in violation of §381.038.3 and 20 CSR 100-8.040.

13. In some instances, Fidelity failed to disclose the Centralized Finance Rate to consumers or lenders in violation of §381.019 and 20 CSR 500-7.050 (1).

14. In one instance, an insured was charged a \$25.00 premium for each of two endorsements although the endorsements were not filed with the Director in violation of §381.181 and 20 CSR 500-7.100 (2) (A).

15. Prior to 2013, a filing made by Fidelity contained headings for various rate classifications that did not match the rates provided in the same filing for Uniform Premium in violation of §381.181 and 20 CSR 500-7.100 (2) (A) & (B).

WHEREAS, the Division and Fidelity 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.** Fidelity 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. Fidelity agrees to send a bulletin to agents reminding them to maintain underwriting records in accordance with Missouri law and to make those records available to the Department during future examinations or investigations.

2. Fidelity 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. Fidelity 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, Fidelity 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, Fidelity will make note on their T-6 report and inform the agent or agency.

4. Fidelity agrees that it will timely submit T-6 reports to the Department pursuant to §381.023.

5. Fidelity agrees that for a period of three years from the date of the Order approving this Stipulation, it will verify from the files sampled, as part of its T-6 review, that information entered by agents or agencies into Fidelity's system is correct and consistent with the file. If errors are found, the Company will note such findings on the T-6 report and will notify the agent or agency of their findings.

6. Fidelity 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.

7. Fidelity agrees that premium refunds will be provided to all policyholders listed on

pages 12-13, on pages 18-19, Section III, Paragraph 11, and on pages 19-20, Section III, Paragraph 13 of the final market conduct examination report, in the amount of the difference between the rate charged as listed on the disclosure statement and the filed rate. Fidelity further agrees to ensure that either Fidelity or its agents will conduct a review of all Fidelity policies issued from January 1, 2017 until December 31, 2019 by Hogan Land Title Company, Jorgensen, and Fidelity National Title Insurance Company, 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, Fidelity 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.

8. Fidelity 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.

9. Fidelity agrees to ensure that closing protection letters be issued in all of its Missouri residential real estate transactions or that waivers are issued giving the party notice that they have no protection of closing funds received by the agent or agency.

10. Fidelity 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.

11. Fidelity agrees that with respect to the 27 policies listed on pages 23-24 of the final market conduct examination report, in the event Fidelity receives a request for a copy of the policy from the insured, Fidelity will either have the issuing agency provide a copy of the policy or

Fidelity will provide a copy of the policy to the insured at no charge.

12. Fidelity agrees that it will send a bulletin to agents reminding them to timely issue/deliver policies to its insureds within 45 days as required by §381.038.3 and to maintain documentation required by 20 CSR 500-7.090. For a period of three years from the date of the Order approving this Stipulation, Fidelity further agrees that as part of its annual T-6 review, it will note, from the files sampled, those instances where policies were not issued within 45 days as required by §381.038.3.

13. Fidelity agrees to withdraw and discontinue the use of the Centralized Refinance Rate for the State of Missouri. Fidelity 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.”

14. Fidelity 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, Fidelity 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.

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

E. **Voluntary Forfeiture.** Fidelity agrees, voluntarily and knowingly, to surrender and forfeit the sum of \$45,900 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 Fidelity, 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 Fidelity, 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.** Fidelity, 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 Fidelity.

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 Fidelity 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



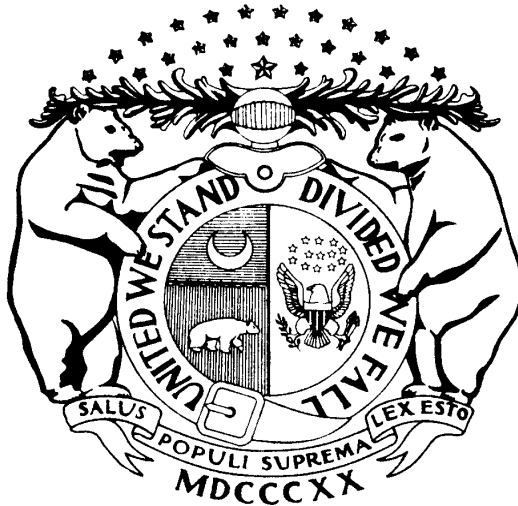
Stewart Freilich
Chief Market Conduct Examiner and
Senior Counsel
Division of Insurance Market Regulation

DATED: 6/15/20



VP/Compliance and
Regulatory Counsel
Fidelity National Title Insurance Company

STATE OF MISSOURI
DEPARTMENT OF COMMERCE AND INSURANCE



FINAL MARKET CONDUCT EXAMINATION REPORT
Title Insurance business of

Fidelity National Title Insurance Company
NAIC #51586

MISSOURI EXAMINATION #1701-76-TGT

NAIC EXAM TRACKING SYSTEM #MO-HICKSS1-76

June 23, 2020

Home Office
601 Riverside Ave, Bldg. V-5
Jacksonville, FL 32204

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FOREWORD

This is a targeted market conduct examination report of Fidelity National Title Insurance Company, NAIC #51586. 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,” “Fidelity National,” “Fidelity National Title Insurance Company,” “FNTIC” and “Fidelity” all refer to Fidelity National 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 (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 is to determine if the Company complied with Missouri statutes and DCI regulations and to consider whether the Company's operations are consistent with the public interest. The primary period covered by this review is January 1, 2011 through December 31, 2015, 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, policyholder services, claims handling, producer licensing, complaint handling, and operations/management.

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 brief Company history to the examiners.

“Fidelity National Title Insurance Company was formed in Arizona on 10/06/1981. The Company re-domesticated to California on 12/31/1996, and has subsequently re-domesticated to Florida effective 03/01/2017.”

EXECUTIVE SUMMARY

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

- The Company did not maintain and was unable to provide the underwriting and escrow files for nine agent.
- The Company conducted the business of selling title insurance to consumers through six title agencies that were not actively licensed as a Business Entity Producer (BEP).
- The Company failed to file a T-6 audit form with the Director for at least four of the five years in the examination timeframe for two title agencies with which the Company was contracted.
- In 19 files, the risk rate charged was less than the filed rate.
- In 14 files, the risk rate charged was greater than the filed rate.
- In one file, the policy was coded incorrectly as a reissue loan policy. There was no evidence in the file that it qualified for a reissue rate and an original loan title policy rate was applied.
- In one file, the Company failed to maintain its electronic record in such a manner that would allow examiners to readily ascertain the Company's rating practices.
- In three files, agents of the Company recorded deeds from the transaction more than five business days after all conditions for policy coverage were satisfied.
- In one file, there was no documentation that the deeds were presented for recording within five business days after all requirements for policy coverage were met.
- In 17 files, no closing protection letter was issued and there was no evidence that advance notice that the lack of protection for closing funds was provided to the appropriate party.
- In one file, an unfiled rate was charged for an endorsement added to the policy.
- In two files, an endorsement was added to the policy without a charge.
- In one file, an endorsement for a different title insurer was added to the Company's title insurance policy, containing the name and telephone number of the other title insurer, which is misleading.
- In one file, the premium rate shown on the policy and on the disclosure statement is different from the filed rate, resulting in the inability to determine the amount of premium actually charged.
- In one file, the builder/seller of the property paid an incentive or rebate of \$2,000 towards the buyers closing cost on the condition that the buyer closed with a particular title agency.
- In one file, the HUD Settlement Statement, the policy, and the Company's electronic record, all showed a different premium amount for the loan policy, which were all greater than the filed rate.
- In one file, the Company accepted policies sold through an agency not licensed to do business in Missouri.
- In one policy, the rounding method used was inconsistent with other policies in the sample, which can result in a higher premium for the same coverage amount.
- In one file, the disclosure did not reflect the correct amount of premium.
- Thirty-four policies were not issued within 45 days after compliance with the requirements of the commitment for insurance or there was no documentation in the file that the policies were ever delivered.

- It was unclear whether the Company's filed rate was actually disclosed to lenders.
- The Company's filed rate contained rates that conflicted with the rates shown on the filed Uniform Premium (Risk Rate) Reporting Form.

EXAMINATION FINDINGS

I. OPERATIONS/MANAGEMENT

This section of the report details the examination findings of this Company's operations and management compliance with the laws and regulations of Missouri. The items reviewed were the Company's Certificate of Authority for Missouri and its record retention.

A. Company Authorization

Missouri law determines which companies may sell insurance and the lines of insurance these companies may sell by requiring that each obtain the appropriate authority to transact the business of insurance. To protect the consumer, Missouri enacted laws and regulations to ensure that companies provide fair and equal treatment in its business dealings with Missouri citizens. An insurance company receives a Certificate of Authority that allows it to operate within the state only after it complies with certain application requirements regulated by the DCI.

Fidelity National Title Insurance Company, a Florida corporation, has current authority in Missouri to transact business in Title Insurance. The examiners found the Company to be operating within the scope of its Certificate of Authority.

B. Record Retention and Record Keeping

1. The examiners requested 119 randomly selected files from the data provided by the Company covering the timeframe of the examination. The Company was unable to locate and provide the following nine agent files in response to the request.

Policy No.	Policy Type	Agency	File No.	Eff. Date
xxxxxxx-xxxx1632	BASIC OWNERS	First Financial Title Agency	xx-x3159	8/22/2012
xxxxxxx-xxxx2200	BASIC OWNERS	First Financial Title Agency	xx-x2707	1/5/2015
xxxxxxx-xxxx0476	BASIC LOAN	Heartland Title Company Inc	xxx0016	10/27/2011
xxxxxxx-xxxx2812	BASIC LOAN	Liberty Creek Title, LLC	xxx-xxxxx0100	11/13/2012
xxxxxxx-xxxx0562	BASIC LOAN	Midwest Title Solutions, LLC	xxx-x0120	5/2/2012
xxxxxxx-xxxx3226	BASIC LOAN	National Title Network, Inc	xx6479	3/18/2013
xxxxxxx-xxxx1588	BASIC LOAN	National Title Network, Inc	xx1591	11/23/2011
xxxxxxx-xxxx4903	BASIC LOAN	Professional Title, LLC	xxxxx9083	11/21/2012
xxxxxxx-xxxx1925	BASIC LOAN	Professional Title, LLC	xxxxx1058	1/10/2013

Reference: §381.071.3, RSMo.

II. PRODUCER LICENSING

Missouri law requires companies 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.

1. Fidelity conducted the business of selling title insurance to consumers through the following entities, which did not have a Business Entity Producer (BEP) license during all or part of the examination timeframe in which they sold or serviced the Company’s title insurance policies.

The six entities conducted the business of title insurance in Missouri on behalf of the Company while not actively licensed as a Business Entity Producer (BEP).

Agency	MO License Number	NPN	BEP License Dates During Exam Period	Number of policies written while not licensed:
Boulevard Title, LLC	8084111	16421608	10/21/13-9/2/14	3
Continental Title of Missouri LLC	8288819	16931052	04/05/13-12/31/15	1
Jones, Jackson & Moll, PLC	8078126	16349832	08/18/11-12/31/15	49
Mo Kan Title Services, LLC	8008625	8238895	04/06/99-04/04/12	2
Secured Title of Kansas City, LLC	8079425	16339143	09/01/11-12/31/15	1
Warner Smith & Harris Plc	8070179	9905519	04/12/11-04/11/13	155

Reference: §§381.115, 375.015.2, 375.015.2(2), and 375.076, RSMo.

2. Section 381.023, RSMo, requires title insurers to conduct audits at least annually of its contracted agents/agencies. The audits should include, among other areas:
 - (1) reconciliation of orders with commitments, title searches, title policies, and collection of premiums;
 - (2) a review of issued policy reports to the title insurer by the title agency of agent;
 - (3) a review of any files awaiting issuance that includes a determination of the average length of time between closing and the issuance of the title policy; and
 - (4) a review of three-way reconciliation of bank balance, book balance and escrow trial balance for each individual escrow bank account.

The Company must file a T-6 audit report with the Director within 120 days following the completion of the audit.

The Company failed to submit a T-6 report for two agencies for the stated years within 120 days of conducting a review. An “X” below indicates the Company did not file a T-6 for the agency with the DCI for that year.

Agency	2011	2012	2013	2014	2015
Jones, Jackson & Moll, PLC		X	X	X	X
PCS Holdings, LLC	X	X	X	X	X

Reference: §381.023, RSMo and 20 CSR 500-7.080(3)(A)&(B).

III. 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*.

The Company utilizes direct operations and independently owned agencies to provide its product to Missouri consumers. The examiners reviewed each of these areas of business separately.

The examiners reviewed title and policy files to determine the accuracy of rating and adherence to prescribed and acceptable underwriting criteria. The examiners reviewed the Company’s policy and contract forms to determine its compliance with filing, approval, and content requirements, and to ensure that the contract language is not ambiguous or misleading and is adequate to protect those insured.

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 examiners noted the following errors in their review.

1. In 19 files, the premium charged was less than the amount calculated using the risk rate filed with the Director resulting in premium underpayments.

Agency	File No.	Coverage Amount	Risk Rate Charged	Filed Risk Rate	Undercharge	Rating Method
Continental Title Holding Co., Inc.	xxxx7301	147,283.00	4.00	123.60	(119.60)	Basic Loan
Insight Title Company, LLC	xxxx9-14-3	394,600.00	177.73	296.50	(118.77)	Basic Loan
Valuamerica, Inc.	xxxxxx5324	388,900.00	175.38	292.30	(116.92)	Basic Loan
Timios, Inc	xx-xxxx2064	212,000.00	100.00	168.40	(68.40)	Basic Loan

Agency	File No.	Coverage Amount	Risk Rate Charged	Filed Risk Rate	Undercharge	Rating Method
Asbury Land Title Inc	x-5648	265,000.00	196.50	262.00	(65.50)	Basic Owners
Continental Title Holding Co., Inc.	xx8111	89,317.00	72.05	118.00	(45.95)	Basic Owners
Security Title Insurance Agency, LLC	xxx2sec	118,713.50	61.90	103.30	(41.40)	Basic Loan
Insight Title Company, LLC	xxxx1-12-3	117,800.00	61.48	102.60	(41.12)	Basic Loan
Fidelity Title Agency of Springfield	xxxxxxx0256	113,000.00	59.46	99.10	(39.64)	Basic Loan
Mo Kan Title Services, LLC	xxx654R	110,000.00	58.20	97.00	(38.80)	Basic Loan
Continental Title Holding Co., Inc.	xx1552	74,908.00	61.25	100.00	(38.75)	Basic Owners
Fidelity Title Agency of Springfield	xxxxxxx0070	102,850.00	55.20	92.10	(36.90)	Basic Loan
Security Title Insurance Agency, LLC	xxx7sec	85,000.00	46.80	78.00	(31.20)	Basic Loan
First United Title Agency, LLC	x0370	252,000.00	150.00	171.20	(21.20)	Reissue Owners
Security Title Insurance Agency, LLC	xx6sec - Simultaneous*	309,000.00	283.45	297.20	(13.75)*	Basic Owners*
Hogan Land Title Company	xxxxx0365	11,250.00	6.75	12.00	(5.25)	Basic Loan
Hogan Land Title Company	xxxxx2130	50,750.00	70.00	71.20	(1.20)	Basic Owners
Randall, Masri & Randall, P.C.	xxxx2125	342,000.00	259.00	259.40	(0.40)	Basic Loan
Boulevard Title, LLC	xxxxxx0709	177,332.00	144.13	144.60	(0.47)	Basic Loan

*File numbers denoted with an asterisk indicate a file where a simultaneous policy was issued that was not part of the sample of 119. The sample policy was not found in error; however, the simultaneously issued policy is in error.

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

2. In 14 files, the premium charged was more than the amount calculated using the risk rate filed with the Director resulting in premium overpayments.

Agency	File No.	Coverage Amount	Risk Rate Charged	Filed Risk Rate	Overcharge	Rating Method
Terry Abstract Company Inc	xxx0042	127,710.00	110.00	109.60	0.40	Basic Loan
Asbury Land Title Inc	x-6190	206,000.00	100.20	98.52	1.68	Reissue Loan
Valuamerica, Inc.	xxxxxx3841	106,510.00	100.00	94.90	5.10	Basic Loan
Hogan Land Title Company	xxxxx3497 - Simultaneous*	825,000.00	710.00	693.75	16.25	Basic Owners
Hogan Land Title Company	xxxxx1245	665,000.00	28.50	4.00	24.50	Simultaneous Issue Loan Policy
Ward Title Insurance Agency, LLC	xxx-1584	131,631.00	31.40	4.00	27.40	Simultaneous Issue Loan Policy
Hogan Land Title Company	xxxxx6015 - Simultaneous*	140,000.00	36.00	4.00	32.00*	Simultaneous Issue Loan Policy
Jorgensen	xxx-xxxx0SL-R	64,248.00	100.00	36.86	63.14	Reissue Loan
Jorgensen	xxxxxxx-xxxxx1053	210,694.00	167.70	100.49	67.21	Reissue Loan
Jorgensen	xxx-xxx8958	98,707.00	125.00	53.42	71.58	Reissue Loan
TranStar National, Inc.	xx5085	128,900.00	250.00	110.30	139.70	Basic Loan
Linear Title & Closing, Ltd.	xxx-xx6833	280,500.00	400.00	216.70	183.30	Basic Loan
Fidelity National Title Insurance C	xxx-xxx0849	126,000.00	150	64.92	85.08	L (Reissue Loan)
Fidelity National Title Insurance C	xxx-xxx1263	111,100.00	125	58.66	66.34	L (Reissue Loan)

*File numbers denoted with an asterisk indicate a file where a simultaneous policy was issued that was not part of the sample of 119. The sample policy was not found in error; however, the simultaneously issued policy is in error.

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

3. In file xxxx1272 the Company's agent issued policy number xxxxxxx-xxxx6451. The data provided by the Company lists the risk rate for this policy as \$18.28, which would be the correct rate for owner's coverage with full reissue credit.

The HUD Settlement Statement shows an owners title insurance policy premium charge of \$30.10. Other documents in the file show a premium split for this policy of \$15.05 going to the agent and \$15.05 going to the Company.

On December 6, 2011, the agency received an email from the Company asking for a corrected remittance check for \$9.14 (indicating a reissue risk rate premium of \$18.28) to replace the \$15.05 check they were sent on September 27, 2011. On December 7, 2011, the original check was shown as voided in the file and two new checks written.

Documentation in the file shows the escrow account's new checks dated December 7, 2011 were written to the agency for \$5.91 and to the Company for \$9.14. The reference attached to the agency's check lists the owner's premium as \$20.96, which is different from the amount shown in the data of \$18.28 and different from the Owner's Policy Risk Rate of \$30.10. There are no checks, ledgers, or notes indicating any funds were refunded to the policyholder. While the two new checks written on December 7, 2011 added together equal \$15.05 (the amount of the voided check for the Company's share of the \$30.10 risk rate premium), there were no notes or evidence in the file that the agency's 50% share of the \$30.10 premium was ever altered. It appears that the agency retained their original 50% (\$15.05), and an additional \$5.91 (check #188548), and ultimately remitted \$9.14 to the Company (check #188549).

The Company stated, "If there is no evidence in the file that this transaction qualified for full re-issue rate, then the agent incorrectly reported it in our system as a "re-issue owner's" \$30.10. If there is evidence in the file that this transaction qualified for full re-issue credit, then the Risk Rate of \$18.28 was charged and reported to the Company correctly, in our system, as shown in our Data file. Either way, despite the possibility of a "reporting error" by the agent, the consumer was actually charged the lowest rate available for this transaction and experienced no harm."

There is no evidence in the file to support that this policy qualified for reissue rates, that the purchaser of this policy was charged any amount other than \$30.10, or that any premium overcharges were ever refunded. The agent is now working to refund the difference.

Reference: §§374.045 and 374.205, RSMo and 20 CSR 100-8.040(2) & (3)(A).

4. In file xxxxxx5980 the Company's agent, issued policy number xxxxxxx-xxxx3336. The data provided by the Company lists the risk rate for this policy as \$348.60. The HUD-1 contained in the file shows on line 1104 a charge for a lender's reissue title insurance policy of \$139.74, not \$348.60, as represented in the data provided. The correct premium as calculated using the filed risk rate is \$139.74. Line 1107 indicates the "Agents portion of the total title insurance premium is \$88.04. Line 1108 indicates the "Underwriters portion of the total title insurance premium" is \$51.70. The amounts in these two lines also total \$139.74. The amount of premium charged to the insured appears to be correct; however, the amount of premium

provided in the data is not a correct representation of the premium charged for the insurance policy.

The Company indicated that the price (\$139.74) using the filed risk rate was the actual rate charged to the policy buyer, as confirmed by the agent. The Company’s response then stated that the rate the agency reported to the company (\$348.60) was the risk rate for an equivalent owner’s policy. The examiners have calculated the correct risk rate for a Basic Owner’s Policy, with a coverage limit of \$303,430 to be \$292.80, not \$348.60.

The Company failed to maintain the electronic record in a manner that allowed the examiners to readily ascertain their rating practices in this file.

Reference: §§374.045 and 374.205, RSMo and 20 CSR 100-8.040(2) & (3)(A).

- Section 381.026.1 states “The settlement agent shall present for recording all deeds and security instruments for real estate closings handled by it within five business days after completion of all conditions precedent thereto unless otherwise instructed by all of the parties to the transaction.”

The three files reflected a recording date exceeding the five (5) day limit. No unsatisfied conditions were documented in the file provided by the Company.

Agency	Policy No.	File No.	Settlement Date	Deed Recorded Date	Number of business days after closing
Fidelity National Title Insurance Company	xxx-xxx1263	xxx-xxx1263	02/20/2015	3/3/2015	8
Jorgensen	xxxxxxx-xxxx6494	xxx-xxx8958	3/26/2015	4/15/2015	15
Jorgensen	xxxxxxx-xxxx8843	xxx-xxxxx0992	3/26/2015	5/15/2015	37

Reference: §381.026.1, RSMo.

- One file failed to have documentation that the deeds were presented for recording within five (5) business days as required by Section 381.026.1 RSMo. The Company is required to maintain its records in a manner that its underwriting practices can be readily ascertained by examiners during a market conduct examination pursuant to 20 CSR 100-8.040(2).

Agency	Policy No.	File No.	Settlement Date	Deed Recorded Date
Fidelity National Title Insurance C	xxx-xxx0849	xxx-xxx0849	5/18/2015	Not in File

Reference: §381.026.1, RSMo and 20 CSR 100-8.040(2).

7. During the timeframe of the examination, the Company was required to issue a Closing Protection Letter (CPL) or in the alternative, to issue a CPL waiver giving notice that the party had no protection of closing funds that were received by the agent or agency.

In 16 files, there was evidence that the Company charged a CPL fee; however, there was no CPL in the file. There is no evidence that a CPL was issued by the Company in these 16 files.

Producer	Policy No.	Policy Type	File No.
Fidelity Title Agency of Springfield	xxxxxxx-xxxx0946	Basic Loan	xxxxxxx0256
Fidelity Title Agency of Springfield	xxxxxxx-xxxx3353	Basic Owners	xxxxxxx0154
Fidelity Title Agency of Springfield	xxxxxxx-xxxx8151	Basic Owners	xxxxxxx0011
Fidelity Title Agency of Springfield	xxxxxxx-xxxx1968	Simultaneous Loan	xxxxxxx0149
Hogan Land Title Company	xxxxxxx-xxxx0727	Basic Loan	xxxxx7443
Hogan Land Title Company	xxxxxxx-xxxx3268	Basic Owners	xxxxx6572
Hogan Land Title Company	xxxxxxx-xxxx9413	Basic Owners	xxxxx6015
Hogan Land Title Company	xxxxxxx-xxxx6114	Basic Owners	xxxxx4382
Hogan Land Title Company	xxxxxxx-xxxx7474	Basic Owners	xxx9192
Hogan Land Title Company	xxxxxxx-xxxx1326	Basic Owners	xxxxx5181
Hogan Land Title Company	xxxxxxx-xxxx9916	Basic Owners	xxxxx2130
Hogan Land Title Company	xxxxxxx-xxxx1129	Simultaneous Loan	xxxxx5079
Hogan Land Title Company	xxxxxxx-xxxx1458	Simultaneous Loan	xxxxx3497
Security Title Insurance Agency, LLC	xxxxxxx-xxxx7789	Basic Loan	xxx2sec
Vantage Point Title, Inc.	xxxxxxx-xxxx1930	Basic Loan	xxxx7382
Insight Title Company, LLC	xxxxxxx-xxxx7558	Basic Owners	xxxx9-12-2

Reference: §§381.022.5 & 6, RSMo and 20 CSR 500-7.060(2)(A)&(B)

8. The following 17 files contained no evidence that a Closing Protection Letter was provided. The files also failed to contain a Closing Protection Letter waiver for the appropriate party. If a Closing Protection Letter is not provided, advance notice of no protection of closing funds received by a title agent or agency must be provided.

Producer	Policy No.	Policy Type	File No.
All American Title Company	xxxxxxx-xxxx1200	Basic Loan	xxxxx34MC
Continental Title Holding Co., Inc.	xxxxxxx-xxxx1056	Basic Owners	xxx3193
Continental Title Holding Co., Inc.	xxxxxxx-xxxx1764	Basic Owners	xx8111
Continental Title Holding Co., Inc.	xxxxxxx-xxxx6853	Basic Owners	xx1552
Fidelity Title Agency of Springfield	xxxxxxx-xxxx5545	Basic Loan	xxxxxx0031
Fidelity Title Agency of Springfield	xxxxxxx-xxxx7465	Basic Owners	W2013080035
Hogan Land Title Company	xxxxxxx-xxxx6448	Basic Loan	FR1110365
Insight Title Company, LLC	xxxxxxx-xxxx7298	Basic Loan	60869-14-3
Insight Title Company, LLC	xxxxxxx-xxxx5856	Basic Owners	100005-14-3
Jones, Jackson & Moll, PLC	xxxxxxx-xxxx1616	Basic Owners	2015L29862
Jones, Jackson & Moll, PLC	xxxxxxx-xxxx3395	Basic Owners	2014L25443
LandSafe Services, LLC	xxxxxxx-xxxx2285	Basic Owners	11-0096396
LandSafe Services, LLC	xxxxx-xxxx4253	Basic Owners	11-0094750
Monarch Title of Northern Missouri,	xxxxxxx-xxxx3951	Basic Loan	MTN-11L0030
Randall, Masri & Randall, P.C.	xxxxxxx-xxxx8183	Basic Loan	BA712125
Security Title Insurance Agency, LLC	xxxxxxx-xxxx4723	Reissue Loan	5806SEC
Terry Abstract Company Inc	xxxxxxx-xxxx5584	Basic Loan	1410042

Reference: §§381.038.2, 381.022(5) & (6), 381.058(3), RSMo Supp. 2013 and 20 CSR 500 7.060(2)(A)(B).

9. In one file, the Company’s agent charged an unfiled rate for an endorsement added to the policy.

Agency	File No.	Policy No.	Issues
Fidelity Title Agency of Springfield	xxxxxxx0235	xxxxxxx-xxxx3459	Charged \$40 (\$10.00 each) for endts: 8.1-06; 9-06; 14-06; & 6-06.

In two files, the Company’s agent added endorsements to the policy without charging.

Agency	File No.	Policy No.	Issues
Fidelity Title Agency of Springfield	xxxxxxx0052	xxxxxxx-xxxx4048	Endts. 8.1-06 & 9-06 on policy, No Charge.
Fidelity Title Agency of Springfield	xxxxxxx0031	xxxxxxx-xxxx5545	Endts. 8.1-06 & 14-06 on policy, No Charge

Reference: §§381.171.1 & .4, 381.181.1 & .2, RSMo, 20 CSR 500-7.050(1)(A)(1), 20 CSR 500-7.080(2)(A) & (B), and 20 CSR 500-7.100(2)(A).

10. Vantage Point Title’s file number xxx0997, (policy #xxxxxxx-xxxx9432) contains an endorsement labeled as an addendum and attached to the Schedule A of the policy. This endorsement identifies itself as “ATTACHED TO POLICY NUMBER xxxxxxx-xxxx9432 ISSUED BY STEWART TITLE GUARANTY COMPANY Missouri Arbitration Endorsement” and identifies itself as part of the policy. In addition to the Stewart Title Guaranty Company’s name, it lists a telephone number to reach them, (800) 729-1902.

The endorsement itself has not been filed by the Company and could mislead a policyholder as to the terms of the policy, who is issuing it, and with whom to file a claim.

11. The premium charged for policy number xxxxxxx-xxxx8843 was different from the Company’s filed rate. The policy was a substitution loan policy issued in connection with a refinance of property by its existing owners. The Settlement Date and the Effective Date for the policy are both listed as March 26, 2015. This policy was issued by a direct employee of Fidelity National Title Insurance Company with a coverage amount of \$115,300, which matches the amount of the new loan. Per the filed rates, the correct premium for this policy should be \$60.43, calculated as follows: $(.6*50)+(.48*50)+(15.3*.42)$. The signed HUD-1 form lists the price for the lender’s title policy on line 1105 as \$125.00. The Schedule A for the policy lists premium as \$150.00. There are no rates on the filed T-7 form that would lead to either of these prices, and there are no other disclosures of premium or other charges, such as a T-1 form, in this file.

The amount represented and the amount charged to the customer is different from the filed rate. However, examiner cannot determine from the records provided which amount was actually charged to the consumer.

Reference: §§381.181.1, 2 & 3, 375.936(6)(a) & (f), RSMo, and 20 CSR 500-7.100(1), 20 CSR 500-7.100(2)(A) & (B), 20 CSR 100-8.040, and 20 CSR 500-7.050(1)(A)1, (E), & (2)(A)1.

12. For file xx6 SEC, the Company's agent, Security Title, LLC, acted as settlement agent and closed this transaction. The seller was a builder or contracting company. The seller offered an inducement to the buyer to close the transaction at this particular title agent. The file contains three signed documents identified as Sale Contract Counter Offers #1, #2, and #3. All three counter offers contain paragraph number 5, which offer the following discount from the builder: "Seller to pay \$2,000.00 in buyers closing costs, prepaids, and bac if buyer closes through Security Title." Line 209 of the HUD-1 signed by the buyer states "Seller Paid Closing Costs \$2,000." This amount is listed on the Borrower's side of the HUD-1. The Seller HUD-1 signed on behalf of the builder also indicates on line 209 of the HUD-1 that "Seller Paid Closing Costs \$2,000" and the realtor's SIS FORM 132 also contains a hand written note indicating that "*Seller to Pay \$2,000 in CC".

The builder is the seller of this home, and a "Producer of Title Business" as defined by Section 381.031(15)(3) "Acting as broker, agent, representative or attorney of a person who buys or sells any interest in real property or who lends or borrows money with such interest as security;"

Missouri statutes state that no person shall "...discount from or rebate upon price, on the condition, agreement, or understanding that any title insurance is to be obtained through a particular agent, agency, or title insurer."

The examiners found no evidence that the Company knowingly participated in this conduct.

Reference: §381.161.1, RSMo.

13. The examiners reviewed file number xxxxxxx-xxxxxxxx77-VU, containing policy number xxxxxxx-xxxx7865, which is a Substitution Loan Policy. The following errors were noted:

- a. The filed rates listed on the Company's T-7, Substitution Rates for this policy should be calculated as follows: $(.6*50)+(.48*50)+(110.7*.42) = \100.49 .

The file contained documents showing three prices that differ from the price above.

- 1) From the signed HUD-1, line 1104, indicates the premium risk rate charged was \$150.49.
- 2) From the Schedule A of the policy, the premium risk rate charged is listed as \$167.70.
- 3) The Company's electronic record shows the premium risk rate for this policy was recorded as \$217.70, which might have resulted from adding \$50 to the Schedule A rate for the two endorsements.

Nothing in the Company's filed rates would lead to any price other than \$100.49

The Company has charged unfiled rates, and because of the discrepancies in the disclosure of the premium amount of the policy, has failed to maintain records in a manner that the practices of the insurer can be readily ascertained.

Policy No.	Policy Type	File No.	Effective Date	Producer No.
xxxxxxx-xxxx7865	L	xxxxxxx-xxxxx1053	12/16/2014	8023943

Reference: §§381.181.1, 2, & 3, RSMo, 20 CSR 500-7.100(1), 20 CSR 500-7.100(2)(A) & (B), 20 CSR 500-7.050(1)(A)1, and 20 CSR 100-8.040(2) & (3)(A).

b. The Company negotiated charges of \$25 per endorsement for two of four endorsements, (ALTA 8.1-06 and ALTA 22-06) that were attached to this policy. There are no filed rates for these endorsements, and there is a note under all four endorsements stating “The fee for this endorsement is negotiable. Enter your negotiated fee:” This allows for discriminatory pricing.

The Company failed to file the rate charged for these two endorsements with the Director. In addition, it appears the rates for the endorsements may be unfairly discriminatory in that the premium charged for the endorsement may differ at the discretion of the agent or underwriter.

Policy No.	Policy Type	File No.	Effective Date	Producer No.
xxxxxxx-xxxx7865	L	xxxxxxx-xxxxx1053	12/16/2014	8023943

Reference: §§381.181.1, .2, & .3 and 381.171.4, RSMo.

c. “Fidelity National Title of Oregon” is referenced frequently in this file, including as the Settlement Agent, the payee on line 1104 of the signed HUD-1 form, the payee on the Disbursements Summary, and in the payment wiring instructions. The property being refinanced and insured is located in Missouri. There is not a licensed Company or known DBA named “Fidelity National Title Company of Oregon” in Missouri.

In Missouri, it is unlawful for any person to transact the business of title insurance unless authorized as a title insurer, title agency, or title agent and it is unlawful for any title insurer to contract with any person to act in the capacity of a title agency with respect to risks located in this state unless the person is licensed as required. The Company accepted policies sold through an agency that was not licensed to do business in Missouri.

Policy No.	Policy Type	File No.	Effective Date	Producer No.
xxxxxxx-xxxx7865	L	xxxxxxx-xxxx1053	12/16/2014	8023943

Reference: §§381.115.1, .2, & .4 and 375.076.1, RSMo.

14. In file number xxx-1584 for policy number xxxxxxx-xxxx7587, there were three pages in the file titled “CTIC FAMILY OF COMPANIES RATE CALCULATOR”. Each of these pages have instructions where the first sentence states “All Liability amounts should be rounded to the next highest thousand and entered without the last three zero’s.” Rounding to the highest thousand does not appear to comply with 20 CSR 500-7.100(2)(B) which states in part that “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).”

This procedure as set out in the rate calculator is not part of the Company’s rating methods as filed with the DCI, and it is not consistent with how other policies in the sample are rated. This may result in some policy buyers paying a higher price than other buyers of policies of the same face value.

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

15. File number xxx-xx3509 for policy number xxxxxxx-xxxx8841 contains a signed HUD-1 statement that shows the agent’s portion of the total title insurance premium as \$719.47. Added to the underwriter’s portion of the total title insurance premium to the Company listed as \$55.53 on line 1108 creates a total premium of \$775.00.

The Schedule A of the policy shows a risk rate of \$144.08, which is correct per the Company’s filed rates.

The HUD-1 settlement statement does not reflect the correct amount of premium calculated using the filed rates and reflected on the policy. There are no other premium disclosures in the file that shows a correct disclosure of title insurance premium, closing protection fees, title service charges, or closing charges. The Company’s agent failed to disclose the correct title premium.

Reference: §381.019, RSMo and 20 CSR 500-7.050(2)(A) & (B).

16. In 44 of 50 sampled files the policy and premium remittance to the insurer was years after the effective date of the policy, in some cases more than eight (8) years later.

Section 381.023 requires title insurers to conduct audits at least annually of their agents/agencies. The audits should include, among other areas: (1) reconciliation of orders with commitments, title searches, title policies, and collection of premiums, (2) a review of issued policy reports to the title insurer by the title agency of agent, (3) a review of any files awaiting

issuance that includes a determination of the average length of time between closing and the issuance of the title policy, and (4) a review of three-way reconciliation of bank balance, book balance and escrow trial balance for each individual escrow bank account. The Company audits may be missing issues with policy remittance time and premium remittance time. Additionally, many of the documents that would need to be reviewed in the audit are not maintained, such as the date the policy was issued/delivered. Based on this it is unclear if these review areas in the audit are accurate, as the Company has taken the position that there is no requirement for the Company, or the producer/agent, to even maintain the records that show these dates, or even to keep a copy of the policy.

Section 381.038.3, RSMo states, “A title agent and a title agency shall remit premiums to the title insurer under the term of its agency contract, but in no event later than within sixty days of receiving an invoice from the title insurer. A title insurer, title agency or title agent shall promptly issue each title insurance policy within forty-five days after compliance with the requirements of the commitment for insurance, unless special circumstances as defined by rule delay the issuance.”

Missouri law requires that the policy be issued/delivered to the insured within forty-five (45) days of the satisfaction of the requirements listed in the commitment. In delaying the policy issuance, the remittance of policy details and premium to the insurer is delayed.

a. The following policies were issued/delivered late to the insured. A review of the files for the following policies did not reveal that the special circumstances applied or that the delay was caused by unmet requirements in the commitment.

Policy No.	File No.	Agency	Producer No.	Effective Date	Remit Date
xxxxxxx-xxxx4955	xxx109	Ozark Abstract, LLC	3074.1.27.25	12/14/2009	8/13/2015
xxxxx-xxxx6731	4704	Miller County Enterprises, Inc.	32819.1.27.25	7/30/2007	6/1/2012
xxxxxxx-xxxx7226	xx7639	Hogan Land Title Company	4835.1.27.25	8/24/2006	5/27/2011

Reference: §381.038.3, RSMo.

b. The underwriting files for the following 27 policies do not contain any documentation to show that the policy was ever issued. The Company was also unable to provide verification that the policies were issued/delivered to the insured. The Company stated that they were not required to maintain that information nor are its agents, despite a statute requiring issuance within 45 days of the satisfaction of the requirements in the commitment. Without any way to verify these were issued/delivered, it is unclear if they were. In some instances the policy was not in the file and could not be provided.

Policy No.	File No.	Agency	Producer No.	Effective Date	Remit Date
xxxxx-xxxx6741	xxx0539	Guaranty Title Company Inc	48315.1.82.25	6/10/2003	6/1/2012
unknown	xxx0539	Guaranty Title Company Inc	48315.1.82.25	6/10/2003	unknown

Policy No.	File No.	Agency	Producer No.	Effective Date	Remit Date
*XXXXX-XXXX6292	XXXX-XXXX-04-DR	Integrity Land Title Company Inc	39216.1.82.25	6/16/2004	5/23/2013
*XXXXX-XXXX8718	XX-XX-XX50-05	Integrity Land Title Company Inc	39216.1.82.25	7/22/2005	10/15/2013
XXXXX-XXXX7171	XXX8939	United Title Company, Inc.	4844.1.27.25	6/22/2006	8/22/2013
XXXXX-XXXX4316	XXX8823	United Title Company, Inc.	4844.1.27.25	9/6/2006	8/22/2013
XXXXXXX-XXXX7964	XXX8720	United Title Company, Inc.	4844.1.27.25	10/27/2006	8/22/2013
*XXXXX-XXXX0906	XX-XXXX-06-DR	Integrity Land Title Company Inc.	39216.1.82.25	9/21/2006	6/26/2013
*XXXXX-XXXX1149	XX-XXXX-06-DR	Integrity Land Title Company Inc.	39216.1.82.25	10/18/2006	6/26/2013
XXXXXXX-XXXX3852	XX2779	United Title Company, Inc.	4844.1.27.25	4/13/2007	8/22/2013
XXXXXXX-XXXX5114	XXX8657	United Title Company, Inc.	4844.1.27.25	5/1/2007	8/22/2013
XXXXXXX-XXXX9240	XXX8683	United Title Company, Inc.	4844.1.27.25	5/1/2007	8/22/2013
XXXXX-XXXX7121	XXX8954	United Title Company, Inc.	4844.1.27.25	5/18/2007	8/22/2013
XXXXX-XXXX2670	X2337	Landmann Title Company, Inc.	5011.1.27.25	11/9/2005	9/29/2011
XXXXXXX-XXXX2943	XX0508	Hogan Land Title Company	4835.1.27.25	11/9/2007	5/21/2013
*XXXXX-XXXX8213	XX-XX-XX02-06	Integrity Land Title Company Inc.	39216.1.82.25	1/31/2006	6/22/2011
*XXXXXXX-XXXX3803	XX-XXXX-07-FR	Integrity Land Title Company Inc.	39216.1.82.25	7/9/2007	9/26/2012
*XXXXX-XXXX7586	XX-XX-XX5-07A	Integrity Land Title Company Inc.	39216.1.82.25	7/25/2007	9/26/2012
*XXXXX-XXXX8208	XX-XX-XX27-06	Integrity Land Title Company Inc.	39216.1.82.25	8/15/2006	6/22/2011
XXXXXXX-XXXX7629	XXXXX9391	Hogan Land Title Company	4835.1.27.25	10/27/2009	6/6/2014
*XXXXXXX-XXXX4693	XX-XX-XX23-07	Integrity Land Title Company Inc.	39216.1.82.25	4/17/2007	9/26/2011
XXXXXXX-XXXX5084	4923	Miller County Enterprises, Inc.	32819.1.27.25	1/3/2008	6/1/2012
XXXXXXX-XXXX1214	XX-XX-XX26-07	Integrity Land Title Company Inc.	39216.1.82.25	7/9/2007	11/23/2011
XXXXXXX-XXXX9726	XX-XX-XX69-07	Integrity Land Title Company Inc.	39216.1.82.25	8/28/2007	10/25/2011
XXXXX-XXXX3610	XXXXX0007	Absolute Title Company	50243.1.82.25	8/5/2008	6/1/2012
XXXXX-XXXX5843	XX-XX-XX03-07	Integrity Land Title Company Inc.	39216.1.82.25	8/2/2007	4/26/2011
*XXXXXXX-XXXX0484	XXXX9014	LandChoice Company, LLC	7428.8.82.25	10/18/2007	4/26/2011

* Policies that were issued from Transnation Title Insurance Company, Lawyers Title Insurance Corp. or Commonwealth Land Title commitments were not issued/delivered to the insured. Per the Company, Transnation Title merged with Lawyers Title in 2008 and in 2010 Lawyers merged into Fidelity National Insurance Company.

Reference: §381.038.3, RSMo.

c. The following four policies were issued/delivered late and were also remitted to the insurer late in relation to the issuance/delivery date.

Policy No.	File No.	Agency	Producer No.	Effective Date	Issue / Delivery Date	Remit Date
XXXXX-XXXX8906	XXX4663	United Title Company, Inc.	4844.1.27.25	6/8/2007	3/6/2009	8/22/2013
XXXXX-XXXX0767	XXX4625	United Title Company, Inc.	4844.1.27.25	11/26/2007	2/27/2009	8/22/2013
XXXXXXX-XXXX7312	X971	Miller County Enterprises, Inc.	32819.1.27.25	11/13/2007	2/7/2008	6/1/2012

xxxxxxx-xxxx5084	x923	Miller County Enterprises, Inc.	32819.1.27.25	10/11/2007	1/8/2008	6/1/2012
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Reference: §381.038.3, RSMo.

d. The Company was unable to provide the following seven files. The files were not maintained. However, the Company data shows these policies were not remitted to the insurer until 2011-2014.

Policy No.	File No.	Agency	Producer No.	Effective Date	Remit Date
xxxxx-xxxx6986	xxxxxxxxxx404-Z	First U S Title Inc.	49123.3.82.25	9/14/2004	5/23/2014
xxxxx-xxxx8197	xxT147	Netfirst Title Services, LLC	31267.1.27.25	4/26/2006	6/1/2012
xxxxx-xxxx9657	xxxx-x4659	Tristar Title LLC	51424.1.82.25	10/12/2006	6/1/2012
xxxxxx-xxxx2408	xx2075	Affordable Title Services Inc.	51009.1.82.25	2/19/2008	8/8/2013
xxxxx-xxxx01627	xxx8443	Assured Quality Title Company	24381.1.27.25	4/11/2007	6/1/2012
xxxxxx-xxxx5089	xxxxxx191A	Lewis & Clark Title Company	38568.1.82.25	1/15/2007	10/26/2011
xxxxxx-xxxx2025	xxxxxx0943	UPT, LLC	28468.2.82.25	3/11/2007	6/22/2011

Reference: §381.038, RSMo.

17. The Company did not use its filed rates when they sold policy number xxxxxxx-xxxx0622. The correct amount of coverage to rate for is \$252,000, and using the rate filed on the Company’s T-7 at the time of sale results in a price of \$171.20. The records show the customer was charged \$150 resulting in an underpayment of \$21.20

The Company charged a risk rate that was not filed for use.

Reference: §381.181.2, RSMo and 20 CSR 500-7.100(2)(A).

18. The following observations make specific reference to the attachment included in the filings titled “*Final FNTIC Missouri Eff September 15 2009.pdf*”, and “*FDLS – 129244950*” Effective 11/11/2013. There are written portions of the filing that offer an allowance for a Centralized Refinance Rate. These portions of the filing contain language or rates that do not match the rates provided in the same filing on page 13 of the Uniform Premium (Risk Rate) Reporting Form (the T-7). Our observations are listed under the applicable headings (bold font) used in this portion of the filing.

The option for a Centralized Refinance Rate was altered in the filing effective November 11, 2013, but available for use during the entire examination period. This rate was not available through all agencies creating the possibility of identical risks receiving different prices based on which agency was selling the policy and based on which rate the agency wanted to charge between the T-7 rate or the Centralized Refinance Rate. It was not clear from the review undertaken whether the Centralized Refinance Rate was actually disclosed to lenders who received that rate.

Under the heading on page 3 of the rate filing attachment included in SERFF filing FDLS – 126196249 FNTIC, “**TITLE INSURANCE RATES FOR SUBSTITUTION LOANS**” at the end of the first paragraph is the following rating table:

The rate shall be as follows:

Age of Original Loan	
0-5 years	50% of the basic mortgage rate
5-10 years	60% of the basic mortgage rate
10 years or over	100% of the basic mortgage rate

This differs from the rates provided on the Uniform Premium (Risk Rate) Reporting Form (T-7) under the column “Title Insurance for Substitution Loans (Refinance) per \$1,000” included in this filing. This charge is for covering risk, and thereby belonging on the Uniform Premium (Risk Rate) Reporting Form in not doing so creates an incomplete disclosure to consumers, which may be misleading.

Reference: §381.019, RSMo and 20 CSR 500-7.050(1)(1).

19. The examiners reviewed various forms and filings in conjunction with their review of the Company’s rates.

The following observations are specific to the filing titled “*Final FNTIC Missouri Eff September 15 2009.pdf*”. The filing contains headings for various rating classifications. Eight of these headings contain language or rates that do not match the rates provided in the same filing on the Uniform Premium (Risk Rate) Reporting Form (the T-7).

Reference: §§381.181.1, .2 & .3, 381.201.1, RSMo and 20 CSR 500-7.100(2)(A) & (B).

IV. 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 timeframe. 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	19	100%
Received outside time limit including any extensions	0	0%
Total	19	100%

Reference: §374.205.2(2), RSMo and 20 CSR 100-8.040.

B. Formal Request Time Study

Calendar Days	Number of Requests	Percentage
Received within the time limit including any extensions	36	100%
Received outside time limit including any extensions	0	0%
Total	36	100%

Reference: §374.205.2(2), RSMo and 20 CSR 100-8.040.

EXAMINATION REPORT SUBMISSION

Attached hereto is the Division of Insurance Market Regulation's Final Report of the examination of Fidelity National Title Insurance Company (NAIC #51586), Examination Number 1701-76-TGT. This examination was conducted by Martha Long, Examiner-In-Charge, Julie Hesser, Examiner III, Tad Herin, Examiner III, and Dana Whaley, Examiner II. 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