

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OREGON

In the Matter of the Proposed Merger of Title	)	Order of Exemption
Insurance Company of Oregon dba First American	)	
Title Insurance Company of Oregon into First	)	
American Title Insurance Company	)	Case No. INS 12-09-004

INTRODUCTION

By letter dated August 16, 2012, First American Title Insurance Company (“FATICO”) filed a request for exemption from the provisions of Oregon Revised Statutes (“ORS”) 732.521(1) pursuant to ORS 732.521(2) with regard to the merger of Title Insurance Company of Oregon dba First American Title Insurance Company of Oregon (“TICO”) into FATICO.

TICO is an Oregon domiciled stock insurance company, authorized under ORS chapter 731 to transact title insurance business in Oregon since November 1, 1937. TICO operates only in the State of Oregon. FATICO currently owns 100% of the issued and outstanding shares of TICO.

FATICO is a California domiciled stock insurance company that has been authorized under ORS chapter 731 to transact title insurance business in Oregon since April 1, 1980.

First American Financial Corporation (“FAFC”) is a Delaware publicly-traded holding company (New York Stock Exchange: FAF) and is the ultimate controlling entity of TICO and FATICO.

FACTS PROVIDED

Under the proposed merger, TICO will be merged with and into FATICO and TICO will cease to exist. The merger will be effective on the later of October 31, 2012 or the date that all regulatory approvals are received. FATICO shall be the surviving corporation. The separate corporate existence of FATICO with all its rights, privileges, immunities, powers and franchises

shall continue unaffected by the merger. FATICO will succeed to all the properties and assets of TICO and to all policyholder obligations, debts, causes of action and other interests due or belonging to TICO. FATICO will be subject to, and responsible for, all the debts, liabilities and duties of TICO as provided by applicable state law. The officers and directors of FATICO will not change as a result of the merger.

Both TICO and FATICO acknowledge that the purpose of the merger is to make more efficient use of resources within FAFC, the ultimate holding company of TICO and FATICO.

The boards of directors of TICO and FATICO have represented that the proposed merger is in the best interest of each corporation and have approved the merger.

The merger does not effect a change of control within the holding company system since the ultimate controlling entity for TICO and FATICO is FAFC. FAFC will remain the ultimate controlling person in the holding company system. The merger does not affect a change of control within the holding company system.

Due to the nature of title insurance, TICO is unable to locate and provide notification of the proposed merger to the current holders of TICO title insurance policies. TICO writes business only in the State of Oregon. In an effort to notify those individuals who do hold TICO title insurance policies, prior to the effective date of the merger, TICO will publish notice of the merger in the following major Oregon newspapers: The Bulletin; The Register-Guard; The Statesman Journal; The Dalles Chronicle; Lake County Examiner Weekly; and The Oregonian. Said publications will inform current TICO policyholders that FATICO will succeed to all of TICO's policyholder obligations and provide information for filing claims.

#### CONCLUSION OF LAW

The proposed merger will not have the effect of changing or influencing the control or ownership of a domestic insurer. The proposed merger thereby meets the requirements for exemption from the provisions of ORS 732.521(1) pursuant to ORS 732.521(2).

ORDER

Based on the foregoing facts provided and conclusion of law, it is hereby ordered that the proposal to merge Title Insurance Company of Oregon dba First American Title Insurance Company of Oregon into First American Title Insurance Company submitted by First American Title Insurance Company is exempt from the provisions of ORS 732.521(1).

Issued this 15<sup>th</sup> day of October 2012.



Louis Savage  
Insurance Commissioner