

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

In the Matter of **First American Title Insurance Company**) **STIPULATION** and
) **FINAL ORDER**
) Case No. INS 09-03-016

STIPULATION

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against First American Title Insurance Company (First American Title).

First American Title desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.417(3).

First American Title waives all rights relative to an administrative hearing and judicial review thereof.

First American Title stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

Facts and Conclusions

Licensing Information

First American Title has been licensed in Oregon as a foreign insurer since 4/1/80. First American Title's last recorded principal business address is located in Santa Ana, California.

Failed to Comply With ORS 731.438(3)

First American Title is subject to enforcement action pursuant to ORS 731.438(3) because of the following circumstances. ORS 731.438(3) prohibit a title insurer or insurance producer from engaging in a title insurance transaction involving the status of title of real property located in Oregon without such transaction being based on one or more title plants which meet certain requirements. From November 2004 to November 2007, First American Title issued 21 title insurance policies covering real property located in Grant County,

Oregon, that were not based on a title plant that met the requirements of ORS 731.438(3).

Failed to Comply With ORS 742.003(1)

First American Title is subject to enforcement action pursuant to ORS 742.003(1) because of the following circumstances. ORS 742.003(1) prohibits an insurer from delivering or issuing for delivery in this state a basic policy form, or application form where written application is required and is to be made a part of the policy, or rider, endorsement or renewal certificate, until the form has been filed with and approved by the director, subject to certain exceptions not applicable to these circumstances. From November 2004 to November 2007, First American Title issued eight title insurance policies covering real property located in Grant County, Oregon using a policy form that was not filed with and approved by the director.

Failed to Comply With ORS 737.330(1)

First American Title is subject to enforcement action pursuant to ORS 737.330(1) because of the following circumstances. ORS 737.330(1) prohibits an insurer from making or issuing a policy except in accordance with the filings which are in effect for the insurer as provided in ORS Chapter 737. As described above, from November 2004 to November 2007, First American Title issued eight title insurance policies covering real property located in Grant County, Oregon using premium rates that were not filled with and approved by the director.

Failed to Comply With ORS 731.296

First American Title is subject to enforcement action pursuant to ORS 731.296 because of the following circumstances. ORS 731.296 requires a person who is licensed in Oregon in any capacity under the Insurance Code to promptly and truthfully respond to an inquiry from the director.

On 6/25/07, the director requested First American Title provide certain information by 7/13/07. On 8/15/07, First American Title provided the information.

On 8/21/07, the director requested First American Title provide certain information by 9/4/07. On 10/1/07, the First American Title provided the information.

On 12/3/07, the director requested First American Title provide certain information by 3/7/08. First American Title has not provided the information.

On 3/20/08, the director requested First American Title provide certain information each week thereafter commencing on 3/28/08. First American Title did not respond on five occasions from 3/28/08 to 5/16/08.

Action

Pursuant to ORS 731.988, First American Title is assessed a civil penalty of \$61,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated 5/14/09

/s/ Lenore A. Martinez

[Signature of Representative]

Lenore A. Martinez

[Printed Name of Representative]

Vice President/Division Counsel

[Printed Title of Representative]

First American Title Insurance Company

FINAL ORDER

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated 5/21/09

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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