

FILED

2015 MAR 23 A 10:04

BEFORE THE WASHINGTON OFFICE  
OF THE INSURANCE COMMISSIONER

In the Matter of the Form A Application	)	Docket No. 15-0021
for the Proposed Acquisition of Control	)	
of:	)	
	)	
MASON COUNTY TITLE	)	Applicant's Written Testimony in
INSURANCE COMPANY,	)	Support of Form A Application
a Washington domestic insurer,	)	
	)	
by	)	
	)	
RETITLE HOLDING COMPANY, LLC,	)	
<u>an Idaho limited liability company.</u>	)	

On behalf of the Applicant, RETITLE HOLDING COMPANY ("REtitle"), James J. Dufficy ("Affiant") submits the following as Applicant's written testimony supporting approval of the Application at the hearing scheduled in this matter for March 31, 2015

1. Affiant is Managing Member of RETitle, and executed the Statement regarding the Acquisition of Control of a Domestic Insurer (Form A) of Mason County Title Insurance Company ("MCTIC") by RETitle.
  
2. Affiant is authorized to testify on behalf of RETitle in this matter.
  
3. After the change of control for which approval is requested, MCTIC would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed. Neither Applicant, nor its individual members, possess any attribute or disability which would render them ineligible to own and operate MCTIC as a title insurance company. MCTIC's current lack of the requisite capital surplus required of a title insurer in the state of Washington, is expected to be remedied over time as a

consequence of the acquisition.

4. The effect of the acquisition will not substantially lessen competition or tend to create a monopoly in insurance in this state. MCTIC has been inactive since 1998, and has been under an Order of Supervision since 2008, as a consequence of the 2005 statutory increase in the capital surplus requirements for title insurers licensed in Washington to \$4 million. MCTIC thus provides no competitive presence in the Washington title insurance market in its current condition. As a result of the acquisition, competition in the market for title insurers will be expanded by the relocation of the Company, and the commencement of active premium writings. With the projected growth in the surplus of MCTIC resulting from the Applicant's business plans, REtitle expects to return to the Washington market once MCTIC's capital surplus has been increased to the requisite statutory minimum of \$4 million. Thus, the acquisition will lead to an increase in the competition in the title insurance market in Washington.

5. The financial condition of REtitle will not jeopardize the financial stability of MCTIC, or prejudice the interest of its policyholders. REtitle was formed specifically for the purpose of holding the stock of MCTIC, and will be capitalized by the members individually so as to finance the acquisition with free cash. REtitle will engage in no other business activities which might lead to operating losses or other losses or liabilities which could negatively affect MCTIC's financial stability. REtitle expects to incur no loan or other debt obligations in connection with the acquisition which could negatively affect the financial stability of MCTIC.

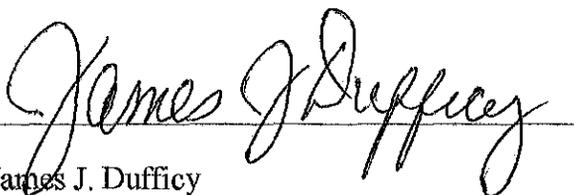
6. REtitle has no plans or proposals to liquidate MCTIC, sell its assets, consolidate or merge it with any person, or make any other material change in its business or corporate structure or management, which would be unfair and unreasonable to the policyholders of MCTIC and not in the public interest. In fact, REtitle's acquisition will serve policyholders and the public interest, in that the acquisition will lead to the financial strengthening of the Company through the commencement of active premium writings.

7. The affidavits of the individual members of REtitle provide ample evidence of the competence, experience, and integrity of the members of REtitle, who are the persons who will control the operation of MCTIC after the acquisition. The individual members of REtitle were the executive management team of National Title Insurance of New York, Inc., from 2009 to 2014, and during that period of time, dramatically expanded that underwriter in both its financial stability, and its geographical coverage.

8. The acquisition will not be hazardous or prejudicial to the insurance-buying public. The acquisition will, in fact, resolve the current inactive status of MCTIC, a status which in itself is hazardous to its current policyholders. The future plans of REtitle will lead to the financial strengthening of MCTIC, which will clearly be beneficial to current and future policyholders of the Company.

9. Neither REtitle nor its members or other affiliates have received comments, complaints or concerns concerning this proposed acquisition of control.

SUBMITTED UNDER OATH this 19 day of March, 2015.

  
James J. Dufficy

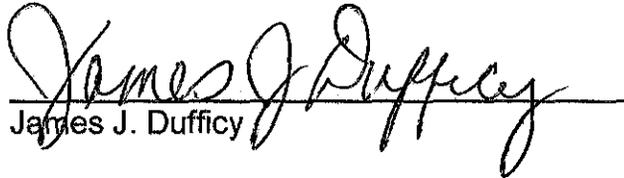
## Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed a true copy of this document to the following persons at their addresses listed below:

David C. Bayley, Mason County Title Insurance Company, P.O. Box 4157,  
Olympia, WA 98501

Mike Kreidler, Insurance Commissioner  
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner  
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division  
Darryl Colman, Insurance Enforcement Specialist, Legal Affairs Division  
William R. Michels, Deputy Commissioner, Company Supervision  
Ronald Pastuch, Holding Company Manager, Company  
Office of the Insurance Commissioner, PO Box 40255, Olympia, WA 98504-0255

Mailed this 19 day of March, 2015

  
James J. Dufficy