

IN THE MATTER OF:

CHICAGO TITLE INSURANCE  
COMPANY,

Respondent.

ORDER NO. D07-308

STIPULATION AND AGREEMENT

The Insurance Commissioner of the State of Washington ("OIC"), pursuant to the authority set forth in Title 48 RCW, including RCW 48.05.185, makes the following:

**I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

- 1) Chicago Title Insurance Company ("CTIC") is a title insurance company holding a Certificate of Authority to transact title insurance in the state of Washington. Land Title Company of Kitsap County, Inc. ("Land Title") is a licensed title insurance agent appointed by CTIC.
- 2) Between December 1, 2006 and March 31, 2007, Land Title gave services and other things of value exceeding \$25.00 in value to producers of title insurance business in violation of WAC 284-30-800. These violations were alleged in the OIC's Amended Notice of Hearing dated March 28, 2008 ("Hearing Notice," incorporated herein by reference), in which the OIC commenced an administrative proceeding ("Administrative Proceeding") to impose a fine against CTIC for these violations. CTIC contested this Administrative Proceeding and demanded a hearing.
- 3) The Administrative Proceeding was bifurcated into two phases. The first phase ("Phase I") addressed the issue of whether the OIC may impose fines against CTIC pursuant to RCW 48.05.185 for the actions of its agent, Land Title. If Phase I resulted in a determination in the OIC's favor, a second hearing on the merits would be held ("Phase II") to determine whether the specific acts of Land Title violated WAC 284-30-800.

*Attachment A*

- 4) On October 30, 2008, an initial order ("Initial Order") granted summary judgment in favor of CTIC on the Phase I issue. On April 24, 2009, OIC Chief Hearing Officer Patricia D. Petersen entered a final order ("Final Order") entering judgment in Phase I in favor of the OIC. A merits hearing in Phase II of the Administrative Proceeding is scheduled to begin on October 19, 2009.
- 5) On May 13, 2009, CTIC appealed the Final Order to the Thurston County Superior Court (the "Superior Court Proceeding"). CTIC and OIC each wish to exhaust all appeal rights ("Appeals Process"). To resolve Phase II and obviate the need for a hearing on the merits, the parties hereby consent to the imposition of a fine in the event CTIC does not prevail in the Appeals Process.

## II. CONSENT TO ORDER

- 1) CTIC, acknowledges its duty to comply fully with the applicable laws of the state of Washington.
- 2) In order to fully resolve the pending Phase II of the Administrative Proceeding between the OIC and CTIC, the parties agree to fully settle Phase II of this matter as follows:
  - A. After exhaustion of the Appeals Process, if OIC prevails, CTIC agrees to pay a penalty of forty eight thousand three hundred and thirty four dollars (\$48,334) within thirty days of the date of entry of the final order in the Appeals Process;
  - B. If CTIC prevails after exhaustion of the Appeals Process, OIC agrees that it will not seek to take further administrative or judicial action against CTIC with respect to the allegations in OIC's Hearing Notice, and that this stipulation and agreement shall have no force or effect.

EXECUTED this 28<sup>th</sup> day of September, 2009.

Chicago Title Insurance Company

By: [Signature]

Printed Name: KEVIN R. CHIARELLO

Typed Corporate Title: SENIOR Vice President

### III. ORDER

Pursuant to Title 48 RCW, including RCW 48.05.185, and the foregoing Findings of Fact and Conclusions of Law, and Consent to Order, the OIC hereby enters the following order:

1) No less than fifteen (15) and no more than thirty (30) days after the conclusion of the Appeals Process, and the exhaustion by either party of all rights to appeal the Final Order or any order entered by the Thurston County Superior Court in the Superior Court Proceeding:

A. After exhaustion of the Appeals Process, if OIC prevails, CTIC agrees to pay a penalty of forty eight thousand three hundred and thirty four dollars (\$48,334) within thirty days of the date of entry of the final order in the Appeals Process;

B. If CTIC prevails after exhaustion of the Appeals Process, OIC agrees that it will not seek to take further administrative or judicial action against CTIC with respect to the allegations in OIC's Hearing Notice, and that this order shall have no force or effect.

2) In the event CTIC does not prevail after the conclusion of the Appeals Process, and fails to pay the foregoing fine within thirty (30) days of the conclusion of the Appeals Process, such shall result in the revocation of CTIC's Certificate of Authority and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Attachment A

ENTERED at Tumwater, Washington, this 5<sup>th</sup> day of October, 2009.

MIKE KREIDLER

Insurance Commissioner

By AM

Alan Michael Singer

Staff Attorney

Legal Affairs Division

Attachment A