CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
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California Department of Insurance

BEFORE THE INSURANCE COMMISSIONER

OF THE STATE OF CALIFORNIA

SAN FRANCISCO

In the Matter of the Certificates of Authority of: COMMONWEALTH LAND TITLE INSURANCE COMPANY; LAWYERS TITLE INSURANCE CORPORATION; and, TRANSNATION TITLE INSURANCE COMPANY, Respondents.	File No. NC-2007-00001 STIPULATION AND WAIVER; and ORDER RE STIPULATION AND WAIVER

Respondents, COMMONWEALTH LAND TITLE INSURANCE COMPANY; LAWYERS TITLE INSURANCE CORPORATION; and TRANSNATION TITLE INSURANCE COMPANY, and the California Department of Insurance ("Department"), stipulate as set forth herein:

1. Respondent COMMONWEALTH LAND TITLE INSURANCE COMPANY ("COMMONWEALTH") holds a Certificate of Authority to transact the business of title insurance in the State of California, pursuant to §700 et seq. of the California Insurance Code[1]; and,

2. Respondent LAWYERS TITLE INSURANCE CORPORATION ("LAWYERS") holds a Certificate of Authority to transact the business of title insurance in the State of California, pursuant to §700 et seq. of the California Insurance Code; and,

3. Respondent TRANSNATION TITLE INSURANCE COMPANY ("TRANSNATION") holds a Certificate of Authority to transact the business of title insurance in the State of California, pursuant to §700 et seq. of the California Insurance Code; and,

4. Respondents COMMONWEALTH, LAWYERS, and TRANSNATION are affiliates of parent company LandAmerica Financial Group, Inc. ("LANDAMERICA"), a Virginia corporation, and the principal underwriters for title insurance policies issued by LANDAMERICA; and,

5. In April 2005, the Department commenced a Targeted Rating and Underwriting Examination of the residential title insurance writings in California of COMMONWEALTH, LAWYERS, and TRANSNATION during the period from January 1, 2005 to March 31, 2005. The examination reviewed a sample of policy files to determine the accuracy of the application of the filed rates and applicable discounts by COMMONWEALTH, LAWYERS and TRANSNATION; and,

6. The Department's Field Rating and Underwriting Bureau examination report, denominated "As of March 31, 2005," identified the manner and extent to which noncompliance

[1] Unless otherwise stated, all references are to the California Insurance Code.

in the rating and underwriting practices of COMMONWEALTH, LAWYERS and TRANSNATION is alleged, pursuant to California Insurance Code §735.5; and,

7. On or about November 13, 2007, the Department caused to be served upon COMMONWEALTH, LAWYERS, and TRANSNATION an Accusation, Notice of Noncompliance, Demand, and Right to Issue Order to Show Cause ("Accusation") "In the Matter of the Certificates of Authority of Commonwealth Land Title Insurance Company; Lawyers Title Insurance Corporation; and Transnation Title Insurance Company, Respondents," File No. NC-2007-00001, incorporated herein by reference. Said Accusation alleged, inter alia, that COMMONWEALTH, LAWYERS, and TRANSNATION failed to adhere to its filed rates, incorrectly rated policies, and/or failed to apply applicable discounts resulting in premium overcharges and undercharges, in violation of California Insurance Code §§790.06, 12401.1, 12401.3(a), 12401.7, and 12414.27; and,

8. COMMONWEALTH, LAWYERS, and TRANSNATION and the Department, in order to avoid the expense, uncertainty and distractions of litigation, and without Respondents admitting the allegations set forth herein and in the Accusation referenced herein, have undertaken discussions to resolve the issues in this proceeding and now wish to resolve those issues without the need for a hearing or further administrative action; therefore COMMONWEALTH, LAWYERS, and TRANSNATION, by this Stipulation and Waiver, waive any and all rights to a hearing in this matter, and any and all other rights related to this proceeding which may be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (commencing with §11500) of the California Government Code, and by the California Insurance Code; and,

9. This Stipulation and Waiver does not constitute an admission of liability or wrongdoing by COMMONWEALTH, LAWYERS, or TRANSNATION; and,

10. COMMONWEALTH, LAWYERS, and TRANSNATION agree to and shall Cease and Desist from failing to adhere to its respective filed rates which may be in violation of California Insurance Code §§790.06, 12401.1, 12401.3(a), 12401.7, and 12414.27; and,

11. COMMONWEALTH, LAWYERS, and TRANSNATION agree to and shall pay, within ten (10) days after receiving an invoice from the California Department of Insurance, Division of Accounting, a portion of the amount of one million five hundred dollars ($1,500,000.00) to the California Department of Insurance as a monetary penalty pursuant to California Insurance Code §§12414, 12415, and 12976 upon written Order of the Insurance Commissioner to be made and filed herein and without further notice to COMMONWEALTH, LAWYERS, and TRANSNATION in the respective amounts as follows:

(a) COMMONWEALTH shall pay five hundred thousand dollars ($500,000.00); and

(b) LAWYERS shall pay five hundred thousand dollars ($500,000.00); and

(c) TRANSNATION shall pay five hundred thousand dollars ($500,000.00); and,

12. COMMONWEALTH, LAWYERS, and TRANSNATION agree to and shall refund to each California consumer, as defined below, who purchased a residential loan title policy issued by COMMONWEALTH, LAWYERS, and TRANSNATION identified as having been subject to an overcharge in excess of five dollars, an amount equal to that overcharge. The aggregate payments shall not exceed two million dollars ($2,000,000.00). Said refunds shall be subject to the following terms, conditions, and restrictions:

(a) COMMONWEALTH, LAWYERS, and TRANSNATION shall report to the Department, on a monthly basis, beginning 60 days after the Order adopting this Stipulation is signed by the Commissioner, the following information: the name, last known address, last

known telephone number (if available), and policy order number of each California consumer identified by COMMONWEALTH, LAWYERS, and TRANSNATION as eligible for an overcharge refund on each and every residential title insurance policy which is the subject of this action; the amount of the refund; and the date of the expected issuance of the refund check to the consumer. Each monthly report shall also contain a summary of the number of consumers who received refund payments and the total dollar amount of refunds paid per month; and,

(b) COMMONWEALTH, LAWYERS, and TRANSNATION shall make three good faith attempts to locate a valid address for each eligible consumer and provide a report to the Department identifying the date and method of each of the three good faith attempts; and,

(c) COMMONWEALTH, LAWYERS, and TRANSNATION shall exercise their best efforts to issue and send payments to the property address of all California consumers within one hundred twenty (120) days, and in any event no later than one hundred fifty days (150), from the date of the signed Order by the Commissioner, and shall complete the refund process as soon as is reasonably possible, and in any event no later than one year from the date of the signed Order by the Commissioner; and,

(d) If, after completing three good faith attempts, which may include by way of example and not by way of limitation, notice and publication on COMMONWEALTH, LAWYERS, and TRANSNATION'S website, COMMONWEALTH, LAWYERS, and TRANSNATION are unable to locate specific California consumers eligible for a refund, COMMONWEALTH, LAWYERS, and TRANSNATION shall deliver the refund payment, along with a cover letter identifying the nature of the Unclaimed Property, to the California State Controller's Office in accordance with the Controller's guidelines for the remittance of unclaimed funds for retention and publication on the State Controller's Unclaimed Property database. COMMONWEALTH, LAWYERS, and TRANSNATION shall provide a report to the California

Department of Insurance identifying, for each and every refund payment submitted to the California State Controller's Office, the following: the date and method of each of the three (3) good faith attempts made to locate the eligible California consumer; the name, address, and policy order number of the California consumer; the amount of the refund payment for each eligible California consumer; the aggregate amount of the payment check remitted to the Controller; and the date the payment check was sent to the State Controller's Office; and,

(e) "California consumers" are defined as:

(1) The purchaser of a new or existing home who purchased a concurrent loan title policy from the Northern California Operations of Commonwealth Land Title Company, issued by COMMONWEALTH, LAWYERS, or TRANSNATION, during the period of January 1, 2004 to March 31, 2005; and,

(2) The borrower in a refinance transaction purchasing a residential loan title policy from LANDAMERICA'S One-Stop Division, issued by TRANSNATION, during the period of January 1, 2004 to March 31, 2005; and,

(3) The borrower in a refinance transaction purchasing a residential loan title policy from Southland Title Corporation, issued by COMMONWEALTH, LAWYERS or TRANSNATION, during the period of April 1, 2004 to March 31, 2005; and,

(f) If two or more potential California consumers make competing claims of entitlement to the same refund, the final determination of eligibility may be made by the title insurer from which the refund is sought; and,

13. This Stipulation and Waiver resolves fully the matters alleged or arising out of, the Targeted Rating and Underwriting Examination dated "As of March 31, 2005" and the allegations in File No. NC-2007-00001; and,

14. This Stipulation and Waiver does not resolve any allegations that COMMONWEALTH, LAWYERS, and TRANSNATION charged more than its filed rates subsequent to March 31, 2005; and,

15. Neither this Stipulation and Waiver nor the Order approving this Stipulation and Waiver are in any way intended to limit or waive the Commissioner's authority to bring further disciplinary action against COMMONWEALTH, LAWYERS, and TRANSNATION for violations not covered by the Accusation or this Stipulation and Waiver, whether such violations occurred prior to or subsequent to the date of this Stipulation and Waiver; and,

16. Nothing contained in this Stipulation and Waiver or the Order approving this Stipulation and Waiver shall prevent the Department from taking action at any time to enforce this Stipulation and Waiver or the Order approving this Stipulation and Waiver if COMMONWEALTH, LAWYERS, and TRANSNATION are not in compliance with the terms and conditions of the Stipulation and Waiver and/or the Order approving this Stipulation and Waiver; and,

17. The Insurance Commissioner retains jurisdiction to ensure that COMMONWEALTH, LAWYERS, and TRANSNATION comply with the provisions and terms of this Stipulation and Waiver and/or Order approving this Stipulation and Waiver; and,

18. COMMONWEALTH, LAWYERS, and TRANSNATION represent and warrant that the persons executing this Stipulation and Waiver on behalf of COMMONWEALTH, LAWYERS, and TRANSNATION are authorized to enter into and execute this Stipulation and Waiver; and,

19. Pursuant to California Insurance Code §12921(b) (1), this Stipulation and Waiver is not final unless and until approved by the Insurance Commissioner as evidence by an Order of the Commissioner expressly adopting this Stipulation and Waiver; and,

20. This Stipulation and Waiver is a compromise within the meaning of California Evidence Code §§1152 and 1154.

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Dated: December 3, 2007

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Signed: T L Chandler

Name: Theodore L. Chandler, Jr.

Title: President + CEO

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Dated: December 3, 2007

LAWYERS TITLE INSURANCE CORPORATION

Signed: T L Chandler

Name: Theodore L. Chandler, Jr.

Title: President + CEO

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Dated: December 3, 2007

TRANSNATION TITLE INSURANCE COMPANY

Signed: T L Chandler

Name: Theodore L. Chandler, Jr.

Title: President + CEO

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Dated: December 6, 2007

SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLP

By: _____
Darrel J. Hieber
Attorney for Respondents

COMMONWEALTH LAND TITLE INSURANCE COMPANY;

LAWYERS TITLE INSURANCE CORPORATION;

TRANSNATION TITLE INSURANCE COMPANY; and,

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Dated: December 7, 2007

CALIFORNIA DEPARTMENT OF INSURANCE

By: _____
Mary Ann Shulman
Senior Staff Counsel

ORDER

The preceding Stipulation and Waiver is hereby adopted as the Order of the Insurance Commissioner of the State of California.

Dated: ~~December , 2007~~
JANUARY 3, 2008

STEVE POIZNER
Insurance Commissioner

By: _____
STEVE POIZNER
Insurance Commissioner

by Jerry Whitfield
Assistant Chief Counsel