

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

FINAL ORDER

Effective: 04/14/06

In the Matter of Santa Fe Title LLC) Docket No. 2532-SO

SUMMARY ORDER

Pursuant to the authority granted to the Commissioner of Insurance by Kansas Statutes Annotated (“K.S.A.”) 40-1139 and 40-1141,

I, Sandy Praeger, the duly elected and qualified Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusions of law, and order, to wit:

Findings of Fact

1. Santa Fe Title, LLC (“Santa Fe”) is a non-resident title insurance agency authorized to transact the business of insurance in the State of Kansas with its office located at 401 South Lexington, Harrisonville, Missouri and is subject statutes regulating the business of insurance.

2. The Commissioner of Insurance (“the Commissioner”) has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.

3. On December 7, 2005, CNA Surety notified the Kansas Insurance Department (“KID”) of a request to cancel or nonrenew the bond of Santa Fe.

4. On December 12, 2005, KID requested a bond or revocable Line of Credit from Santa Fe or a written notice of the agency’s intention to cease all escrow, settlement, or closing operations.

5. On or about January 18, 2006, the bond was canceled and voided by CNA Surety.

6. Santa Fe has not provided a bond or revocable Line of Credit from Santa Fe or a written notice of the agency's intention to cease all escrow, settlement, or closing operations.

Conclusions of Law

1. K.S.A. 40-1139(a) provides,

The title insurance agent who handles escrow, settlement or closing accounts shall file with the commissioner a surety bond or irrevocable letter of credit in a form acceptable to the commissioner, issued by an insurance company or financial institution authorized to conduct business in this state, securing the applicant's or the title insurance agent's faithful performance of all duties and obligations set out in K.S.A. 40-1135 through 40-1141 and amendments thereto.

2. K.S.A. 40-1141 provides,

If the commissioner determines that the title insurance agent or any other person has violated this act, or any rules and regulation or order promulgated thereunder, after notice and opportunity to be heard, the commissioner may order that such person be subject to the penalties provided in K.S.A. 40-2406 *et seq.* and amendments thereto.

3. K.S.A. 40-2407 provides, in relevant part,

a) If, after such hearing, the commissioner shall determine that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall render an order requiring such person to cease and desist from engaging in such method of competition, act or practice...

4. Based on the information contained in paragraphs three (3) through six (6) above, it appears that Santa Fe Title, LLC failed to shall file with the commissioner a surety bond or irrevocable letter of credit in a form acceptable to

the commissioner and issued by an insurance company or financial institution authorized to conduct business in this state in violation of K.S.A. 40-1139.

**IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE,
ORDERED THAT:**

1. Santa Fe Title, LLC shall cease and desist from handling escrow, settlement, or closing accounts until proof of a surety bond or irrevocable letter of credit in a form acceptable to the Commissioner and issued by an insurance company or financial institution authorized to conduct business in this state is provided to the Commissioner.

2. The license of Santa Fe Title, LLC is suspended until proof of a surety bond or irrevocable letter of credit in a form acceptable to the Commissioner and issued by an insurance company or financial institution authorized to conduct business in this state is provided to the Commissioner.

Notice of Right to Hearing or Appeal

You are entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If you desire a hearing, you must file a written request for a hearing with:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612.

This request must be filed within fifteen (15) days from the date of service of this Order. If you request a hearing, the Kansas Insurance Department will notify you of the time and place of the hearing and information on the procedures, right

of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. § 77-613. In the event that you file a petition for judicial review, pursuant to K.S.A. § 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
 Kansas Insurance Department
 420 S.W. 9th Street
 Topeka, Kansas 66612.

IT IS SO ORDERED THIS 27th DAY OF MARCH, 2006, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



 /s/ Sandy Praeger
 Sandy Praeger
 Commissioner of Insurance
 BY:

 /s/ John W. Campbell
 John W. Campbell
 General Counsel

SUBMITTED AND APPROVED BY:

_/s/ Deletria L. Nash _____
Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Summary Order was served by placing the same in the United States Mail, first class postage prepared, on this 27th day of March, 2006, addressed to the following:

David Coffelt
Santa Fe Title, LLC
401 South Lexington
Harrisonville, Missouri 64701

David Coffelt
Santa Fe Title, LLC
P.O. Box 208
Harrisonville, Missouri 64701

_/s/ Deletria L. Nash _____
Deletria L. Nash
Staff Attorney