

BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS

**FINAL ORDER**

Effective: 11-27-06

In the Matter of Northland Title  
Services, LLC

)  
)

Docket No. 3588-SO

**SUMMARY ORDER**

Pursuant to the authority granted to the Commissioner of Insurance by Kansas Statutes Annotated (“K.S.A.”) 2005 Supp. 40-2404 and K.S.A. 40-963,

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. Northland Title Services, LLC (“Northland Title”) is a title insurance agency authorized to transact the business of insurance in the State of Kansas with its office located at 104 NE 72nd Street, Suite G, Gladstone, MO 74118, and is subject to 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 July 6, 2004, the Kansas Insurance Department (“KID”) issued a summary order, docket number 3346-SO, against Northland Title for violating K.S.A. 40-952(c).

4. The summary order became a final order on July 26, 2004.

5. In June, 2006, the Office of the Kansas State Bank Commissioner notified KID that its office fined Northland Title \$5,000 for violating Kansas Statutes Annotated (“K.S.A.”) 9-2211(b)(1), K.S.A. 9-2211(b)(2), and K.S.A. 9-2212(f).

6. On or about August 1, 2006, KID contacted Northland Title and inquired about any controlled business arrangements between Victory Mortgage.

7. On August 1, 2006, Northland Title advised KID that 53.9 percent of its closed title orders originated from controlled business for the year 2005.

### **Conclusions of Law**

1. K.S.A. 40-2,125(a)(1) provides, in relevant part:

If the commissioner determines after notice and opportunity for a hearing that any person engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order... payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every violation.

2. K.S.A. 2005 Supp. 40-2404(9)(h) provides, in relevant part:

Within 90 days following the end of each business year, as established by the title insurer or title agent, each title insurer or title agent shall file with the department of insurance and any title insurer with which the title agent maintains an underwriting agreement, a report executed by the title insurer's or title agent's chief executive officer or designee, under penalty of perjury, stating the percent of closed title orders originating from controlled business. The failure of a title insurer or title agent to comply with the requirements of this section, at the discretion of the commissioner, shall be grounds for the suspension or revocation of a license or other disciplinary action, with the commissioner able to mitigate any such disciplinary action if the title insurer or title agent is found to be in substantial compliance with competitive behavior as

defined by federal housing and urban development statement of policy 1996-2.

3. K.S.A. 40-2407(a) provides, in relevant part:

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 and if the act or practice is a violation of K.S.A. 40-2404 and amendments thereto, the commissioner may in the exercise of discretion order any one or more of the following:

(1). Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, but not to exceed an aggregate penalty of \$10,000, unless the person knew or reasonably should have known such person was in violation of this act, in which case the penalty shall be not more than \$5,000 for each and every act or violation, but not to exceed an aggregate of \$50,000 in any six-month period;

4. Based on the information contained in paragraphs three (3) through seven (7) above, it appears that Northland Title Services, LLC. failed to file with the commissioner a report stating the percent of closed title orders originating from controlled business within 90 days following the end of each business year in violation of K.S.A. 40-2404(9)(h).

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

Northland Title Services, LLC shall remit to the Kansas Insurance Department an administrative penalty in the sum of five thousand dollars (\$5,000) for violating K.S.A. 40-2404(9)(h).

**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   1<sup>st</sup>   DAY OF November, 2006, IN THE CITY  
OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



  /s/ Sandy Praeger    
Sandy Praeger  
Commissioner of Insurance

  /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   1<sup>st</sup>   day of November, 2006, addressed to the following:

Michael Moriarty  
Northland Title Services, LLC  
104 NE 72nd Street, Suite G  
Gladstone, MO 74118

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