

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

FINAL ORDER

Effective: 02/05/07

In the Matter of Residential Title
Services, Inc.

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Docket No. 3605-SO

SUMMARY ORDER

Pursuant to the authority granted to the Commissioner of Insurance by Kansas Statutes Annotated (“K.S.A.”) 40-2,125 and 40-4116,

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. Residential Title Services, Inc. (“Residential Title”) is a title insurance agency with its office located at 1910 S. Highland, Suite 150, Lombard, IL 60148 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 December 17, 2004, Residential Title received a license to write title insurance policies in the state of Kansas.

4. On December 22, 2004, the Kansas Insurance Department (“KID”) sent the agency a letter outlining the requirements for filing all title insurance rates and charges pursuant to K.S.A. 40-952(c).

5. No response or filings were received from Residential Title by KID.

6. On or about August 30, 2005, KID received a letter from Michael T. Malone, Vice President, Division Agency Manager, Kansas, Missouri, and Nebraska, of Fidelity National Title Insurance Company stating that the Residential Title had issued eleven (11) policies in Kansas.

Conclusions of Law

1. K.S.A. 40-952(c) provides, in relevant part,

...Every insurance agent, agency or company authorized to transact title insurance in this state shall file with the commissioner every manual of classification, rules and rates, every rating plan, every rate card and every modification of the foregoing which may be used in connection with providing title insurance or other services in connection with real estate transactions on property located in counties having a population of 10,000 or more. No charge may be made by any title insurance agent, agency or company that has not been filed with the commissioner as required by this section. Any service customarily provided by a title insurance agent or affiliated entity that is not included in the rates shall be disclosed when the rates are filed with the commissioner.

2. 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.

3. Based on the information contained in paragraphs three (3) through six (6) above, it appears that Residential Title Services, Inc. failed to file with the commissioner every manual of classification, rules and rates, every rating plan, every rate card and every modification of the foregoing which may be used in connection with providing title

insurance or other services in connection with real estate transactions on property located in counties having a population of 10,000 or more in violation of K.S.A. 40-952(c).

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

Residential Title Services LLC shall remit to the Kansas Insurance Department an administrative penalty in the sum of five hundred dollars (\$500) for violating K.S.A. 40-952(c).

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 16th DAY OF JANUARY, 2007, 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 BY:

/s/ Deletria L. Nash _____
Deletria L. Nash
Attorney for Petitioner

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Consent Order was served by placing the same in the United States Mail, first class postage prepared, on this 16th day of February , 2007, addressed to the following:

Julie Brown
Residential Title Service, Inc.
1910 S. Highland
Suite 150
Lombard, IL 60148

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