

FINAL ORDER

Effective: 11-23-07

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

**In the Matter of Richmond Title
Services LP**

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Docket No. 3715-SO

SUMMARY ORDER

Pursuant to the authority granted to the Commissioner of Insurance by Kansas Statutes Annotated (“K.S.A.”) 40-2,125 and K.S.A. 40-1139,

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.

This Summary Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. 77-542.

Findings of Fact

1. Richmond Title Services LP (“Richmond Title”) is Non-Resident Title Insurance Agency authorized to transact the business of insurance in the State of Kansas with its legal address and office address located at 209 19th Avenue, Suite 337, Nashville, Tennessee, 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 March 29, 2005, the Richmond Title became a licensed non-resident title insurance agency.

4. On March 30, 2005, the Kansas Insurance Department (“KID”) sent Richmond Title its standard letter and material outlining Kansas’ rates and bond filing requirements for title insurance agencies.

5. On May 12, 2005, a bond was issued by Western Surety Company.

6. On or about December 19, 2005, Marty Hazen, Policy Examiner at the Kansas Insurance Department, contacted Richmond Title via telephone and advised the agency of Kansas requirements.

7. On December 19, 2005, Richmond Title submitted the documents that are required by Kansas law.

8. On December 20, 2005, LandAmerica provided to KID documentation of twenty-four (24) policies issued by Richmond Title between May 2005 and November 2005.

Applicable Law

9. K.S.A. 40-952(c) states, 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.

10. K.S.A. 40-1136(c) states, in relevant part, “Person” means a... partnership... or other legal entity.

11. K.S.A. 40-1139 states, in relevant part:

(a) 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 and 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.

12. K.S.A. 40-1141 states, in relevant part:

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.

13. K.S.A. 40-2407 states, 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 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[.]

14. Based on the Findings of Fact enumerated in paragraphs three (3) through eight (8) and the applicable law above, Richmond Title Services LP failed to file with the Commissioner a surety bond prior to issuing titles in Kansas in violation of K.S.A. 40-952(c) and 40-1139(a).

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

1. Richmond Title Services LP 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) and 40-1139(a).

2. The Commissioner of Insurance retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order or orders as may be deemed proper.

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 Proposed 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 Proposed 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 __29th__ DAY OF OCTOBER, 2007, 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 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 Proposed Order of Discipline was served by placing the same in the United States Mail, first class postage prepared, on this 29th day of October, 2007, addressed to the following:

Jane Garrett
General Counsel
Richmond Title Services LC
209 10th Avenue, Suite 337
Nashville, Tennessee 37203

/s/ Deletria L. Nash
Deletria L. Nash
Assistant General Counsel