

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

In the Matter of the Merger of	)	
<b>COLUMBIAN NATIONAL TITLE</b>	)	
<b>INSURANCE COMPANY</b> with and into	)	Docket No. 4031-M
<b>FIRST AMERICAN TITLE INSURANCE</b>	)	
<b>COMPANY</b>	)	

**ORDER OF MERGER**

NOW on this 7th day of August, 2009, the above matter comes before the Commissioner of Insurance of the State of Kansas (“Commissioner”). This Order of Merger shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no hearing is requested, pursuant to K.S.A. 77-542.

Columbian National Title Insurance Company (“Columbian National”), a Kansas stock casualty insurance company has applied to merge with and into First American Title Insurance Company (“First American”) a California stock casualty insurance company, pursuant to K.S.A. 40-309.

Columbian National and First American are represented by their attorney, Stephanie Duchene, Sonnenschein, Nath & Rosenthal LLP. The Kansas Insurance Department is represented by John W. Campbell, General Counsel, and Zachary J.C. Anshutz, Assistant General Counsel. Also appearing for the Kansas Insurance Department are Kenneth Abitz, Director of the Financial Surveillance Division, and Mark Owens, Principal Financial Analyst.

All parties are relying on documentary and contractual representations filed with the Kansas Insurance Department.

Pursuant to the authority granted to the Commissioner pursuant to K.S.A. 40-309, 40-3301 and 40-3304(d)(1) and in accordance with the Kansas Administrative Procedures Act,

K.S.A. 77-501, *et seq.*, the Commissioner hereby asserts the following findings of fact, conclusions of law, and orders, as follows:

### **FINDINGS OF PUBLIC INTEREST AND POLICY**

The purpose of filing the Agreement was to obtain the approval of the Kansas Insurance Department for the proposed merger of Columbian National with and into First American. The terms and conditions of the proposed merger are fully set forth in the Agreement and Plan of Merger.

Significant documents have been reviewed by representatives of the Financial Surveillance Division and the Legal Division of the Kansas Insurance Department, and the Commissioner of Insurance has had the benefit of their technical expertise and advice.

The Applicants have submitted the various Exhibits in the merger filing, including, but not limited to, a Notice of Merger, Merger Endorsement, a Certificate of Assumption, an Agreement and Plan of Merger of Columbian National into First American, minutes of special meetings of the board of directors and shareholders of Columbian National and First American, actuarial opinions, assumption certificate and financial statements.

The staff of the Kansas Insurance Department has inspected and reviewed the contents of the Agreement and related documents and found that the filing of the Agreement and related documents are in accordance with K.S.A. 40-309 and that the Agreement and related documents have provided all of the information required under Kansas law to enable the Commissioner of Insurance to render a decision on the proposed Agreement of Merger.

### **FINDINGS OF FACT AND CONCLUSION OF LAW**

1. Columbian National is a stock fire and casualty insurance company organized and operating pursuant to the provisions of Article 9 of the Kansas Insurance Code, with its statutory office

located in Topeka, Kansas. Columbian National has been authorized to transact business in Kansas since August 28, 1978.

2. First American is a stock fire and casualty insurance company organized and operating pursuant to the provisions of Article 9 of the Kansas Insurance Code, with its statutory office located in Santa Ana, California. First American has been authorized to transact business in Kansas since October 20, 2008.
3. Pursuant to K.S.A. 40-3304, an agreement to merge with any domestic insurance company shall file with the Commissioner of Insurance a statement containing the information required by K.S.A. 40-3304.
4. Pursuant to K.S.A. 40-309, an insurance company of this state may merge with any other company of any other state engaged in like business and having similar corporate powers. Columbian National and First American are engaged in like business and have similar corporate powers.
5. K.S.A. 40-309 will be applied in this matter. First American and any person or entities which directly or indirectly control First American are exempt from filing a Form A in accordance with K.S.A. 40-3304(e).
6. Pursuant to K.S.A. 40-309, on May 13, 2009 a resolution was adopted by the Board of Directors of Columbian National and First American to effect the merger of Columbian National and First American. On May 13, 2009, the shareholders of Columbian National approved a resolution.
7. Columbian National and First American filed an executed copy of the Agreement and Plan of Merger with the Kansas Insurance Department on June 2, 2009.
8. The Agreement and Plan of Merger is in compliance with the provisions of K.S.A. 40-309.

9. Columbian National has submitted all necessary materials to the Kansas Insurance Department in connection with the proposed merger; and
10. The merger has been approved by the unanimous consent of the stockholders of Columbian National.
11. Based on the information submitted and the representations of Columbian National, the merger of Columbian National with and into First American is not made for the purpose of and will not have the effect of changing or influencing control of First American.

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

1. The merger between Columbian National with and into First American is hereby approved effective June 30, 2009, provided that within sixty days of the date of this Order, the merger is effected and all appropriate documents are filed with the Kansas Insurance Department.
2. First American shall be exempt from the application of the formal filing and approval requirements of K.S.A. 40-3304 as it may be deemed to apply to the merger of Columbian National with and into First American.
3. In conjunction with this Order, the Kansas Certificate of Authority of Columbian National shall be cancelled by the Commissioner.
4. The Commissioner 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 appropriate.

**NOTICE OF RIGHTS**

Columbian National is entitled to a hearing pursuant to K.S.A. 77-537, the Kansas Administrative Procedure Act. If Columbian National desires a hearing, the company must file a written request for a hearing with:

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

This request must be filed within fifteen (15) days from the date of service of this Order.

If Columbian National requests a hearing, the Kansas Insurance Department will notify the company 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 the same.

If a hearing is not requested in the time and manner stated above, the 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 Columbian National files 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. 9<sup>th</sup> Street  
Topeka, Kansas 66612

**IT IS SO ORDERED THIS 7th DAY OF AUGUST, 2009 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

**Certificate of Service**

The undersigned hereby certifies that above and foregoing Order of Merger was served via the United States Postal Service, first-class postage prepaid, on this 7th day of August, 2009, addressed to the following:

Ms. Stephanie Duchene  
Sonnenschein, Nath & Rosenthal, LLP  
601 S. Figueroa Street  
Suite 2500  
Los Angeles, CA 90017-5704

/s/ Zachary J.C. Anshutz  
Zachary J.C. Anshutz  
Assistant General Counsel