

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

This application is to be used in connection with adding and deleting counties to an underwritten title company license.

Instructions: Please answer each question as thoroughly as possible. As you complete this application, place a check in the box next to the item number to indicate that the requested information has been attached or is otherwise included in the application.

- If items are attached to this application, please number the attachment corresponding to the number of the item below and provide a separate list of attachments.
- If the question is not applicable, please state “not applicable” in the space provided.
- If information or supporting documentation is requested but not provided, please reference and explain in a separate attachment.

Application is hereby made to the Insurance Commissioner of the State of California for a reissued license to:

- a) Add Delete the following county(ies) to the existing license to do business as an underwritten title company:

- b) Add Delete the authority to transact escrow business in the following county(ies):

This Application is made pursuant to California Insurance Code Section 12389, et seq., and in support thereof the applicant hereby declares as follows:

1. Name of the applicant
2. Address of the applicant (home office)
3. Attached is the applicant's most recent income statement and balance sheet, verified by its chief financial officer to be true and correct.
4. Attached is the original or reissued underwritten title company license. This license will be canceled and returned to the company concurrently with a new license, if granted.
 - a) If the original or reissued license cannot be found, please provide an affidavit of loss. A sample affidavit is attached at the end of this application.

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

5. Attached is a full and complete response to the Organizational Affidavit, executed by an executive officer authorized to sign on behalf of the underwritten title company.

If the applicant is seeking to **add** county(ies), it must also declare the following:

6. If the applicant is requesting escrow authority, attached is either

a) a surety bond in the sum of

\$50,000 or

\$100,000

depending on the proposed counties of licensure; or

b) one original and one copy of the Securities Transaction Request forms (A-174), tendering deposit to the Insurance Commissioner in the sum of

\$50,000 or

\$100,000

depending on the proposed counties of licensure. The Department will forward the originals to the Securities Deposit Unit and will retain the copy for its files.

i) The appropriate fee for this Securities Transaction Request has been enclosed, along with a copy of the check.¹

7. Attached are complete and duly executed copies of all existing (or unsigned copies of all proposed) underwriting agreements with any admitted title insurers under which the applicant intends to transact business in the additional county(ies).

Please respond to the statements below and attach a marked-up copy of the underwriting agreements, using tabs or captions to indicate where the following required provisions are located within the agreements.

a) The agreements cover all of the counties of licensure, including the counties to be added.

b) The agreements do not allow for the placement of any liens upon the applicant.

c) If the applicant does escrow, the agreements provide for one or more of the following provisions. Please check the appropriate boxes below:

i) A fidelity bond or insurance policy in conformity with the requirements of Section 12389.6.

ii) A review of the escrow disbursements by a title insurer employee in compliance

¹ See the enclosed Schedule of Fees & Charges for In-State Treasury Depository.

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

with the requirements of Section 12389.6.

- iii) An account review process in compliance with the requirements of Section 12389.6 or utilization of either the American Land Title Association's (ALTA) Escrow Internal Control Guidelines for Title Insurance Companies, Agencies and Approved Attorneys or the California Land Title Association's (CLTA) Account Review Processes and Oversight and Internal Control Guidelines as approved by the Department on April 1, 1996.
 - iv) Utilization of written procedures approved by the Commissioner in compliance with the requirements of Section 12389.6.
- d) * Please note that subsection 7d (or 6d or 10d or 4) of the form has been removed as the \$5000 limitation is the subject of a proposed regulation filed by the California Department of Insurance, CDI # REG-2009-00019, OAL Z-2009-0811-03.
- e) The agreements affirmatively state whether or not the applicant is authorized to handle policy claims on behalf of the title insurer. (California Insurance Code Section 790; California Code of Regulations Title 10, Chapter 5, Section 2695.2(m))
- f) The agreements clearly indicate that the applicant is responsible for the maintenance of records regarding all escrow receipts and disbursements. (California Insurance Code Section 12389(b))
- g) The agreements clearly indicate that the applicant is responsible for the maintenance of records of title orders sufficient to indicate their source of the orders. (California Insurance Code Section 12397.5(a))
- h) The agreements clearly indicate that the applicant is responsible for the maintenance of adequate records regarding commissions paid, including the recipient(s) thereof, the amount(s) paid, and detailing the conditions to receipt of any commissions, incentive compensation, or bonuses. (California Insurance Code Section 12408.5)
- i) The agreements require the establishment of a separate deposit account for escrow funds. (California Insurance Code Section 12413.5)
- j) The agreements provide for notice to be given by the title insurer to the Commissioner in the event of termination of the underwriting agreement. (California Insurance Code Section 12408.1)
8. Attached is a detailed and verified Plan of Operation which addresses the items stated in Section 1 of the Financial and Plan of Operation Guidelines.
9. Attached are financial projections which include the counties the applicant seeks to add and which comply with Section 2 of the Financial and Plan of Operation Guidelines.
10. Attached are the properly completed Individual Affidavits from the individuals indicated below. Also provide a list, in alphabetical order, of all individuals whose affidavits have been submitted, identifying same by title. Please check the appropriate boxes:

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

- a) The new officers and directors elected or appointed in connection with this application.
 - b) All key managerial personnel (including, but not limited to, those appointed to the position of or who will have comparable positions as follows: chief escrow officer, chief title officer, title plant manager, subdivision manager, and division or branch manager) for each county in which the applicant is seeking license to operate.
 - c) Individuals who will have 10% or more beneficial ownership of the underwritten title company (direct or indirect including attribution) and who have not previously submitted affidavits to the California Department of Insurance within the last year.
 - i) All current affidavits of individuals who have 10% or more beneficial ownership of the company have already been provided to the Department.
 - d) Individuals who will own 10% or more of the underwritten title company's ultimate controlling parent and who have not previously submitted affidavits.
 - i) All current affidavits of individuals who have 10% or more beneficial ownership of the ultimate controlling parent have already been provided to the Department.
11. Attached is a letter from an executive officer authorized to sign on behalf of the applicant indicating that he or she is aware of, understands, and promises to comply with the provisions of Insurance Commissioner Bulletin Nos. 80-12, 81-8, 85-6, 95-4, 95-7, and 96-10.
12. Attached are currently available information and documentation reflecting the real and personal property assets to be acquired or leased in order to transact business.
13. If the relicensing of the applicant underwritten title company involves acquiring the title and/or escrow business of another underwritten title company or title insurer:
- a) Attached is detailed information and all supporting documentation reflecting the parties' responsibilities with regard to pending business at the time the acquisition is to be completed.
14. Attached is the applicable application fee for each county to be added, along with a copy of the check.
15. If the underwritten title company intends to use independent notary services for escrow signings in the additional counties for which the applicant is requesting license, please answer the following:
- a) Attached is the written agreement between the underwritten title company and the independent notary or notary signing service.

Please respond to the statements below and use tabs or captions to indicate where the following required provisions are located within the agreement:

- i) A description of the services to be performed by the notary.

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

- ii) A provision for training of the notary by the UTC or the title insurer.
 - iii) A prohibition on the notary handling any funds, escrow or otherwise.
 - iv) A covenant that the notary shall refer any calls of a substantive nature regarding the document contents to an appropriate employee of the UTC.
 - v) A requirement that the original executed documents be promptly forwarded to the UTC.
 - vi) There is no exculpatory clause providing that the UTC be relieved of any responsibility to the underlying consumer by virtue of the use of the independent notary.
- b) The applicant's intent to utilize independent notary services has been incorporated into an updated and verified plan of operation in compliance with Section 1 of the enclosed Financial and Plan of Operation Guidelines.
16. If the applicant intends to offer escrow services over the internet, please respond to the following:
- a) Pursuant to Section 1 of the enclosed Financial and Plan of Operation Guidelines, detailed information and documentation regarding the applicant's procedures to ensure its compliance with the requirements of California Financial Code Sections 17403.1 through 17403.5 and 17409.1 have been incorporated into an updated and verified plan of operation.
17. Enclosed with this original application is a duplicate copy of the application and all supporting documents. Submission of the duplicate copy along with the original application will facilitate simultaneous review by the Department's Legal and Financial Analysis Divisions.

I, the undersigned, declare I am authorized to represent and sign on behalf of the applicant company,

Applicant

I certify under penalty of perjury under the laws of the State of California that:

I am the _____ of _____,
Title Applicant

and that I have read the foregoing application and know the contents thereof and that each statement therein made is full, true and correct.

Executed this ____ day of _____, 20____, at _____, _____.
City or Town State

Signature

STATE OF CALIFORNIA – DEPARTMENT OF INSURANCE
APPLICATION FOR A REISSUED LICENSE
TO ACT AS AN UNDERWRITTEN TITLE COMPANY
CDI-059 (Rev. 7/2016)

SAMPLE AFFIDAVIT OF LOSS

I, the undersigned, declare that I am authorized to represent and sign on behalf of the applicant company, _____, and hereby declare under penalty of perjury
(Applicant)
under the laws of the State of California that each statement made below is full, true, and correct.

I, _____, hereby state as follows:
(Name)

1. _____ was issued/reissued
(Applicant)
its underwritten title company license numbered _____ on _____
(Number) (Date)
by the California Department of Insurance to conduct the business of an underwritten title
company, including the conduct of an escrow business in these counties:

2. The subject license is in full force and effect as of the date of this declaration.

3. On or about _____, it was discovered that the original/reissued license had
(Date)
been lost, stolen, and/or destroyed. Due to this loss, theft, or destruction of the license, the
company is unable to present the original/reissued license to the Department of Insurance for the
purpose of adding/deleting

_____ counties from its license.

In the event the original/reissued license to act as an underwritten title company issued to
_____ is found or returned to our possession at
(Applicant)
some future date, it will be presented to the California Department of Insurance for cancellation.

Signature

Title

Executed this _____ day of _____, 20_____, at _____, _____ State.