

1 CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
2 Mary Ann Shulman, Esq. SBN 190164
45 Fremont Street, 21st Floor
3 San Francisco, California 94105
Telephone: 415/538-4113
4 Facsimile: 415/904-5490

5 Attorneys for
California Department of Insurance
6

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA
SAN FRANCISCO**

In the Matter of the Licenses and Licensing
Rights of:

File No. DISP-2011-00611

- CHICAGO TITLE INSURANCE COMPANY;
- FIDELITY NATIONAL TITLE INSURANCE COMPANY;
- TICOR TITLE INSURANCE COMPANY;
- SECURITY UNION TITLE INSURANCE CORPORATION;
- LAWYERS TITLE INSURANCE CORPORATION;
- FIDELITY NATIONAL TITLE COMPANY; and
- FIDELITY NATIONAL HOME WARRANTY COMPANY,

ORDER

Respondents.

1 1. WHEREAS, on or about December 26, 2012, the Insurance Commissioner caused
2 to be served upon CHICAGO TITLE INSURANCE COMPANY, FIDELITY NATIONAL
3 TITLE INSURANCE COMPANY, TICOR TITLE INSURANCE COMPANY, SECURITY
4 UNION TITLE INSURANCE CORPORATION, LAWYERS TITLE INSURANCE
5 CORPORATION, FIDELITY NATIONAL TITLE COMPANY, and FIDELITY NATIONAL
6 HOME WARRANTY COMPANY (hereafter collectively "FIDELITY COMPANIES") an
7 Accusation, Notice of Noncompliance and Hearing, and Demand, denominated "In the Matter of
8 the Licenses and Licensing Rights of: CHICAGO TITLE INSURANCE COMPANY;
9 FIDELITY NATIONAL TITLE INSURANCE COMPANY; TICOR TITLE INSURANCE
10 COMPANY; SECURITY UNION TITLE INSURANCE CORPORATION; LAWYERS TITLE
11 INSURANCE CORPORATION; FIDELITY NATIONAL TITLE COMPANY; and FIDELITY
12 HOME WARRANTY COMPANY, Respondents,: File No. DISP-2011-00611" (hereafter
13 "Accusation"), which is incorporated herein by reference. Said Accusation alleged, inter alia, that
14 CHICAGO TITLE INSURANCE COMPANY, FIDELITY NATIONAL TITLE INSURANCE
15 COMPANY, TICOR TITLE INSURANCE COMPANY, SECURITY UNION TITLE
16 INSURANCE COMPANY, LAWYERS TITLE INSURANCE CORPORATION, and
17 FIDELITY NATIONAL TITLE COMPANY engaged in unlawful rebate activities in violation of
18 Article 6, Chapter 1, Part 6, Division 2 (commencing with § 12404) of the California Insurance
19 Code and that FIDELITY NATIONAL HOME WARRANTY COMPANY engaged in unlawful
20 inducement activities in violation of California Insurance Code § 12760. Said Accusation further
21 alleged that CHICAGO TITLE INSURANCE COMPANY, FIDELITY NATIONAL TITLE
22 INSURANCE COMPANY, TICOR TITLE INSURANCE COMPANY, SECURITY UNION
23 TITLE INSURANCE CORPORATION, LAWYERS TITLE INSURANCE CORPORATION
24
25
26
27
28

1 and FIDELITY NATIONAL TITLE COMPANY have willfully failed to comply with a final
2 Order of the Commissioner as detailed in the Accusation; and,

3 WHEREAS, the FIDELITY COMPANIES have executed a Stipulation and Waiver in
4 which the companies waived their rights to a hearing in this matter, and any other rights which
5 may be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (commencing with § 11500) of
6 the California Government Code, and by the California Insurance Code, and have stipulated to
7 the entry of this Order. Said Stipulation and Waiver is incorporated herein by reference; and,

9 GOOD CAUSE APPEARING,

10 IT IS HEREBY ORDERED that the FIDELITY COMPANIES, and each of them, shall
11 Cease and Desist from engaging in sublicensing arrangements with real estate brokers and other
12 settlement service providers which may be in violation of, or noncompliant with, California
13 Insurance Code §§ 12404, 12405, 12406, and 12760; and,

15 IT IS FURTHER ORDERED that the FIDELITY COMPANIES, and each of them, shall
16 Cease and Desist from engaging in activities in violation of the illegal rebate and inducement
17 provisions of the California Insurance Code and shall comply with the provisions of California
18 Insurance Code §§ 12404 et seq. and 12760 prohibiting illegal rebate and inducement activities;
19 and,

20 IT IS FURTHER ORDERED that the FIDELITY COMPANIES collectively shall pay the
21 amount of one million two hundred and fifty thousand dollars (\$1,250,000.00) to the California
22 Department of Insurance as a monetary penalty pursuant to California Insurance Code § 12976;
23 and,

25 IT IS FURTHER ORDERED that the FIDELITY COMPANIES collectively shall pay the
26 amount of one hundred and seventy-five thousand dollars (\$175,000.00) to the California
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Department of Insurance for reimbursement of attorneys fees and costs pursuant to California Insurance Code § 12976; and,

IT IS FURTHER ORDERED that this Order shall become effective immediately upon the date set forth below.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this 8th day of January, 2013.

//
//

DAVE JONES
Insurance Commissioner

By 
Teresa R. Campbell
Assistant Chief Counsel