



Dora
Department of Regulatory Agencies

Division of Insurance

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Contact: Marianne Goodland, Public Information Officer,
Colorado Division of Insurance, 303.894.2261
Jessica Roe, DORA Director of Communications, 303.894.2338

**FIRST AMERICAN TITLE FINED \$303,000 FOR
MARKET CONDUCT VIOLATIONS AFFECTING CONSUMERS**

Denver – First American Title (“First American”) has been assessed a civil penalty of \$303,000 for violations of Colorado insurance laws, the result of a 2011 market conduct exam performed by the Colorado Division of Insurance on the company for calendar year 2009.

“Market conduct exams ensure that Colorado insurers abide by state insurance laws and regulations, and that consumers are protected,” said Commissioner of Insurance Jim Riesberg.

The market conduct examination found 20 separate issues that violated Colorado insurance law, including:

- failure to require agents to retain adequate documentation and records in its title underwriting files, failure to require agents to remit title premiums within the required contractual period, and failure to provide evidence of written instructions from all necessary parties when First American’s agent or direct operation provided closing and settlement services;
- failure to ensure agents were duly licensed prior to transacting business on behalf of First American, resulting in the transaction of unauthorized insurance, and/or failure to maintain adequate licensing records;
- failure to conduct, preserve and retain in title files a reasonable examination of the title;
- failure to provide anti-fraud statements as required by state law and failure to charge rates in accordance with the rates on file with the Division of Insurance. These violations are a repeat of violations found in the 2002 market conduct examination of First American.

A \$7,500 surcharge has been added to the \$303,000 civil penalty, in accordance with state law. The penalties have not been paid, pending the outcome of a lawsuit filed by First American Title against the state of Colorado

The market conduct examination report and final agency order are available on the Division of Insurance’s website:

<http://www.dora.state.co.us/insurance/mcexam/MarketReg.htm>

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*The **Colorado Division of Insurance** regulates the insurance industry and assists consumers and other stakeholders with insurance issues.*

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.