

DELAWARE DEPARTMENT OF INSURANCE
MARKET CONDUCT EXAMINATION REPORT

Old Republic National Title Insurance Company
NAIC #50520

1408 N. Westshore Blvd., Suite 900
Tampa, FL 33607

As of

December 31, 2017

Trinidad Navarro
Commissioner



Delaware Department of Insurance

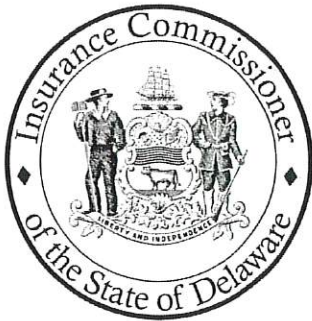
I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2017 on

Old Republic National Title Insurance Company

is a true and correct copy of the document filed with this Department.

Attest By:

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.

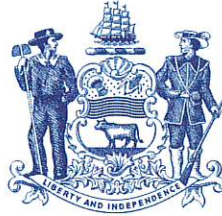


In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 2nd day of April, 2019.

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", written over a horizontal line.

Trinidad Navarro
Insurance Commissioner

Trinidad Navarro
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION
OF THE
Old Republic National Title Insurance Company
AS OF
December 31, 2017

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.



In Witness Whereof, I have hereunto set my hand
and affixed the official seal of this Department at the
City of Dover, this 2nd day of April, 2019.



Trinidad Navarro
Insurance Commissioner

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Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner Navarro:

In compliance with the instructions contained in Exam Authority Number 50520-18-704, and pursuant to statutory provisions including 18 *Del. C.* §§ 318 - 322, a market conduct examination has been conducted of the affairs and practices of:

Old Republic National Title Insurance NAIC #50520

The examination was performed as of December 31, 2017.

The examination consisted of an on-site phase in Wayne, PA, and an off-site phase which was performed at the offices of the Delaware Department of Insurance, hereinafter referred to as the "Department" or "DDOI," or other suitable locations.

The report of examination herein is respectfully submitted.

EXECUTIVE SUMMARY

Old Republic National Title Insurance Company, hereafter referred to as the Company, was examined as part of a series of examinations on companies in the title insurance marketplace in Delaware. The examination focused on the Company's title insurance business in the following areas of operation: Company Operations and Management, Complaint Handling, Marketing and Sales, Policyholder Services, Underwriting and Rating, and Claims Handling.

The one violation was noted in the area of Claims Handling, as follows:

- 1 Exception
18 *Del. Admin. C. § 902 - 1.2.1.5 – Authority for Regulation; Basis for Regulation*
1.2.1.5 Failing to affirm or deny coverage or a claim or advise the person presenting the claim, in writing, or other proper legal manner, of the reason for the inability to do so, within 30 days after proof of loss statements have been received by the insurer.

The Company failed to affirm or deny coverage or a claim or advise the person presenting the claim, in writing, or other proper legal manner, of the reason for the inability to do so, within 30 days after proof of loss statements have been received by the insurer.

METHODOLOGY

This examination was performed in accordance with Market Regulation standards established by the Department and examination procedures suggested by the NAIC. While examiners report on the errors found in individual files, the examiners also focus on general business practices of the Company.

The Company was requested to identify the universe of files for each segment of the review. Based on the universe sizes identified random sampling was utilized to select the files reviewed for this examination.

Delaware Market Conduct Examination Reports generally note only those items to which the Department, after review, takes exception. An exception is any instance of Company activity that does not comply with an insurance statute or regulation. Exceptions contained in the Report may result in imposition of penalties. Generally, practices, procedures, or files that were reviewed by Department examiners during the course of an examination may not be referred to in the Report if no improprieties were noted. However, the Examination Report may include management recommendations addressing areas of concern noted by the Department, but for which no statutory violation was identified. This enables Company management to review these areas of concern in order to determine the potential impact upon Company operations or future compliance.

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Throughout the course of the examination, Company officials were provided status memoranda, which referenced specific policy numbers with citation to each section of law violated. Additional information was requested to clarify apparent violations. An exit conference was conducted with Company officials to discuss the various types of exceptions identified during the examination and to review written summaries of the exceptions found.

COMPANY HISTORY AND PROFILE

The Company was incorporated under the laws of the State of Minnesota in August 1907, as the Real Estate Title Insurance Company, a stock insurance company authorized to write title insurance.

Effective December 31, 1973, under Agreement and Plan of Reorganization, the Company became a wholly-owned subsidiary of the management company, Minnesota Title Financial Corporation. In August 1978, Old Republic International Corporation (Old Republic) acquired 100% of Minnesota Title Finance Corporation (MTFC), the Company's parent. During 1980 the Company's parent, MTFC, became a wholly-owned subsidiary of Old Republic Title Insurance Group, Inc., a newly formed holding company, which is a wholly-owned subsidiary of Old Republic International Corporation. As of January 1, 1982, the Company became a wholly-owned subsidiary of Old Republic Title Insurance Group, Inc.

Effective December 31, 1992, Title Insurance Company of Minnesota officially changed its name to Old Republic National Title Insurance Company. On December 31, 1999, the Company became a wholly owned subsidiary of Old Republic National Title Holding Company. On April 1, 2009, the Company was party to a statutory merger with an affiliate, Old Republic General Title Insurance Corporation. Effective November 20, 2014, the Company re-domesticated to become a Florida corporation and a Florida domiciled title insurer. As of December 23, 2016, the Company became a wholly owned subsidiary of a new midstream holding company, Old Republic Title Insurance Companies, Inc.

COMPANY OPERATIONS AND MANAGEMENT

The Company provided information documenting its management and operational procedures for the lines of business conducted in the state of Delaware, including:

- Corporate Minutes
- Title Plant, TPA, and Third-Party Vendors
- Audited Financial Statements
- Disaster Recovery Plan
- Consumer Privacy

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- Company History

The documents were reviewed to determine compliance with Delaware Laws and Regulations and NAIC Standards.

No exceptions were noted.

COMPLAINT HANDLING

The Company provided a list of two (2) complaints that were filed with the Company during the examination period of January 1, 2016 through December 31, 2017. The list included complaints received from the Delaware Department of Insurance, as well as complaints made directly to the Company on behalf of Delaware consumers.

Both of the complaints received were reviewed. The log was reviewed for compliance with 18 Del. C. §2304 (17). Complaint files involving claims were reviewed for compliance with 18 Del. C. §2304 (26) and 18 Del. Admin. Code 902 §1.2.1.2. The files were also reviewed for compliance with the NAIC Market Regulation Handbook Standards Chapters 16 & 18.

No exceptions were noted.

MARKETING AND SALES

The Company was asked to provide a listing of all marketing and sales material and bulletins used during the examination of January 1, 2016 through December 31, 2017. This would include any software programs, brochures, promotional packets, marketing policies, training programs, and underwriting manual and bulletins.

The Company provided 70 pieces of marketing and sales materials for review. The files were reviewed for compliance with the NAIC Market Regulation Handbook Standards Chapters 16, 17 & 18.

The Company's local marketing is mainly conducted by their Delaware State Manager who follows the Company policies relating to Marketing and Sales. The State Manager also utilizes company approved marketing materials.

The Company has an online portal available to agents that contains a Title Guide that provides Agent Services tools and resources, Best Practices tools and resources, Education and Marketing topics, and other relevant information.

The Company also supports local presentations, as well as a list of educational programs

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for agents.

These policies and marketing material, including those within the online portal, the local presentations and educational programs, were reviewed. No issues were noted.

The Company does not have a standardized employee training program. There is individualized training for each employee based on what is appropriate for that person's position, including Company systems. Training for new staff also includes learning information about the Company and a requirement to review and sign-off on corporate policies which guide and explain the ethical behavior expected of each employee.

No exceptions were noted.

POLICYHOLDER SERVICES

As a title insurer, the Company does not generally deal directly with the consumer. Communications are with the consumer's attorney, who is often the Company's agent.

During the Claims Handling review, we noted 62 direct interactions: 12 of these were with consumers, and 50 were with lending institutions and attorneys. All were handled appropriately.

The Company has a five-page Mission Statement that addresses a variety of subjects that could affect consumers. This Statement along with the other policies provided for the other categories being examined were reviewed. No exceptions were noted.

The Company does not generate reports measuring compliance with service standards, believing their business is not conducive to measuring service standards through any kind of report. Feedback from consumers is relied on as the sole means to identify any shortfalls.

UNDERWRITING AND RATING

The Company identified a universe of 24,150 policies written during the experience period. A random sample of 116 files was requested, received, and reviewed. The files were re-rated and reviewed to determine compliance with applicable Delaware statutes and regulations. For examination purposes, producer licensing and appointments on these files was also reviewed.

No exceptions were noted.

CLAIMS HANDLING

The Company provided a list of 189 claims opened during the experience period. However, this list came from the Company's claims system, where they record and assign a claim number to *any* inquiry. Consequently, the examiners decided to review each to determine if it was a claim or just an inquiry; such inquiries are detailed in the Policyholder Services section. From this review, the examiners found 2 Paid Claims, 16 Denied Claims and 82 Closed Without Payment Claims, a total of 100 claims. All the files were reviewed to determine compliance with applicable Delaware statutes and regulations.

The following exception was noted:

1 Exception – 18 Del. Admin. C. § 902 – 1.2.1.5 - Authority for Regulation; Basis for Regulation.

The Company failed to affirm or deny coverage or a claim or advise the person presenting the claim, in writing, or other proper legal manner, of the reason for the inability to do so, within 30 days after proof of loss statements have been received by the insurer.

Recommendation: It is recommended the Company revise its procedures to ensure a response is issued within 30 working days after proof of loss statements have been received by the insurer in compliance with 18 Del. Admin. C. § 902 – 1.2.1.5.

CONCLUSION

The recommendation made below identifies a corrective measure that the Department finds necessary as a result of the exceptions noted in the Report. Location in the Report is referenced in parenthesis.

1. It is recommended the Company revise its procedures to ensure a response is issued within 30 working days after proof of loss statements have been received by the insurer in compliance with 18 Del. Admin. C. § 902 – 1.2.1.5. (Claims Handling).

The examination was conducted by Joseph Krug, Mark Plesha, and Jim Myers. The report of examination herein is respectfully submitted.



Mark Plesha, CPCU, AIE, MCM, CWCP, AIS, IR
Examiner-in-Charge
Market Conduct
Delaware Department of Insurance