



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON, COMMISSIONER

P.O. Box 94214
BATON ROUGE, LOUISIANA 70804-9214
PHONE (225) 342-5900
FAX (225) 342-3078
<http://www.idi.state.la.us>

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
CERTIFIED RECEIPT NUMBER 70041160000329588992

May 25, 2006

Ms. Necima Mitton
Commonwealth Land Title Insurance Company
101 Gateway Centre Parkway
Gateway One
Richmond, VA 23235-5153

Re: Market Conduct Examination – Louisiana Operations Only
Commonwealth Land Title Insurance Company
NAIC #: 50083
Our File #: MCD-06-003

Dear Ms. Mitton:

Enclosed is a copy of the adopted Examination Report of your Company. This report is now a public document.

Should you have any questions, please feel free to contact me at (225) 342-9173.

Sincerely,

Larry Hawkins
Director
Market Conduct Division
Office of Financial Solvency

LH: me

Enclosure

REPORT OF EXAMINATION

OF THE

MARKET CONDUCT AFFAIRS

OF

COMMONWEALTH LAND TITLE INSURANCE COMPANY

RICHMOND, VIRGINIA

AS OF

FEBRUARY 10, 2006

COMPANY CODE 50083

COMPANY ETS EXAM # LA 071-M47

Table of Contents

SUBJECT	PAGE NO.
Table of Contents.....	2
Salutation.....	3
Foreword.....	4
Purpose and Scope of Market Conduct Examination.....	4
Company Overview.....	5
Company History.....	5
Territory and Plan of Operations.....	5
Affiliations.....	5
Producer Review.....	6
Underwriting and Rating Review.....	6
Complaint Review.....	7
Comments and Recommendations.....	8
Conclusion.....	9

February 25, 2006

Honorable James J. Donelon
Commissioner of Insurance
P O Box 94214
Baton Rouge, Louisiana 70804-9214

Sir:

Pursuant to your instructions and authorization, and in compliance with statutory provisions, a limited market conduct examination has been made of the Louisiana operations of the

COMMONWEALTH LAND TITLE INSURANCE COMPANY
RICHMOND, VIRGINIA

at its producer's office, Richmond Title Services, LP, in Plano, Texas as of February 10, 2006 and the report of examination is herewith submitted.

FOREWORD

In accordance with **LSA-R.S. 22:1301 D.**, a market conduct examination was conducted on the activities of **COMMONWEALTH LAND TITLE INSURANCE COMPANY** from May 5, 2005 through February 10, 2006 on site at Richmond Title Services in Plano, Texas.

PURPOSE AND SCOPE OF MARKET CONDUCT EXAMINATION

The market conduct examination of **COMMONWEALTH LAND TITLE INSURANCE COMPANY**, hereinafter referred to as ("Company"), was a limited in scope examination authorized by the Louisiana Department of Insurance ("LDOI" or ("Department")). The examination was limited, in that not all examination procedures recommended by the National Association of Insurance Commissioners (NAIC) were performed.

The examination included, but was not limited to, the following areas of the Company's operation:

Company Overview,
Complaints,
Producer Licensing and Appointments, and
Underwriting and Rating.

The purpose of this examination was to review compliance by the Company with Louisiana Insurance Laws, Regulations, Directives and the NAIC Guidelines. The NAIC Guidelines set the standard of conduct for a title insurer and promote a program of fair treatment of policyholders. Portions of the *NAIC Market Conduct Examiner's Handbook, Volume I* were used as a measure of compliance.

COMPANY OVERVIEW

COMPANY HISTORY

Commonwealth Land Title Insurance Company, a LandAmerica Company, located in Richmond, Virginia, has been providing title insurance as well as other real estate transaction services for over one hundred twenty-five (125) years.

TERRITORY AND PLAN OF OPERATIONS

LandAmerica companies operate through more than eight hundred (800) branch offices and a network of more than ten thousand (10,000) active agents in the United States, Mexico, Europe, Canada, the Caribbean, and Central and South America.

AFFILIATIONS

A list of LandAmerica Title Insurers and Underwriting Groups follows:

- Commonwealth Land Title Insurance Company
- Commonwealth Land Title Insurance Company of New Jersey
- Land Title Insurance Company
- Lawyers Title Insurance Company
- Title Insurance Company of America
- Transnation Title Insurance Company
- Transnation Title Insurance Company of New York

PRODUCER REVIEW

Richmond Title Services, LP (“Agency”) is appointed with Commonwealth Land Title Insurance Company as a Louisiana non-resident title insurance producer thorough April 30, 2007. The Agency offers title and escrow services through out the state of Louisiana.

The Agency’s corporate office is at 2901 N. Dallas Parkway, Suite 100, Plano, Texas.

UNDERWRITING AND RATING REVIEW

The Agency was asked to provide a list of all 2004, 2005 and 2006 Louisiana loan closing files, insured’s name, address, subdivision and lot number for title policies issued by Richmond Title Services for Commonwealth Land Title Insurance Company.

The Agency promptly provided the Louisiana loan closing files which were found to be well organized and neatly prepared. These files were examined to verify that the HUD statement and the Register of Accounting were in agreement and the funds transacted were in balance.

A review of the title premium calculations revealed approximately twenty (20) files that appeared to have premium overcharges.

These overcharges were discussed with management. Camil Blackmon provided refund data which showed that the Agency had detected the overcharges during a compliance review and issued refunds in January 2006 with the exception of one (1) case which was refunded in February 2006.

Although a programming error had resulted in the overcharges of premium, the Agency had detected the overcharges, corrected the program and promptly issued the appropriate refund checks to its policyholders.

COMPLAINT REVIEW

A complaint was filed by letter with the Louisiana Department of Insurance, HUD's RESPA Division, the Louisiana Attorney General's Office, the United States Attorney General and the Federal Bureau of Investigation on approximately December 2005 (the letter was not dated) against Countrywide Home Loans, Inc., Richardson, Texas; Countrywide Home Loans, Inc., Plano, Texas; Countrywide Home Loans, Inc. and Richmond Title Services, LP, Plano, Texas.

The formal complaint was prepared by the Sterbcow Law Group LLC on behalf of Joel Rodriguez and Latisa Rodriguez as the result of a loan closing that occurred in Baton Rouge, Louisiana. The complaint focused primarily on Richmond Title Services of Plano, Texas, that closed the loan into escrow pending receipt of the buyers' down payment. The documents provided with the complaint appeared to indicate that Richmond Title provided title insurance with Lawyers Title Insurance Company. The complaint also cited excessive settlement fees, questionable homeowner's insurance premiums and title premiums.

The LDOI examiner reviewed the Rodriguez's documents and conducted personal interviews with Richmond's Title's management and staff.

Based on the examination procedures and investigation of Richmond Title Services, LP's conduct while servicing the Rodriguez transaction, the following findings and conclusions were reached.

Based on the documents reviewed and the personnel interviewed, the examiner concluded that Richmond Title and Countrywide are operating in a manner that is reasonable and customary and the charges, fees and costs charged/paid by the consumer public are reasonable under the circumstances.

The complaint is found to be baseless.

COMMENTS AND RECOMMENDATIONS

Richmond Title Services, LP, Plano, Texas, provided timely responses to the examination requests submitted during this examination. The staff was very professional and most cooperative during the examination.

CONCLUSION

I, Frank W. McGee, CPA, CIRA, CFE, do solemnly swear and affirm that I am an examiner for the Commissioner of Insurance of the State of Louisiana and that as such I was assigned to conduct an examination of the market conduct activities of

RICHMOND TITLE SERVICES, LP

Producer of

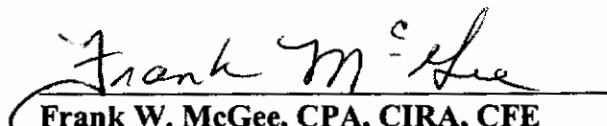
COMMONWEALTH LAND TITLE INSURANCE COMPANY

Located in Plano, Texas

That I made such examination and the above and foregoing is a true and correct copy of my report of such findings and the same is true and correct to the best of my knowledge, information and belief

In addition, Richard A. Spong, CIE, CFE, Louisiana Department of Insurance Examiner participated in this examination and investigated a complaint against the Agency formally filed with the Louisiana Department of Insurance.

Respectfully submitted,


Frank W. McGee, CPA, CIRA, CFE
Louisiana Department of Insurance