



**State of Rhode Island  
DEPARTMENT OF BUSINESS REGULATION  
Insurance Division  
1511 Pontiac Avenue, Building 69-2  
Cranston, Rhode Island 02920**

**IN THE MATTER OF:**

**WFG NATIONAL TITLE INSURANCE COMPANY**

**RESPONDENT.**

**DBR No. 2023-IN-001**

**CONSENT AGREEMENT**

It is hereby agreed between the Department of Business Regulation (Department) and WFG National Title Insurance Company (Respondent) as follows:

1. Respondent is an insurance company, NAIC CoCode #51152, domiciled in the State of South Carolina and licensed in the State of Rhode Island to issue title insurance business.
2. The Department initiated a review of Respondent's title insurance business including the Respondent's operations and management, marketing and sales, producer licensing and claim handling.
3. The review was limited to Respondent's title insurance business issued during 2019 - 2021.

**FAILURE TO RESPOND TO DEPARTMENT AND**

**FAILURE TO UPDATE COMPANY CONTACT INFORMATION**

4. On August 27, 2021, the Department sent interrogatories via e-mail to the Market Conduct Contact provided as part of the Respondent's quarterly and annual financial statement filings, requesting a response within four weeks. The e-mail did not generate a response to the Department indicating that the message was undeliverable, and



the Department did not receive an automated reply indicating that the e-mail address was not in use anymore.

5. The Department calculated the four weeks deadline to be September 24, 2021 an on September 27, 2021, having not received a response from the Respondent, the Department sent an e-mail to the Respondent at the contact listed as well as other email addresses. The Department utilized the Government Relations Contact e-mail address provided as part of the Company's quarterly and annual financial statement filings and the Business Contact e-mail address provided as part of the Company's required Rhode Island licensing information submissions. None of these e-mails generated a response to the Department indicating the messages were undeliverable, and the Department did not receive any automated replies indicating that the e-mail addresses were not in use anymore. The Market Conduct and Government Relations e-mail addresses were "group addresses" (legal@wfgnationaltitle.com and compliance@wfgnationaltitle.com, respectively) in that they did not include name information for specific employees.

6. On October 6, 2021, having not received a response, the Department telephoned the Respondent's offices to determine the appropriate contact to address the requested interrogatory responses.

7. On October 6, 2021, in response to the Department's phone call, Respondent confirmed receipt of interrogatories and the respondent was preparing a response.

8. On October 6, 2021, the Department acknowledged the Respondent's confirmation and requested the Respondent "address how and why the multiple inquiries were ignored until a phone call was made."



9. On October 29, 2021, Respondent provided the Department with responses to the August 27, 2021 interrogatories but did not include a response about the Respondent's use of group e-mail addresses and how that contributed to the failure to respond to multiple inquiries.

10. On November 1, 2021, the Department emailed Respondent requesting a complete explanation on the use of group email addresses and the failure to respond to the Department's multiple inquiries.

11. On November 2, 2021, Respondent stated that it had reviewed its Market Conduct Contact and Government Relations Contact e-mail addresses provided as part of the Company's quarterly and annual financial statement filings and the Business Contact e-mail address provided as part of the Company's required Rhode Island licensing information submissions. Respondent identified that its contacts provided as part of the Company's quarterly and annual financial statement filings used one or more group e-mail addresses. Respondent advised one of the e-mail addresses had been disabled and additional e-mail addresses were in use by the Respondent. Respondent stated that it would perform a complete update to all contact names, mailing addresses and e-mail addresses and that "[t]he updated contact information will include the e-mail address for the individual contact name, as the primary point of contact and where possible, a group e-mail address as an additional backup address."

12. On May 3, 2023, the Department emailed the contacts listed for Market Conduct Contact and Government Relations Contact to inform Respondent the Department had not received the 2022 Annual Contracted Producers Report (ACPR)



which was due on March 1, 2023. The same day, the Department received an undeliverable email response for the Market Conduct Contact email address.

13. On May 4, 2023, the Department emailed Deputy General Counsel to advise of the undeliverable email response. The Department did not receive a response to this email but confirms that the ACPR was later submitted by Respondent.

14. On May 11, 2023, the Department emailed the contact listed for Market Conduct Contact with the invoice for the Rhode Island Market Conduct Analysis. The same day, the Department received an undeliverable email response for the Market Conduct Contact email address.

15. On May 11, 2023, the Department emailed Deputy General Counsel to advise of the undeliverable email response.

16. On May 12, 2023, Respondent advised the contact information would be updated immediately.

17. Insurers licensed in Rhode Island are required to file quarterly and annual financial statements with their domestic insurance regulator. Those statements include information related to contact information for the company (regarding the Market Conduct Contact and Government Relations Contact). Since 2008, those filings have been required to be made electronically, and include fields to collect email addresses for the insurer's key contacts in particular areas. These forms are filed on NAIC standard template forms, and the NAIC financial statement instructions guide companies through their completion.

18. The Department's longstanding requirements were outlined more than a decade ago in Insurance Bulletin 2012-3 and Instructions and Forms for Insurance



Companies: Company Changes: Address Changes, Relocations, or Redomestications

which state “The company should immediately notify this Division of any mail address change by filing the following items:

1. Notification of address change on company letterhead
2. A completed Company Information Form.”

19. The Company Information Form was last revised and posted on November 5, 2019 and includes a space for business contact e-mail addresses changes.

20. The Respondent responded to the Department’s inquiry dated August 27, 2021, sixty-three (63) days later on October 29, 2021.

22. The Respondent has not updated its Market Conduct Contact or Government Relations Contact e-mail addresses provided as part of the Company’s quarterly and annual financial statement filings or the Business Contact e-mail address provided as part of the Company’s required Rhode Island licensing information submissions as of December 18, 2023.

**FAILURE TO COMPLETE BIENNIAL ON-SITE REVIEW**

23. R.I. Gen. Laws § 27-2.6.-13 requires title insurers “on at least a biennial basis, conduct an on-site review of the underwriting, claims and escrow practices of the agent”. The Department understands “biennial” to mean every 730 days.

24. On October 29, 2021, in response to the Department’s interrogatories, the Respondent stated the goal “is to conduct escrow reviews of all agents every 18 to 30 months”.

25. In reviewing data included with Respondent’s October 29, 2021 response and updated response received April 18, 2024, the Department has determined four (4) agents



had not been reviewed on a biennial basis. Of the four (4) agents not reviewed biennially, three (3) agents had not been reviewed within the Respondent's 30-month goal.

### **AUTHORITY**

26. The Department's regulation *230-RICR-20-60-4 Record Retention in Part 4.11 Time Limits to Provide Records and to Respond to Examiners* states "an insurer shall provide any requested document or written response to an inquiry submitted by an examiner within five (5) working days, or such other time period as mutually agreed upon by the examiner and the insurer. When the requested document or response is not produced by the insurer within the specified time period, a violation shall be deemed to have occurred unless the insurer can demonstrate to the satisfaction of the commissioner that the requested record cannot reasonably be provided within the specified time period of the request.""

27. Until March 22, 2023, the Department's regulation *230-RICR-10-00-2 Rules of Procedure for Administrative Hearings in Part 2.4 Complaints and Hearings* advises "If instructed to do so by the Department, the Respondent shall file a response to the complaint within fifteen (15) days or such other time frame specified by the Department."

28. *Insurance Bulletin 2012-3 E-Mail Complaint Contact* states "Insurers are also required to notify the Department electronically within 7 days of any change in the primary contact information provided."

29. The Department's *Instructions and Forms for Insurance Companies: Company Changes: Address Changes, Relocations, or Redomestications* states "the company should immediately notify this Division of any mail address change ..."



30. R.I. Gen. Laws § 27-2.6-13(b) states “The title insurer shall, on at least a biennial basis, conduct an on-site review of the underwriting, claims, and escrow practices of the agent that shall include a review of the agent’s policy blank inventory and processing.

31. R.I. Gen. Laws § 27-2.6-13(e) states “The title insurer shall have on file proof that the title insurance agent is licensed by this state.”

32. R.I. Gen. Laws § 42-14-16 states:

(a) Whenever the director, or his or her designee, shall have cause to believe that a violation of title 27 and/or chapter 14, 14.5, 62, or 128.1 of title 42 or the regulations promulgated thereunder has occurred by a licensee, . . . , the director or his or her designee may, in accordance with the requirements of the administrative procedures act, chapter 35 of this title:

(2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100) nor more than fifty thousand dollars (\$50,000);

(4) Require the licensee or person or entity conducting any activities requiring licensure under title 27 to take such actions as are necessary to comply with title 27 and/or chapter 14, 14.5, 62, or 128.1 of title 42, or the regulations thereunder; or

(5) Any combination of the above penalties.

**THEREFORE**, based on the foregoing, the Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

- I. Respondent admits the above referenced facts.
- II. Respondent agrees to pay an administrative fine of \$7,500.00 within thirty (30) days.



- III. Respondent agrees to update its Market Conduct Contact and Government Relations Contact information on file with the Department within ten (10) days of executing this agreement.
- IV. Respondent agrees to provide the Department with Respondent's compliance procedure for timely updating company information on file with licensing entities within 90 days of the date of this Agreement that the contacts listed in the quarterly and annual financial statements and contacts listed with licensing entities are up-to-date and accurate.
- V. Respondent agrees to provide the Department with Respondent's compliance procedure within 90 days of the date of this Agreement for responding to inquiries from regulators.
- VI. Respondent agrees to provide the Department with Respondent's compliance procedure within 90 days of the date of this Agreement for completing producer escrow reviews biennially.
- VII. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*
- VIII. Enforcement. If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, Respondent will be in violation hereunder and the Department shall be





entitled to immediately to take enforcement or other action in accordance with applicable law.

- IX. Compliance; Other Laws. Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.

Counsel for the Respondent and the Department hereby consent and agree on the foregoing on behalf of their respective clients the 26 day of April, 2024.

\_\_\_\_\_  
Rhode Island Department of  
Business Regulation  
by its Legal Counsel  
Patrick J. Smock, II (RI Bar #7550)

\_\_\_\_\_  
Counsel for Respondent  
Donald A. O'Neill

\_\_\_\_\_  
WFG National Title Insurance Co