

FEB 11 1997

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY CWB

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In the matter of:)	Docket No. 97A-020
)	
NATIONS TITLE INSURANCE COMPANY)	SUSPENSION ORDER
)	
NAIC No. 50318)	
)	
Respondent.)	
_____)	

Upon information obtained by the Assistant Director of Corporate and Financial Affairs Division of the Arizona Department of Insurance, the Director of Insurance makes the following findings of fact and conclusions of law and issues the following order:

1. Nations Title Insurance Company (Respondent) is domiciled in Kansas and presently holds a certificate of authority issued by the Arizona Department of Insurance to transact title insurance business.

2. On or about January 27, 1997, Respondent entered into a Consent Order with the Kansas Department of Insurance, which provides that Respondent shall not write new insurance business in any state or jurisdiction.

3. The Consent Order finds that, in a best case scenario, Respondent will report surplus of negative \$6,028,896 as of December 31, 1995.

4. Respondent is therefore insolvent within the meaning of A.R.S. §20-611(6).

5. Pursuant to A.R.S. §20-210, Respondent is required to maintain free surplus in the amount of at least \$125,000.

6. For the 12-month period ending September 30, 1996, Respondent reports an operating loss of \$2,219,353. Respondent reports surplus as regards policyholders as of September 30, 1996, as

1 \$1,915,763. Respondent's minimum required surplus as regards
2 policyholders is \$625,000, pursuant to A.R.S. §20-210.

3 7. Thus, Respondent's operating loss in the 12-month period
4 ending September 30, 1996 is greater than 50% of Respondent's remaining
5 surplus as regards policyholders that is in excess of the minimum
6 required, within the meaning of A.A.C.R20-6-308(A)(7).

7 8. Respondent reported receivables from parent, subsidiaries, and
8 affiliates in the amount of \$7,501,161 as of September 30, 1996. Thus,
9 asset values are attributable to investments in or transactions with
10 parents, subsidiaries, or affiliates, within the meaning of A.A.C.
11 R20-6-308(A)(8).

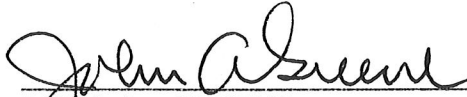
12 9. Respondent no longer meets the requirements for the authority
13 originally granted, on account of deficiency in assets, within the
14 meaning of A.R.S. §20-219(2).

15 10. Respondent is in an unsound condition or in such condition as
16 to render its further transaction of insurance in this state hazardous to
17 the policyholders or to the people of this state within the meaning of
18 A.R.S. §20-220(A)(3) and A.A.C. R20-6-308.

19 11. The public health, safety and welfare imperatively require
20 emergency action, within the meaning of A.R.S. §41-1064(C).

21 IT IS HEREBY ORDERED that Respondent's certificate of authority
22 to transact insurance in Arizona is suspended effective this date.

23
24 DATED this 11th day of February, 1997.

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26 
27 JOHN A. GREENE
28 Director of Insurance

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NOTICE

The determination set forth in this letter is an "appealable agency action" pursuant to A.R.S. § 41-1092. Consequently, you have the right to obtain a hearing on this determination by filing a Notice of Appeal within thirty (30) days of this notice. If your Notice of Appeal is received after that thirty (30) day period, it will not be accepted unless you demonstrate that you had good cause to file it late. The Notice of Appeal must identify the party appealing, the party's address, the determination being appealed, and must contain a concise statement of the reasons for the appeal. Your hearing will be held within sixty (60) days after your Notice of Appeal is filed, unless the hearing is advanced or delayed by agreement or showing of good cause by any party. The Department of Insurance will serve a Notice of Hearing at least thirty (30) days before the hearing, which will inform you of the date, time and location of the hearing as well as the issues in controversy.

If you file a Notice of Appeal, you may also request an Informal Settlement Conference by filing a written request no later than twenty (20) days before the scheduled hearing. The conference will be held within fifteen (15) days after receipt of your request. If an Informal Settlement Conference is requested, a person with the authority to act on behalf of the Department of Insurance will be present. Please note that you waive any right to object to the participation of the Department's representative in the final administrative decision of the matter if it is not settled.

The Notice of Appeal and request for an Informal Settlement Conference described above may be addressed to:

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Deputy Director
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018
Attn: Hearing Administration

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COPY of the foregoing mailed/delivered
this 11th day of February, 1997, to:

Andrew Puzder, Executive Vice-President
Nations Title Insurance Company
17911 Von Karman Avenue, Suite 510
Irvine, California 92614

Kathleen Sebelius
Commissioner of Insurance
State of Kansas Department of Insurance
420 S.W. 9th Street
Topeka, Kansas 66612-1678

Charles R. Cohen, Deputy Director
Catherine O'Neil, Assistant Director
Gary Torticill, Assistant Director
Deloris Williamson, Assistant Director
Sara Begley, Deputy Receiver
Erin Klug, Market Conduct Chief Examiner
Scott Greenberg, Business Administrator
Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

Curvey W. Burton