

REPORT ON EXAMINATION
OF THE
NATIONAL TITLE INSURANCE OF NEW YORK, INC.
AS OF
DECEMBER 31, 2008

DATE OF REPORT

MAY 28, 2010

EXAMINER

JIMMIE NEWSOME

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STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

May 28, 2010

Honorable James J. Wrynn
Superintendent of Insurance
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 30378 dated September 8, 2009, attached hereto, I have made an examination into the condition and affairs of the National Title Insurance of New York, Inc. as of December 31, 2008 and submit the following report thereon.

Wherever the designation "Company" appears herein without qualification, it should be understood to indicate the National Title Insurance of New York, Inc.

Wherever the designation "Department" appears herein without qualification, it should be understood to indicate the New York Insurance Department.

The examination was conducted at the Company's main administrative office located at 601 Riverside Avenue, Jacksonville, Florida 32204.

1. SCOPE OF EXAMINATION

The Department has performed an association examination of National Title Insurance of New York, Inc. The previous examination was conducted as of December 31, 2003. This examination covered the five-year period from January 1, 2004 through December 31, 2008. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”), which requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. This examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All financially significant accounts and activities of the Company were considered in accordance with the risk-focused examination process. This examination also included a review and evaluation of the Company’s own control environment assessment and an evaluation based upon the Company’s Sarbanes Oxley documentation and testing. The examiners also relied upon audit work performed by the Company’s independent public accountants when appropriate.

This examination report includes a summary of significant findings for the following items as called for in the Financial Condition Examiners Handbook of the NAIC:

- Significant subsequent events
- Company history
- Corporate records
- Management and control
- Fidelity bonds and other insurance
- Pensions, stock ownership and insurance plans
- Territory and plan of operation
- Growth of Company
- Loss experience
- Reinsurance
- Accounts and records
- Statutory deposits
- Financial statements
- Summary of recommendations

A review was also made to ascertain what action was taken by the Company with regard to comments and recommendations contained in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters, which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was incorporated as City Title Guaranty Company under the laws the State of New York on March 14, 1929, and commenced business on December 31, 1936. On January 11, 1937, the name was changed to City Title Insurance Company and again to National Attorneys' Title Insurance Company on December 1, 1982. On February 12, 1990, the name was changed to New York TRW Title Insurance Inc.

On January 10, 1994, the Nations Holding Group purchased all of the issued and outstanding shares of the Company's immediate parent, TRW Title Inc. Subsequently, TRW Title Inc. changed its name to Nations Title Inc. On May 9, 1994, the Company's name was changed to its present name of National Title Insurance of New York, Inc.

On June 10, 1999, the Company was sold to American Title Company; a California domiciled underwritten title company, wholly-owned by American National Financial, Inc. ("ANFI"). Between June 1999 and March 2003, ownership of ANFI by Fidelity National Financial, Inc. ("FNF") ranged from 20% to 28%. On March 26, 2003, FNF acquired all of the remaining outstanding common stock of ANFI.

During 2006, FNF effectuated a corporate restructuring which resulted in the spin-off of several subsidiaries owned by Fidelity National Information Services, Inc. ("FIS"), and the creation of FIS as a separate publicly traded company. On May 1, 2006, the Company's stock was transferred to FNTS, a wholly-owned subsidiary of FIS.

On July 2, 2008, FIS contributed the stock of the Company's immediate parent, LPS Property Tax Solutions, Inc., formerly known as FIS Tax Services, Inc., and its subsidiaries, to a newly formed Delaware holding company, Lender Processing Services, Inc. ("LPS"), which was a wholly-owned subsidiary of FIS. FIS then distributed the stock of LPS to the shareholders of FIS, and LPS became an independent publicly traded company.

As of December 31, 2008, the Company is a wholly-owned subsidiary of LPS Property Solutions, Inc., which is wholly-owned subsidiary of LPS.

Capital paid in was \$1,007,258 consisting of 127,949 shares of common stock with a par value of \$7.50 per share. The Company has 200,000 shares of common stock authorized, of which 127,949 shares are issued and outstanding. Gross paid in and contributed surplus was \$9,995,736.

Gross paid in and contributed surplus increased by \$4,000,000 during the examination period, as follows:

<u>Year</u>	<u>Description</u>	<u>Amount</u>
2004	Beginning gross paid in and contributed surplus	\$5,995,736
2005	Surplus contribution	<u>\$4,000,000</u>
	Total Surplus Contributions	<u>4,000,000</u>
2008	Ending gross paid in and contributed surplus	<u>\$9,995,736</u>

A. Management

Pursuant to the Company's charter and by-laws, as amended and restated, management of the Company is vested in a board of directors, consisting of not less than seven nor more than fifteen members. The board is required to meet at least one time during each calendar year. At December 31, 2008, the board of directors was comprised of the following seven members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Jennifer F. Alvarado Fernandina Beach, FL	Senior Vice President & Treasurer, National Title Insurance of New York, Inc.
Kristin V. Bellouny Staten Island, NY	Senior Vice President, Fidelity National Title Insurance Company
Daniel A. Ferrera Mineola, NY	Corporate Counsel – New York State Agency, Chicago Title Insurance Company
Todd C. Johnson Jacksonville, FL	Executive Vice President, General Counsel & Corporate Secretary, National Title Insurance of New York, Inc.
Jonathan A. Richards Mamaroneck, NY	Senior Vice President & Chief Counsel, Fidelity National Title Insurance Company
Eric D. Swenson Jacksonville, FL	President, National Title Insurance of New York, Inc.

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Theodore G. Werner Mineola, NY	Senior Vice President – New York State Agency, Chicago Title Insurance Company

During the period covered by this examination, the Company did not hold any meetings of its board of directors, but rather conducted all business through “Written Consent of the Board of Directors in Lieu of a Meeting.” Pursuant to Section 2 of Article VI of the Company’s by-laws, the first meeting of each newly elected Board of Directors should be held immediately following the annual meeting of the shareholders. Section 3 of Article VI of the Company’s by-laws states:

Regular meetings of the Board of Directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board. There will be at least one regular meeting of the Board of Directors each year.

The Company’s by-laws do not specifically allow the board of directors to take action through written consent in lieu of a meeting. Section 708(b) of the Business Corporation Law (“BCL”) states:

Unless otherwise restricted by the certificate of incorporation or the by-laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the members of the board or committee consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the board or committee.

However, an informal opinion issued in March 1975 by the Department’s Office of General Counsel concluded that it would not be in the best interests of the people of the State of New York to allow insurance companies to make unfettered use of Section 708(b) of the BCL. The Department has concluded that in the exercise of its statutory authority under the Insurance Law it will permit amendments to the by-laws of insurers to carry out the intention of Section 708(b) of the BCL, but in very limited emergency situations and not in lieu of a regular scheduled meeting. Any proposed amendment to the by-laws or certificate of incorporation must contain specific language of limitation, and must be based upon a showing of definite necessity.

It is recommended that the Company adhere to Section 2 of Article VI of its by-laws and hold its first meeting of the board of directors immediately following the annual meeting of the shareholders.

It is recommended that the Company comply with Section 3 of Article VI of its by-laws and hold at least one regular meeting of the board of directors.

It is recommended that if the Company wishes to continue to act under the provisions of Section 708(b) of the Business Corporation Law that it amends its by-laws to contain specific language of limitation, and must be based upon a showing of definite necessity.

As of December 31, 2008 the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Jeffrey S. Carbiener	Chief Executive Officer
Eric D. Swenson	President
Todd C. Johnson	Executive Vice President, General Counsel & Corporate Secretary
Francis K. Chan	Executive Vice President & Chief Financial Officer
Daniel T. Scheuble	Executive Vice President & Co-Chief Operating Officer
Joseph M. Nackashi	Executive President & Chief Information Officer

B. Territory and Plan of Operation

As of December 31, 2008, the Company was licensed to transact the business of title insurance, as defined in paragraph 18 of Section 1113 (a) of the New York Insurance Law. As of the examination date, the Company was licensed in thirty-seven states, the District of Columbia and the United States Virgin Islands. Approximately 96% of the Company's direct writings in 2008 were concentrated in California.

Based upon the lines of business for which the Company is licensed, and the Company's current capital structure, and pursuant to the requirements of Article 64 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$250,000.

The following schedule shows the direct premiums written by the Company both in New York and in total for the period under examination:

<u>Calendar Year</u>	<u>New York State</u>	<u>Total Premiums Written</u>	<u>Premiums Written in New York as a percentage of Total Premiums Written</u>
2004	\$6,653,313	\$18,640,418	35.69%
2005	\$(1,412,140)	\$(2,772,684)	50.93%
2006	\$(571,196)	\$(442,269)	129.15%
2007	\$0	\$12,038,720	0.00%
2008	\$1,808	\$37,395,772	0.00%

The Company is primarily engaged in the business of issuing title insurance policies and secondarily in performing other title related services such as escrow, collection and trust activities in connection with real estate transactions. These services are provided through the Company's direct operations and affiliated agents who issue policies on behalf of the Company. Customers include attorneys, real estate professionals, banks, and other parties to real estate transactions.

The Company cancelled all of its contracts with independent agents commencing in 2004, and towards the latter part of 2006 began issuing a limited number of policies in the states of Connecticut and Massachusetts, on a direct basis. Since November 2007, the Company has issued policies in California through its affiliated agent LSI Title Company ("LSI"), which for the year 2008 presented 96% of the Company's total premium written. Having cancelled the majority of its independent agent contracts during 2004, premiums from independent agent business is minimal (less than 1%).

As of December 31, 2008, the Company's affiliated agent, LSI maintains four regional processing centers: Santa Ana, CA; Coraopolis, PA; Sacramento, CA; and Houston, TX. The four locations process title and closing products, while non-insured title products are concentrated in Sacramento, CA, and the majority of property valuations are processed in Coraopolis, PA. LSI also has two data centers located in Irvine, CA and Coraopolis, PA, which support its business applications.

C. Holding Company System

The Company is a wholly owned subsidiary of LPS Property Tax Solutions, Inc., a California domiciled corporation, which is ultimately controlled by Lender Processing Services, Inc.

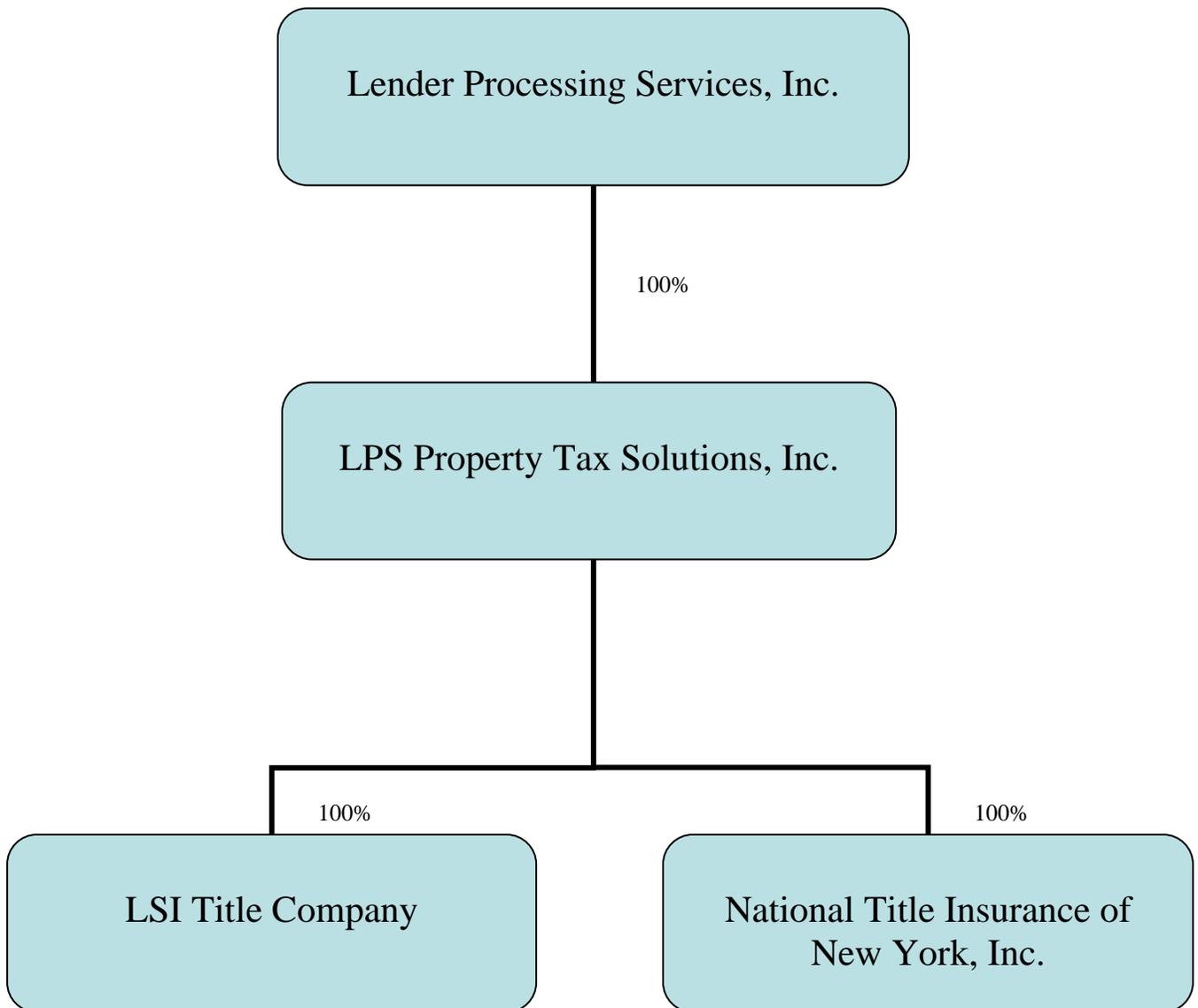
A review of the holding company registration statements filed with this Department indicated that such filings were complete and filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

LSI Title Company, an affiliated agency produces 100% of the Company's insurance business pursuant to an issuing agency agreement thereby meeting the definition of a "controlling producer" as defined in Section 2.1(d) of Department Regulation 52-A.

Pursuant to Section 2.2(c)(2) of Department Regulation 52-A, on or before April 1 of each year, an annual report should be filed with the Department. It was noted that the Company failed to file the annual report for the period covered by this examination.

It is recommended that the Company file the required annual report pursuant to the provisions of Section 2.2(c)(2) of Department Regulation 52-A.

The following is an abridged chart of the holding company system at December 31, 2008:



At December 31, 2008, the Company was party to the following agreements with other members of its holding company system:

1. Tax Sharing Agreement

Effective July 2, 2008, the Company entered into a tax sharing agreement with its ultimate parent, Lender Processing Services, Inc. and immediate parent, FIS Tax Services, Inc. The agreement was submitted to the Department pursuant to the provisions of Department Circular Letter No. 33 (1979) on April 11, 2008 and approved on June 24, 2008.

2. Issuing Agency Contract

Effective October 1, 2007, the Company entered into an issuing agency contract with its affiliated agency, LSI Title Company. Under the terms of the agreement, the Company appoints LSI Title Company as a policy issuing agent for the sole purpose of issuing reports, title insurance commitments, guarantees policies, endorsements and any other products or services relating to real property in such territory or territories as indicated in this contract.

The agreement was not submitted to the Department prior to enactment as required by Section 1505(d)(3) of the New York Insurance Law, which states that the Company shall notify the Superintendent in writing of its intention to enter into such agreement at least 30 days prior to the effective date. The Company was made aware of the violation and advised that the contract will be submitted to the Department.

It is recommended that the Company submit the issuing agency contract to the Department for non-disapproval pursuant to the provisions of Section 1505(d)(3) of the New York Insurance Law.

It is also recommended that the Company adhere to the notification requirements set forth in Section 1505(d)(3) of the New York Insurance Law.

3. Intercompany Affiliated Service Agreement

Prior to the acquisition of the Company by Lender Processing Services, Inc. (“LPS”), the Company was party to several cost reimbursement agreements, which had not been filed with the Department as noted in the last report on examination. After the acquisition by LPS, the Company advised the Department that it is in the process of formalizing a cost sharing agreement among the members of the LPS holding company group. However, it was noted that during the period of June 2008 through November 1, 2009, the Company was party to an informal service agreement with its affiliated entities, wherein a written agreement had not been established.

Effective November 1, 2009, the Company entered into an intercompany affiliated service agreement with its ultimate parent, LPS, and affiliates LSI Title Company and LSI Title Agency, Inc. Under the terms of this agreement, services such as accounting, tax, auditing, underwriting, claim administration, investment services, and functional support services, which includes actuarial services, communications, legal, purchasing, payroll and employee relations, etc shall be performed by any of the affiliates.

The agreement was not submitted to the Department prior to enactment as required by Section 1505(d)(3) of the New York Insurance Law, which states that the Company shall notify the Superintendent in writing of its intention to enter into such agreement at least 30 days prior to the effective date. The Company was made aware of the violation noted above and filed the agreement with the Department on April 21, 2010. On April 29, 2010, the Department acknowledged receipt of the agreement and advised the Company that since the agreement was not filed prior to its implementation non-disapproval cannot be granted but merely placed on file.

It is recommended that the Company adhere to the notification requirements set forth in Section 1505(d)(3) of the New York Insurance Law.

D. Segregated Funds Held for Others

At December 31, 2008, the Company reported \$1,257,361 as custodial funds set aside in special accounts and excluded from the Company’s assets and liabilities. The Company maintains such funds in cash and other cash equivalents.

A detailed review was made of the underlying escrow deposit agreements to ascertain if the company was fulfilling its contractual obligations. Escrow funds are taken by the Company at title closing whenever there are unpaid or accrued amounts such as real estate taxes, franchise taxes, judgments or liens against the insured property. The Company has demonstrated that escrow funds are under constant review for settlement and disposal of objections cited in the title report. It appears that the Company is appropriately refunding balances after the title objections, for which the escrow was originally taken, were satisfied in a timely and efficient manner.

E. Significant Operating Ratios

The operating ratios presented below are on an earned/incurred basis and encompass the five-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	\$ 9,739,458	14.26%
Operating expenses incurred	63,795,662	93.43
Net operating gain or (loss)	<u>(5,253,766)</u>	<u>(7.69)</u>
Premiums and fees earned	<u>\$68,281,354</u>	<u>100.00%</u>

F. Accounts and Records

During the period under examination, the examiners noted the following deficiencies in the Company's system of account and records:

1. Custody Agreements

As of December 31, 2008, the Company maintained a custody agreement with The Bank of New York. A review of the custody agreement revealed that it contained some but not all of the conditions as set forth in Section 3(III)(H) – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook.

However, subsequent to the examination date, the Company terminated the above-mentioned agreement and entered into a new custody agreement with Wells Fargo Bank, effective August 1, 2009. A review of the custody agreement revealed that it did not contain, at a minimum, the

necessary safeguards and controls required by the Department for the custody or safekeeping of securities as set forth in Section 3(III)(H) of the NAIC Financial Condition Examiners Handbook.

It is recommended that the Company amend its custody agreement with Wells Fargo Bank to meet the necessary safeguards and controls required by the Department for the custody or safekeeping of securities as set forth in Section 3(III)(H) – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook.

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2008 as determined by this examination and as reported by the Company.

<u>Assets</u>	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$15,314,235		\$15,314,235
Common stocks	75,110		75,110
Cash and short-term investments	6,851,614		6,851,614
Investment income due and accrued	203,751		203,751
Net deferred tax asset	703,692	\$597,592	106,100
Furniture and equipment, including health care delivery assets	2,266	2,266	0
Prepaid expenses and other assets	<u>118,525</u>	<u>118,525</u>	<u>0</u>
Total assets	<u>\$23,269,193</u>	<u>\$718,383</u>	<u>\$22,550,810</u>
 <u>Liabilities, Surplus and Other Funds</u>			
<u>Liabilities</u>			<u>Amount</u>
Known claims reserves			\$ 2,248,429
Statutory premium reserve			6,233,695
Other expenses (excluding taxes, licenses and fees)			5,088
Taxes, licenses and fees			1,016,557
Current federal and foreign income taxes			2,448,880
Payable to parent, subsidiaries and affiliates			<u>277,063</u>
Total liabilities			<u>\$12,229,712</u>
 <u>Surplus and Other Funds</u>			
Common capital stock		\$1,007,258	
Gross paid-in and contributed surplus		9,995,736	
Unassigned funds (surplus)		(511,281)	
Less treasury stock, at cost: 6,352 shares common (value included in common capital stock: \$47,640)		<u>170,615</u>	
Surplus as regards policyholders			<u>\$10,321,098</u>
Total liabilities, surplus and other funds			<u>\$22,550,810</u>

NOTE: The Internal Revenue Service has completed its audits of the Company's consolidated Federal Income Tax returns through tax year 2008. All material adjustments, if any, made subsequent to the date of examination and arising from said audits, are reflected in the financial statements included in this report. The Internal Revenue Service has not yet begun to audit federal income tax returns covering tax year 2009. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Operations and Investment Exhibit

Surplus as regards policyholders increased \$3,665,407 during the five-year examination period January 1, 2004, through December 31, 2008, detailed as follows:

Statement of Income

Operating Income

Premiums and fees earned		\$68,281,354
Deductions:		
Losses and loss adjustment expenses incurred	\$ 9,739,458	
Other underwriting expenses incurred	<u>63,795,662</u>	
Total operating deductions		<u>73,535,130</u>
Net operating gain or (loss)		\$(5,253,766)

Investment Income

Net investment income earned	\$ 2,498,163	
Net realized capital gains or (losses)	<u>212</u>	
Net investment gain or (loss)		<u>2,498,375</u>
Net income, after capital gains tax and before all federal income taxes		\$(2,755,391)
Federal and foreign income taxes incurred		<u>(842,117)</u>
Net income or (loss)		<u>\$(1,913,274)</u>

Capital and Surplus Account

Surplus as regards policyholders per report on examination as of December 31, 2003			\$ 6,655,691
	<u>Gains in</u>	<u>Losses in</u>	
	<u>Surplus</u>	<u>Surplus</u>	
Net income or (loss)		\$1,913,274	
Change in net deferred income tax	\$ 99,304		
Change in non-admitted assets	596,403		
Paid in surplus	4,463,406		
Prior period adjustment	<u>419,568</u>	<u>0</u>	
Total gains and losses	<u>\$5,578,681</u>	<u>\$1,913,274</u>	
Net increase (decrease) in surplus			<u>3,665,407</u>
Surplus as regards policyholders per report on examination as of December 31, 2008			<u>\$10,321,098</u>

4. KNOWN CLAIMS RESERVE

The examination liability of \$2,248,429 is the same as the amount reported by the Company as of the examination date. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and in its filed annual statement.

5. STATUTORY PREMIUM RESERVE

The examination reserve of \$6,233,695 is the same as the amount reported by the Company as of December 31, 2008. The reserve was calculated based on a formula pursuant to Section 6405(a) of the New York Insurance Law, which includes a provision for the application of a dollar amount for each policy written and a percentage of the face amount of each policy.

The Company was in compliance with Section 6405(c) of the New York Insurance Law with regard to the amount of admitted assets being maintained separately as a segregated reserve fund.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained seven recommendations as follows (item letters and page numbers refer to that of the prior report):

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Management</u>	
(i) It is recommended that if the Company wishes to act under the provisions of Section 708(b) of the Business Corporation Law, it should amend its by-laws or certificate of incorporation to provide for such actions in accordance with Section 1206 of the New York Insurance Law.	5
The Company has not complied with this recommendation. A similar recommendation is made in this report.	
(ii) Additionally, it is recommended that the Company utilized this provision in limited emergency situations, as set forth in the opinion issued by the Department's Office of General Counsel.	6
The Company has not complied with this recommendation. A similar recommendation is made in this report.	

ITEMPAGE NO.Conflict of Interest

- (iii) It is recommended that the Company obtain and keep on file signed conflict of interest statements for all directors, officers and key employees. 6

The Company has complied with this recommendation.

B. Holding Company System

- (i) It is recommended that the Company file its cost reimbursement agreements with the Department pursuant to the provisions of section 1505(d) of the New York Insurance Law. 9

The Company has not complied with this recommendation. A similar recommendation is made in this report.

- (ii) It is recommended that the Company prepare written guidelines for the allocation of non-overhead expenses, which are in accordance with Department Regulation 30. 10

The Company has complied with this recommendation.

C. Accounts and RecordsApproval of Investments

- (i) It is recommended that the Company's board of directors regularly document its review and approval of the Company's investment activities in compliance with Section 1411(a) of the New York Insurance Law. 12

The Company has complied with this recommendation.

Cash

- (ii) It is recommended that the Company segregate its outstanding checks to separate control accounts on a periodic basis. 12

The Company has complied with this recommendation.

7. SUMMARY OF COMMENTS AND RECOMMENDATION

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Management</u>	
i. It is recommended that the Company adhere to Section 2 of Article VI of its by-laws and hold its first meeting of the board of directors immediately following the annual meeting of the shareholders.	5
ii. It is recommended that the Company comply with Section 3 of Article VI of its by-laws and hold at least one regular meeting of the board of directors.	5
iii. It is recommended that if the Company wishes to continue to act under the provisions of Section 708(b) of the Business Corporation Law that it amends its by-laws to contain specific language of limitation, and must be based upon a showing of definite necessity.	6
B. <u>Holding Company System</u>	
i. It is recommended that the Company file the required annual report pursuant to the provisions of Section 2.2(c)(2) of Department Regulation 52-A.	8
ii. It is recommended that the Company submit the Issuing Agency Contract to the Department for non-disapproval pursuant to the provisions of Section 1505(d)(3) of the New York Insurance Law.	9
iii. It is also recommended that the Company adhere to the notification requirements set forth in Section 1505(d)(3) of the New York Insurance Law.	9
iv. It is recommended that the Company adhere to the notification requirements set forth in Section 1505(d)(3) of the New York Insurance Law.	10
C. <u>Accounts and Records</u>	
i. It is recommended that the Company amend its custody agreement with Wells Fargo Bank to meet the necessary safeguards and controls required by the Department for the custody or safekeeping of securities as set forth in Section 3(III)(H) – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook.	12

Appointment No. 30378

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, James J. Wrynn Acting Superintendent of Insurance of the State of New York, pursuant to the provisions of the Insurance Law, do hereby appoint:

Jimmie Newsome

as proper person to examine into the affairs of the

NATIONAL TITLE INSURANCE OF NEW YORK INC.

and to make a report to me in writing of the condition of the said

Corporation

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by the name and affixed the official Seal of this Department, at the City of New York,

this 8th day of September, 2009



A handwritten signature in cursive script, reading "James J. Wrynn".

JAMES J. WRYNN
Acting Superintendent of Insurance