



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

NOTICE OF FINE
NAIC No. 51527 LDI NO.: 1471

August 24, 2021

First American Title Insurance Company of La.
Attn: Phyllis Marchand
4586 East Highway 20
Niceville, FL 32578

Article #: 7020 0090 0000 7287 8626

First American Title Insurance Company of La.
Attn: Phyllis Marchand
935 Gravier Street, Suite 2100
New Orleans, LA 70112

Article #: 7020 0090 0000 7287 7995

First American Title Insurance Company of La.
Attn: Phyllis Marchand
1 First American Way
Santa Ana, CA 92707

Article #: 7020 0090 0000 7287 8008

Email: jlajoie@firstam.com
GPOole@firstam.com
Plmarchand@firstam.com

WHEREAS, IT HAS COME TO MY ATTENTION, as Commissioner of Insurance, (Commissioner) of the Louisiana Department of Insurance (LDI), that First American Title Insurance Company of Louisiana (NAIC No. 51527 LDI No. 1471) has violated certain provisions of the Louisiana Insurance Code, Title 22, La. R.S. 22:1 *et seq.* As used hereinafter, "you" and "your" refer to First American Title Insurance Company of La. Accordingly, pursuant to the power and authority vested in me as the Commissioner, issue this Notice of Fine based on the following, to wit:

The LDI has documentation that indicates that First American Title Insurance Company of Louisiana paid commissions to producers with cancelled or lapsed licenses for the sale, solicitation, negotiation or placement of insurance in the State of Louisiana. These producers were not properly licensed as required to act as a producer in the state of Louisiana; therefore, the producers were prohibited from receiving a commission for selling, soliciting, negotiating or placing insurance policies in Louisiana.

Information and documentation indicate First American Title Insurance Company of Louisiana paid commissions to producers that did not hold a valid license while conducting the business of insurance in Louisiana as follows:

Producer

Unlicensed since March 31, 2018

Alliance Title Insurance Corp.

Lic. No. 926966

Unlicensed since April 17, 2017

Allen & Gooch, A Law Corp.

Lic. No. 190598

The following producers had received commissions while unappointed with First American Title of Louisiana. These producers had lapsed licenses during 2019 but are now currently active and have been reappointed to January of 2021.

Producer

Donald Keith Carroll	Lic. No. 225619
F. Joseph Drolla Jr.	Lic. No. 125242
Investors Title & Exchanged Co.	Lic. No. 105531
James Dewey	Lic. No. 95729
James S. Mickenheim	Lic. No. 476742
Carol A. Newman	Lic. No. 133152
Town & Home Title Co., LLC	Lic. No. 331229
Richard Blakenship	Lic. No. 228292

A Notice of Proposed Regulatory Action, dated June 29, 2021, was issued to First American Title Insurance Company of Louisiana, and a response was provided on July 27, 2021. You agreed with the findings in the Notice of Regulatory Action and explained the actions by First American Title Insurance Company of Louisiana were unintentional; an error made in the appointment process an oversight by the company and it has been remediated.

La. R.S. 22:2 states:

§2. Insurance regulated in the public interest

- A. (1) Insurance is an industry affected with the public interest and it is the purpose of this Code to regulate that industry in all its phase. ...It shall be the duty of the commissioner of insurance to administer the provisions of this Code.

La. R.S. 22:18(A) maintains in pertinent part:

§18. Suspension or revocation of insurers' licenses; fines; orders

- A. The commissioner of insurance may, as a penalty, in accordance with R.S. 49:961, refuse to renew, or may suspend, or revoke the certificate of authority or license of any insurer, person, or entity violating any of the provisions of this Code, or in lieu of suspension or revocation of a certificate or license duly issued, the commissioner may levy a fine not to exceed one thousand dollars for each violation per insurer, person, or entity, up to one thousand dollars aggregate for all violations in a calendar year per insurer, person, or entity, when such violations warrant the refusal, suspension, or revocation of such certificate or license, or the imposition of the fine. The commissioner is also authorized to order any insurer, person, or entity to cease and desist any such action that violates any provision of this Code.

La. R.S. 22:1557(A) maintains in pertinent part:

§1557. Commissions

- A. (1) An insurer or insurance producer shall not pay, directly or indirectly, any commission, service fee, brokerage, or other valuable consideration to any person or entity for selling, soliciting, or negotiating insurance in this state unless such person or entity holds a valid license as required by law.

La. R.S. 22:1562(A) maintains in pertinent part:

§ 1562. Prohibited acts

- A. (1) No insurer or insurance producer shall pay any money or commission or brokerage or give or allow any valuable consideration or compensation to any person or business entity not duly licensed as an insurance producer...for or because service rendered or performed, in this state in selling, soliciting, negotiating, or effecting a contract of insurance on any property or risks, or insurable interests, or business activities located within or transacted within this state.

La. R.S. 22:1964 maintains in pertinent part:

§. Methods, acts and practices which are defined as unfair or deceptive

The following are declared to be unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

- (12) Any violation of any prohibitory law of this state.

VIOLATION(S):

The payment of commissions to the producers listed above for the sale, solicitation, placement or negotiation of insurance in the State of Louisiana that occurred while without holding a valid license constitutes a violation of La. R.S. 22:1562(A)(1), and La. R.S. 22:1557(A)(1).

BE ADVISED:

COMMISSIONER'S ACTION:

As a result of the investigation and documentation in hand, the Louisiana Commissioner of Insurance, in accordance with La. R.S. 22:18(A), La. R.S. 22:1557 and La. R.S. 49:961, hereby serves you notice that **First American Title Insurance Company of Louisiana, LDI No.: 1471; NAIC No.: 51527**, is hereby **FINED five thousand dollars (\$5,000.00)**, and you are ordered to pay the full amount immediately.

YOUR ACTION:

Be advised that this constitutes an administrative action and that it will be reported to the National Insurance Producer Registry. You may need to report this administrative action to other states in which you hold an active license. Contact that state's insurance department if you are unsure of their requirements.

Please remit your \$5,000.00 fine payment and a copy of this notice to:

Louisiana Department of Insurance
Attn: Accounts Receivable
P.O. Box 94214
Baton Rouge, LA 70804-9214

NOTICE OF APPEAL:

Pursuant to La. R.S. 22:2191(A)(2), any person aggrieved by an act of the Commissioner may request a hearing. You must make a written demand for an appeal within thirty (30) days from the date of this notice. Failure to file a written demand for an appeal within thirty (30) days of this notice will preclude your right to an administrative hearing. Pursuant to La. R. S. 22:2191(B), your written demand for an appeal (1) shall reference the particular sections of the statutes and rules involved; (2) shall provide a short and plain statement of the matters asserted for review; and (3) shall attach a copy of the order or decision that you are appealing. Appealing this notice does not stay the action of the Commissioner of Insurance. Pursuant to La. R.S. 22:2204 you must request and be granted a stay of this action by the Division of Administrative Law. Your request for a stay may be included in your appeal. Your written demand for an appeal shall be filed with the Louisiana Department of Insurance at the addresses below:

File Via Mail:
Louisiana Department of Insurance
Attn: J. David Caldwell, Executive Counsel
P. O. Box 94214
Baton Rouge, LA 70804-9214

File in Person:
1702 N. Third Street
Baton Rouge, LA 70802
Telephone: (225)342-4673
Fax: (225) 342-1632

Signed in Baton Rouge, Louisiana this 24th day of August 2021.

JAMES J. DONELON
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

BY: _____


Matthew Stewart
Deputy Commissioner
Divisions of Fraud & Enforcement
Louisiana Department of Insurance
Telephone: (225) 219-5819

CERTIFICATE OF SERVICE

Article No.: 7020 0090 0000 7287 8626

Article No.: 7020 0090 0000 7287 7995

Article No.: 7020 0090 0000 7287 8008

I hereby certify that I have this day served the foregoing document on First American Title Insurance Company of Louisiana by mailing a copy thereof properly addressed with postage prepaid, this 24th day of August 2021.



Jennifer Mourain