

**REPORT OF
MARKET CONDUCT EXAMINATION
OF**

**PENN ATTORNEYS TITLE INSURANCE
COMPANY**

Erie, Pennsylvania

**AS OF
April 22, 2009**

COMMONWEALTH OF PENNSYLVANIA



**INSURANCE DEPARTMENT
MARKET CONDUCT DIVISION**

Issued: June 9, 2009

VERIFICATION

Having been duly sworn, I hereby verify that the statements made in the within document are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. §4903 (relating to false swearing).

June A. Coleman
June A. Coleman, Examiner-in-Charge

Sworn to and Subscribed Before me

This 13th Day of April, 2009

Theresa M Seneca
Notary Public
COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
THERESA M. SENECA, Notary Public
City of Harrisburg, Dauphin County
My Commission Expires Aug. 15, 2010

PENN ATTORNEYS TITLE INSURANCE COMPANY

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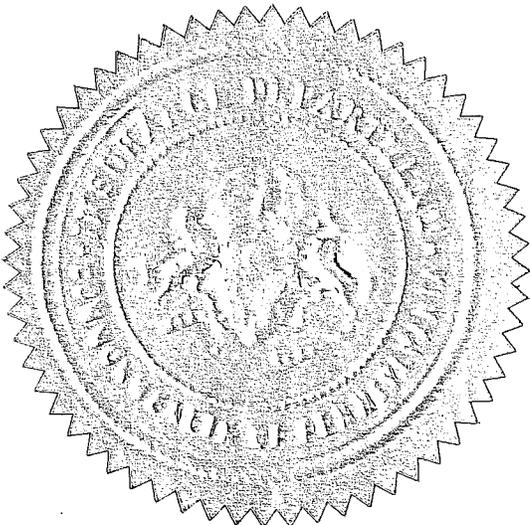
Order

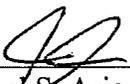
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BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

ORDER

AND NOW, this 22ND day of July, 2008, in accordance with Section 905(c) of the Pennsylvania Insurance Department Act, Act of May 17, 1921, P.L. 789, as amended, P.S. § 323.5, I hereby designate Ronald A. Gallagher, Deputy Insurance Commissioner, to consider and review all documents relating to the market conduct examination of any company and person who is the subject of a market conduct examination and to have all powers set forth in said statute including the power to enter an Order based on the review of said documents. This designation of authority shall continue in effect until otherwise terminated by a later Order of the Insurance Commissioner.





Joel S. Ario
Insurance Commissioner

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: : VIOLATIONS:
: :
PENN ATTORNEYS TITLE : 40 P.S. §§ 323.3(a), 477b, 910-37(h)
INSURANCE COMPANY : and 1171.4
900 State Street :
Erie, PA 16501 :
: :
Respondent. : Docket No. MC09-04-031

CONSENT ORDER

AND NOW, this 9th day of June, 2009, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondent hereby admits and acknowledges that it has received proper notice of its rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S. § 101, et seq., or other applicable law.

2. Respondent hereby waives all rights to a formal administrative hearing in this matter, and agrees that this Consent Order shall have the full force and effect of an order duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following Findings of Fact:

- (a) Respondent is Penn Attorneys Title Insurance Company, and maintains its address at 900 State Street, Erie, Pennsylvania 16501.
- (b) A market conduct examination of Respondent was conducted by the Insurance Department covering the period from January 1, 2006 through December 31, 2006.
- (c) On April 22, 2009, the Insurance Department issued a Market Conduct Examination Report to Respondent.
- (d) A response to the Examination Report was provided by Respondent on May 22, 2009.
- (e) The Examination Report notes violations of the following:
 - (i) 40 P.S. §323.3(a), which requires every company subject to examination to keep all records and documents relating to its business in such manner as

may be required in order that the Department may verify whether the company has complied with the laws of this Commonwealth;

(ii) 40 P.S. § 477b, which prohibits issuing, selling, or disposing of any policy, contract or certificate until the forms have been submitted to, and formally approved by, the Insurance Commissioner;

(iii) 40 P.S. § 910-37(h), which provides that no title insurance company or agent of a title insurance company shall charge any fee for any policy or contract of title insurance except in accordance with filings or rates which are in effect for said title insurance company or such agent of a title insurance company as provided in this article; and

(iv) 40 P.S. § 1171.4, which prohibits any person from engaging in this state in any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance pursuant to this act.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department makes the following Conclusions of Law:

- (a) Respondent is subject to the jurisdiction of the Pennsylvania Insurance Department.

- (b) Respondent's violations of 40 P.S. § 477(b) are punishable by the following:
 - (i) suspension or revocation of the license(s) of Respondent;
 - (ii) refusal, for a period not to exceed one year thereafter, to issue a new license to Respondent;
 - (iii) imposition of a fine of not more than one thousand dollars (\$1,000.00) for each act in violation of the Act.

- (c) Respondent's violations of 40 P.S. § 910-37(h) are punishable by the following, under 40 P.S. §910-48: The commissioner may, if he finds that any person or organization has violated any provision of this article, impose a penalty or not more than \$500 for each violation. If the violation is willful, the commissioner may impose a penalty of not more than \$5,000 for each violation, in addition to any other penalty provided by law;

- (d) Respondent's violations of 40 P.S. § 1171.4, are punishable by the following, under 40 P.S. §1171.9:
 - (i) cease and desist from engaging in the prohibited activity;
 - (ii) suspension or revocation of the license(s) of Respondent.

(e) In addition to any penalties imposed by the Department for Respondent's violations of the Unfair Insurance Practices Act (40 P.S. §§ 1171.1 – 1171.5), the Department may, under 40 Purdon's Statutes, Sections 1171.10 and 1171.11 file an action in which the Commonwealth Court may impose the following civil penalties:

(i) for each method of competition, act or practice which the company knew or should have known was in violation of the law, a penalty of not more than five thousand dollars (\$5,000.00);

(ii) for each method of competition, act or practice which the company did not know nor reasonably should have known was in violation of the law, a penalty of not more than one thousand dollars (\$1,000.00).

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondent consents to the following:

(a) Respondent shall cease and desist from engaging in the activities described herein in the Findings of Fact and Conclusions of Law.

- (b) Respondent shall file an affidavit stating under oath that it will provide each of its directors, at the next scheduled directors meeting, a copy of the adopted Report and related Orders. Such affidavit shall be submitted within thirty (30) days of the date of this Order.

- (c) Respondent shall comply with all recommendations contained in the attached Report.

- (d) Respondent shall pay Five Thousand Dollars (\$5,000.00) to the Commonwealth of Pennsylvania in settlement of all violations contained in the Report.

- (e) Payment of this matter shall be made by check payable to the Commonwealth of Pennsylvania. Payment should be directed to Sharon L. Fraser, Bureau of Market Conduct, PA Insurance Department, 1227 Strawberry Square, Harrisburg, Pennsylvania 17120. Payment must be made no later than thirty (30) days after the date of this Order.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, the Department may, in its discretion, pursue any and all legal remedies available, including but not limited to the following: The Insurance Department may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or it may

enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

7. Alternatively, in the event there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondent may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

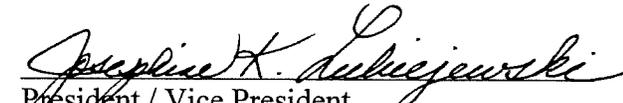
9. Respondent hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

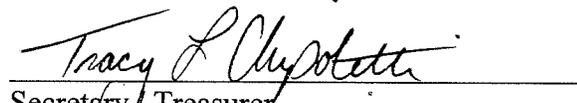
11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or a duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violations of law

contained herein, and this Consent Order is not effective until executed by the Insurance Commissioner or a duly authorized delegee.

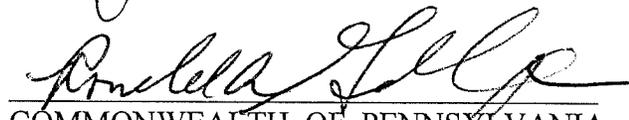
BY: PENN ATTORNEYS TITLE INSURANCE
COMPANY, Respondent



President / Vice President



Secretary / Treasurer



COMMONWEALTH OF PENNSYLVANIA
By: Ronald A. Gallagher, Jr.
Deputy Insurance Commissioner

I. INTRODUCTION

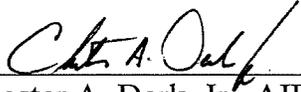
The Market Conduct Examination was conducted on Penn Attorneys Title Insurance Company (“the Company”), in the office of the Pennsylvania Insurance Department, located in Harrisburg, Pennsylvania.

The Pennsylvania Market Conduct Examination Report (“Report”) generally notes only those items to which the Department, after review, takes exception. However, the Report may include management recommendations addressing areas of concern noted by the Department, but for which no statutory violation was identified. This enables Company management to review those areas of concern in order to determine the potential impact upon Company operations or future compliance. A violation is any instance of Company activity that does not comply with an insurance statute or regulation. Violations contained in the Report may result in imposition of penalties.

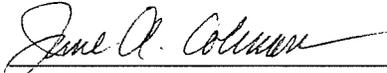
Throughout the course of the examination, Company officials were provided with status memoranda, which referenced specific policy numbers with citation to each section of law violated. Additional information was requested to clarify potential violations. An exit conference was conducted with Company personnel to discuss the various types of violations identified during the examination and review written summaries provided on the violations found.

The courtesy and cooperation extended by the officers and employees of the Company during the course of the examination is hereby acknowledged.

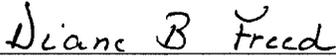
The undersigned participated in this examination and in preparation of this Report.



Chester A. Derk, Jr., AIE, HIA
Market Conduct Division Chief



June A. Coleman
Market Conduct Examiner



Diane B. Freed
Market Conduct Examiner

II. SCOPE OF EXAMINATION

The Market Conduct Examination was conducted on Penn Attorneys Title Insurance Company at the office of the Pennsylvania Insurance Department located in Harrisburg, Pennsylvania. The examination was conducted pursuant to Sections 903 and 904 of the "Insurance Department Act," the Act of May 17, 1921, P.L. 789, No. 185, Art., IX, *as amended* 40 P.S. §§323.3, 323.4 and covered the experience period of January 1, 2006 through December 31, 2006, unless otherwise noted. The purpose of the examination was to determine the Company's compliance with Pennsylvania insurance laws and regulations.

The examination focused on Company operations in the following areas:

1. Underwriting Practices and Procedures
2. Rating
3. Forms
4. Licensing

III. COMPANY HISTORY AND LICENSING

Penn Attorneys Title Insurance Company was incorporated in the Commonwealth of Pennsylvania on December 1, 1980. The Company commenced business in Erie, Pennsylvania on January 1, 1981. On June 30, 2003, Penn Attorneys Title Insurance Company merged with a subsidiary of First American Title Insurance Company, thereby becoming a wholly owned subsidiary of First American Title Insurance Company.

Penn Attorneys Title Insurance Company was organized and chartered in 1980 by a group of Erie County Attorneys whose goal was to provide a reliable and lower cost alternative to other title insurers. Since its inception Penn Attorneys Title Insurance Company has provided title insurance to homeowners/buyers and lenders through a network of Approved Attorneys located throughout the Commonwealth of Pennsylvania. The Company operates strictly under the Approved Attorney System.

Penn Attorneys Title Insurance Company operates from its office located in Erie, Pennsylvania and a regional office in Kingston, Pennsylvania. Both offices process applications for title insurance commitments and policies for attorney customers. Title insurance is the core business; however the Company also provides support services for the Approved Attorneys, including underwriting support, staff training, publications and legal research on real estate related topics. Search services were incorporated in 2004.

LICENSING

The Company is licensed to write title insurance in the Commonwealth of Pennsylvania under a Certificate of Authority issued December 1, 1980. The Company currently conducts business only in Pennsylvania.

The Company's total direct premium earned in Pennsylvania was \$ 1,710,517 as of its 2007 annual statement.

IV. UNDERWRITING PRACTICES AND PROCEDURES

As part of the examination, the Company was requested to supply manuals, underwriting guides, bulletins, directives or other forms of underwriting procedure communications. The purpose of this review was to identify any inconsistencies which could be considered discriminatory, specifically prohibited by statute or regulation, or unusual in nature. No violations were noted.

V. RATING

The purpose of the review was to measure compliance with Section 737 of the “Insurance Company Law,” the Act of May 17, 1921, P.L. 682, Art., VII, *as amended* 40 P.S §910-37, which requires every title insurance company to file with the Insurance Commissioner every manual of classifications, rules, plans, and schedules of fees and every modification of any of the foregoing relating to the rates which it proposes to use in the Commonwealth. In addition, this section of the law prohibits a title insurance company or agent of a title insurance company from charging any fee for any policy or contract of title insurance except in accordance with filings or rates which are in effect for the title insurance company or agent of a title insurance company as provided in this article of the law, or in accordance with subsections (f) and (g) of this section.

To perform this review, the Department selected 109 lender policy files, 103 owner policy files and 108 simultaneous policy files from the universe of 2,638 lender policies, 1,122 owner policies and 3,151 simultaneous policies that were issued during the experience period.

The Company submitted a copy of its rate filing approvals effective for the experience period. By reviewing the documentation supporting the charges under sections 1100, 1200 and 1300 of the HUD-1 settlement sheet, the examiners were able to determine compliance with the Company’s filed and approved rating plans. The Company was requested to provide monthly reports that are required if any additional charges are made under Section V of the Manual of Rules and Rates (2006) (“Rate Manual”).

The following findings were made:

A. 6 Violations as a result of the Company making inappropriate charges on the HUD settlement sheet. These are violations of the Insurance Company Law at 40 P.S. §910-37(h) which:

Requires that beginning ninety days after the effective date of this amendment, no title insurance company or agent of a title insurance company shall charge any fee for any policy or contract of title insurance except in accordance with filings or rates which are in effect for said title insurance company or such agent of a title insurance company as provided in this article, or in accordance with subsections (f) and (g) of this section.

Of the six (6) violations noted, four (4) violations were the result of the Company charging incorrect amounts for endorsements according to the Rate Manual. This resulted in overcharges of \$450.00. The remaining two (2) violations were the result of the Company charging inappropriate charges under Sections 1100 and 1200 of the HUD-1 sheet according to Rate Manual. This resulted in overcharges of \$45.00

B. 123 Violations as a result of not properly disclosing information on the HUD-1 settlement sheets. These are violations are of the Unfair Insurance Practices Act, the Act of July 22, 1974, P.L. 589, No. 205, Section 4, as amended 40 P.S. §1171.4 which:

Requires no person shall engage in this state in any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance pursuant to this act.

C. 1 Violation as a result of the Company not providing a HUD-1 settlement sheet. This is a violation of the Unfair Insurance Practices Act at 40 P.S. §1171.4 which:

Requires no person shall engage in this state in any trade practice which is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance pursuant to this act.

AND the Insurance Department Act at 40 P.S. §323.3(a):

Requires every company or person subject to examination in accordance with this act must keep all books, records, accounts, papers documents and any or all computer or other recordings relating to its property, assets, business and affairs in such manner and for such time periods as the Department, in its discretion, may require in order that its authorized representatives may readily ascertain whether the company or person has complied with the laws of this Commonwealth.

VI. FORMS

All files were reviewed to verify the use of Department approved forms in compliance with the Insurance Company Law at 40 P.S. §477b, Approval of Policies, Contracts, etc., Prohibiting the Use Thereof Unless Approved. During the experience period of the examination, the Insurance Company Law provided that it shall be unlawful for any insurance company to issue, sell, or dispose of any policy contract or certificate covering fire, marine, title and all forms of casualty insurance or use applications, riders, or endorsements in connection therewith, until the forms have been submitted to and formally approved by the Insurance Commissioner.

The following findings were made:

- A. 16 Violations as a result of using endorsement forms which were not filed and approved for use by the Company. These violations are of the Insurance Company Law at 40 P.S. §477b which:*

Requires that before any insurance company doing business in the Commonwealth to issue, sell, contract all forms of casualty insurance, or use applications, riders, or endorsements, in connection therewith, file forms of the same for approval by the Insurance Commissioner.

VII. LICENSING

In order to determine compliance with the licensing requirements of the Insurance Company Law at 40 P.S. §§910-24 - 910-31, the Company was asked to provide a list of active agents during the experience period. In addition, the Company was asked to submit a list of all agents whose contracts or agency agreements were canceled during the experience period. The Company's policy files were also reviewed for the purpose of identifying agents.

The following concern was made:

Concern: The Company shall obtain written contracts with the approved attorneys before business is written with the Company.

VIII. RECOMMENDATIONS

The recommendations made below identify corrective measures the Department finds necessary as a result of the number of some violations, or the nature and severity of other statutory or regulatory violations, noted in the Report.

1. The Company must review the Insurance Company Law at 40 P.S. §910-37(h) and must take appropriate measures to ensure the rating violations listed in the Report do not occur in the future. The overcharges noted in the Rating Section of this Report must be refunded to the insureds and proof of such refunds must be provided to the Insurance Department within 30 days of the Report issue date.
2. The Company must implement procedures to ensure that the violations of the Unfair Insurance Practices Act at 40 P.S. §1171.4, regarding the proper disclosure of information on the HUD-1 settlement sheet noted in the Report, do not occur in the future.
3. The Company must reinforce internal controls to ensure that all records and documents are maintained in accordance with the Insurance Department Act and the Unfair Insurance Practices Act so that violations noted in the Report do not occur in the future.
4. The Company must review the Insurance Company Law at 40 P.S. §477b to ensure that violations regarding filing forms for approval by the Insurance Commissioner, as noted in the Report, do not occur in the future.

IX. COMPANY RESPONSE

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May 22, 2009

Chester A. Derk, Jr., AIE, HIA
Market Conduct Division Chief
Pennsylvania Insurance Department
1227 Strawberry Square
Harrisburg, PA 17120

RE: Penn Attorneys Title Insurance Co.
Market Conduct Examination – January 1, 2006-December 31, 2006
Examination Warrant Number 07-M19-004

Dear Mr. Derk:

Our Company is in receipt of your April 22, 2009 Report for the Insurance Department's Market Conduct Examination covering the period of January 1, 2006 through December 31, 2006. This letter serves as our Company's response to your Report. Our Company would like to thank the Department for its time, effort, cooperation and candor during this lengthy and tedious study. We appreciate this market conduct review because it helps our Company conduct its business in the best way possible, which serves not only Penn Attorneys and the Department, but most importantly, the Pennsylvania consumer.

By way of background, Penn Attorneys Title Insurance Co. ("Penn Attorneys" or our "Company") is a domestic title insurance underwriter that has been serving consumers through the Pennsylvania's attorney population for almost three (3) decades. Our Company employs the approved attorney procedure of title insurance, which differs from the standard company or agency procedure utilized by the majority of Pennsylvania title insurance providers. Under the company or agency procedure, the insurer appoints licensed agents to issue title insurance policies.

In contrast, under the approved attorney procedure exercised by Penn Attorneys, Pennsylvania attorneys approved by the Company represent Pennsylvania consumers in real estate transactions. Title insurance is produced through our Company, rather than the attorneys. The attorneys search the property in question, and submit the examined search to Penn Attorneys, which then issues a commitment to insure. The attorney clears the required matters at or prior to closing, prepares all closing documents, including the HUD Settlement Sheet, accepts and disburses funds and records the transaction instruments. The attorney then submits to Penn Attorneys a certification of title, based on which Penn Attorneys issues a title insurance policy to the consumer and/or the lender.

Penn Attorneys reported 6,911 transactions during the experience period, 320 of which were selected by the Department for review. The Department focused on Underwriting Practices and Procedures, Rating, Forms and Licensing in its examination. These items are specifically addressed below.

Underwriting Practices and Procedures

Penn Attorneys is proud of the fact that its Underwriting Practices and Procedures produced no violations. We will continue in our efforts to maintain this level of compliance.

Rating

The Department noted six (6) violations under 40 P.S. §910-37(h) relating to inappropriate charges located on the HUD Settlement Sheet. Four (4) of these violations were for overcharges on endorsements, and two (2) of these violations were for overcharges on closing protection letters. These overcharges were refunded to the consumers by the attorneys that charged these fees prior to the issuance of this Report. We have reminded the attorneys of the correct fees, and they will only charge the amount allowed under Penn Attorneys filed rates on all future transactions.

The Department further noted 123 violations under 40 P.S. §1171.4 relating to the disclosure of information on the HUD Settlement Statements. In the approved attorney procedure, the preparation of the HUD and presiding at the closing is considered a part of the attorney's practice of law. However, Penn Attorneys will hold seminars and webinars for the approved attorneys on best practices for HUD preparation, which we believe will be widely embraced and will alleviate any future deficiencies.

Finally, the Department noted one (1) violation under 40 P.S. §1171.4 relating to the inability to provide a copy of the HUD Settlement Sheet for review, which stemmed from extraordinary circumstances where the attorney that prepared and maintained the HUD was tragically killed. Unfortunately, we were unable to obtain a copy of the HUD from any interested parties.

Forms

The Department reviewed the selected files to determine whether the appropriate filed forms were utilized by our Company in these transactions during the experience period. Penn Attorneys files its own rates and forms with the Department, and is not a member of the Title Insurance Rating Bureau of Pennsylvania ("TIRBOP" or the "Bureau"). The Department noted sixteen (16) violations of 40 P.S. §477b relating to the use of unfiled endorsement forms. All of these violations arise from the use of the General Endorsement, which we mistakenly believed had previously been filed with the Department. The form was used to provide coverage that had not been filed with the Department by our Company. We filed a monthly report with the Department explaining any special forms and charges. Our Company formulated this procedure with the help of the Department.

Our Company now understands that this form was not filed during the experience period, and has since filed the form, which was approved by the Department effective April 1, 2008. In that same filing, Penn Attorneys also updated its endorsement library to provide for coverages previously being issued using this form, which should alleviate the use of any unfiled endorsement.

Licensing

Penn Attorneys is pleased that the Department found no violations under the Licensing Section of the Report.

Penn Attorneys takes very seriously, however, the Department's concern relating to written contracts with approved attorneys. Prior to the inception of this examination, our Company was already in the process of obtaining agreements with the approved attorneys. To date, approximately eighty percent (80%) of all active approved attorneys have signed an agreement. We are actively pursuing the remaining twenty percent (20%) of attorneys that have not executed agreements. All new attorneys seeking approval from Penn Attorneys will be presented with an agreement before doing business. We hope that this procedure satisfies the Department's concerns relating to written contracts with the attorneys.

Department Recommendations

The Department made four (4) recommendations of corrective measures that it finds necessary as a result of the violations addressed above. Following are our Company's responses to these recommendations.

- 1) The Department requires our Company to review 40 P.S. § 910-31(h) and take appropriate measures to ensure the rating violations listed above do not occur in the future. The Department further requires that all rating violations must be refunded to the insureds and that our Company must provide proof of such refunds to the Insurance Department. All overages have already been refunded to the insureds. Further, our Company will continue to enforce rating requirements.
- 2) The Department requires that our Company implement procedures to ensure that the violations of 40 P.S. § 1171.4 regarding the proper disclosure of information on the HUD Sheets do not occur in the future. Our Company is planning seminars and webinars regarding best practices for HUD preparation.
- 3) The Department also requires that Penn Attorneys reinforce internal controls to ensure that all records and documents are maintained in accordance with the Insurance Department Act and Unfair Insurance Practices Act so that violations noted in this Report do not occur in the future. Our attorneys diligently maintain transaction records, and we preserve proof of insurance on all transactions. Our Company will continue to communicate this requirement.

May 22, 2009

Penn Attorneys Title Insurance Co.

Chester A. Derk, Market Conduct Division Chief

Pennsylvania Insurance Department

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4) Finally, the Department requires that our Company review 40 P.S. § 477b to ensure that violations regarding filing forms for approval by the Insurance Commissioner, as noted in the Report, do not occur in the future. Our Company has reviewed 40 P.S. § 477b, and has filed the PA 1070 General Endorsement Form which was approved by the Department effective April 1, 2008. We believe this filing will lead to full compliance on all future transactions.

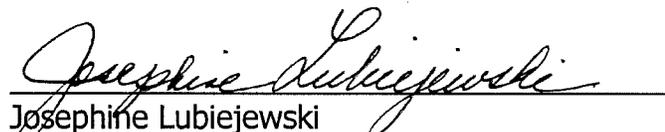
Conclusion

Over the past three (3) decades, Penn Attorneys has strived for excellence in Pennsylvania by promoting the significance of the attorney-client relationship in all real estate transactions. Penn Attorneys endeavors to maintain an attorney presence at the closing table and believes that the knowledge and expertise brought to settlement by experienced real estate attorneys creates a positive experience for the Pennsylvania consumer.

While this Report is not perfect, Penn Attorneys notes that it was ninety-eight percent (98%) perfect as far as substantive rate violations are concerned. All affected insureds were refunded any overcharge prior to the issuance of this Report. Penn Attorneys will continue to strive for full compliance in all areas of its business.

Thank you for allowing our Company the opportunity to respond to your Report, and we appreciate the Department's time and effort in this market conduct examination.

Yours truly,



Josephine Lubiejewski
President

cc: Lisa Violi, Counsel