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IN THE SUPREME COURT OF THE STATE OF WASHINGTON

STATE OF WASHINGTON, OFFICE OF THE INSURANCE
COMMISSIONER,

Petitioner,

v.

CHICAGO TITLE INSURANCE COMPANY,

Respondent.

ANSWER TO PETITION FOR REVIEW

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ORIGINAL

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I. INTRODUCTION

The Washington State Office of the Insurance Commissioner (“OIC”) seeks review of the Court of Appeals’ straightforward decision holding that Chicago Title Insurance Company (“CTIC”) is not liable, under either statutory or common law principles of agency, for alleged regulatory violations by Land Title of Kitsap County (“Land Title”). The OIC claims review is warranted because the decision raises an issue of substantial public interest and conflicts with this Court’s precedent. It has failed to establish either ground for review.

With respect to its public interest argument, the OIC contends that the Court of Appeals’ opinion restricts its authority to regulate the title insurance industry. But the Court of Appeals merely applied existing agency law to the facts of this case. The Court of Appeals did not hold that the OIC can no longer enforce the regulation at issue here, only that it must do so against those parties who actually commit violations. Nor did the Court of Appeals prohibit the OIC from amending its existing regulations or passing new ones. If the OIC wishes to establish the type of strict liability it argued for in this case, it may engage in rulemaking after proper notice and comment. The Court of Appeals’ holding, however, does not raise an issue of substantial public interest.

Likewise, the OIC does not identify a single decision of this Court with which the Court of Appeals' opinion conflicts. Instead, the cases the OIC relies upon are either irrelevant to the Court of Appeals' holding or further support it. The Court of Appeals properly considered and applied this Court's precedent, and no conflict warrants review.

In tacit acknowledgement of its failure to satisfy either of its stated grounds for review, the OIC devotes the bulk of its Petition to rearguing the merits of the Court of Appeals' decision. Disagreement with the Court of Appeals does not establish grounds for review. This Court should deny the OIC's Petition.

II. STATEMENT OF FACTS

CTIC offers the following supplemental facts in support of its Answer to the OIC's Petition for Review.¹

A. The Relationship between CTIC and Land Title.

CTIC is a title insurance company that has direct title insurance operations in eight Washington counties. AR 513, ¶ 3. In those counties, CTIC subscribes to and maintains a title bank and directly issues title insurance policies. *Id.* Outside of the counties in which CTIC has direct operations, CTIC contracts with independent title companies, commonly

¹ The OIC fails to cite to the record, as required in RAP 13.4(c)(6), instead citing to its Appendix. CTIC cites to the Administrative Record ("AR"), Clerk's Papers ("CP") and Verbatim Report of Proceeding ("VRP").

known as “independent agents” or “underwritten title companies” (“UTCs”), like Land Title.² AR 516, ¶¶ 2, 5. UTCs conduct their own title searches and issue title policies – CTIC only underwrites the risk in exchange for a percent of the title premium charged. *Id.* ¶ 5.

Land Title is a UTC and a special “policy issuing” agent of CTIC. AR 498, ¶ 2; AR 516, ¶ 7. CTIC and Land Title’s relationship is governed by an “Issuing Agency Agreement” (“Agreement”), which establishes the limited scope of their relationship. AR 516, ¶ 7. Under the Agreement, Land Title’s authority on behalf of CTIC is limited to accepting and processing applications for title insurance in accordance with prudent underwriting practices and issuing title policies underwritten by CTIC. AR 519, ¶¶ 3-4. The Agreement provides expressly that Land Title may not use CTIC’s name in any Land Title advertising. AR 520, ¶ 6.

In addition to the title policies CTIC underwrites, Land Title offers other services, including escrow and closing services, which constitute approximately 28 percent of Land Title’s total revenue. AR 499, ¶ 5. CTIC is not involved in these aspects of Land Title’s business (and derives no revenue from these services). *Id.*

² Contrary to the OIC’s contention that the use of the term “UTC” is improper under Washington law, Pet. at 5, n.4, Washington courts have used this term to describe these entities. See, e.g., *First Am. Title Ins. Co. v. State, Dep’t of Revenue*, 144 Wn.2d 300, 27 P.3d 604 (2001).

B. The OIC's Investigation of Land Title, and the Procedural History of this Action.

In May 2007, the OIC began investigating Land Title for possible violations of the inducement regulation, former WAC 284-30-800, which restricts the amount a title insurer or agent can offer or promise annually to persons in a position to induce business for the insurer or agent. AR 546, ¶ 2.2. CTIC was not involved in the OIC's investigation.

In January 2008, the OIC brought an action directly, and solely, against CTIC, seeking to hold it liable for alleged violations of the inducement regulation committed by Land Title. AR 564-69. The OIC alleged thirteen violations by Land Title, including paying \$56.46 for a floral arrangement for a real estate broker's office; purchasing approximately six meals for real estate agents, builders, and mortgage lenders that exceeded the \$25.00 limit; purchasing football tickets; and paying for a realtor's advertisement in the amount of \$68.00 per month. AR 565-66. The OIC did not allege (and does not allege to this day) that CTIC participated in or had knowledge of any of these acts. AR 564-68.

The initial phase of this proceeding was conducted before an Administrative Law Judge ("ALJ") through the Office of Administrative Hearings. AR 556-67. The ALJ resolved this matter in CTIC's favor, finding that the OIC lacked the authority under the applicable statutes and

regulations to summarily impose vicarious liability on CTIC for the regulatory violations of Land Title, and that there was no basis for such liability under applicable common law agency principles. AR 278-93.

The OIC petitioned for review of this order before OIC Judge Patricia D. Petersen. AR 244-68. The OIC Judge reversed the ALJ and concluded that CTIC could be held liable for Land Title's actions based solely on its act of appointing Land Title as its agent; that common law agency principles were irrelevant in light of the agency statutes; and that, even applying such principles, there was a sufficient basis to find that CTIC could be held liable for Land Title's actions. AR 118-67; CP 17-66. In reversing, the OIC Judge rewrote virtually every finding and conclusion of the ALJ. *See id.*

CTIC sought review of the OIC Judge's order in the Thurston County Superior Court. AR 2-81; CP 5-84. The Superior Court agreed with CTIC that "[t]he statute [relied on by the OIC] does not further identify what is meant by the agency" and "[t]here is no specific statutory definition of what the scope of the agency is," but nonetheless upheld the OIC Judge's order. April 2, 2010 VRP 37:8-13.

CTIC appealed to the Court of Appeals, which reversed the OIC Judge. *Chicago Title Ins. Co. v. Wash. St. Office of Ins. Comm'r* ("CTIC"), 166 Wn. App. 844, 271 P.3d 373 (2012). The Court of Appeals

held that CTIC could not be held strictly liable for Land Title's alleged regulatory violations based solely on CTIC's appointment of Land Title as its agent. *Id.* at 853-54. The Court of Appeals rejected the OIC's argument that the agency appointment and definitional statutes, standing alone, established the scope of the insurer-UTC relationship. *Id.* Instead, the Court of Appeals held that the scope of agency must be examined through common law agency principles. *Id.* at 854. Applying these principles, the Court of Appeals determined (consistent with this Court's precedent) that CTIC could not be held vicariously liable for Land Title's actions because CTIC did not have actual control over those actions. *Id.* at 855-56. It also determined that CTIC was not vicariously liable under the doctrine of apparent authority, finding that the OIC had failed to establish the elements of such a claim, and that this doctrine was intended to protect innocent third parties, which the OIC was not. *Id.* at 856-57. On these grounds, the Court of Appeals reversed the OIC Judge's Order.

III. ISSUES PRESENTED

1. Whether the OIC has established an issue of substantial public interest sufficient to warrant this Court's review when it has failed to show that its regulatory authority would be diminished improperly by the Court of Appeals' opinion, under which the OIC retains full authority to hold liable those parties whose actions violate the inducement regulation.

2. Whether the OIC has established that the Court of Appeals' opinion conflicts with any authority of this Court when the Court of Appeals properly considered and applied all such authority in its opinion.

3. Whether CTIC's argument before the Court of Appeals that the OIC Judge's Order constitutes improper *de facto* regulation through adjudication rather than through the required rulemaking procedures serves as an alternative basis for reversal of the OIC Judge's Order.

4. Whether CTIC's argument before the Court of Appeals that the OIC Judge's *de facto* regulation through adjudication exceeded the scope of the OIC's delegated authority in violation of the Washington Constitution serves as an alternative basis for reversal of that order.

IV. ARGUMENT

The OIC raises two grounds for review under RAP 13.4(b): subsection (4), which permits review only if the petition involves an issue of substantial public interest that this Court should determine; and subsection (1), which permits review of a decision that is in conflict with a decision of this Court.³ The OIC has failed to establish either ground.

³ The OIC does not claim a conflict with another decision of the Court of Appeals or a significant question of law under the state or federal constitutions. RAP 13.4(b)(2)-(3). Those grounds are not at issue here.

A. The OIC's Petition Does Not Raise an Issue of Substantial Public Interest.

The OIC claims that its Petition involves an issue of substantial public interest because it contends that the Court of Appeals' decision conflicts with its ability to regulate the title insurance industry. Pet. at 7-8. Rather than set forth any basis for this claim, the OIC instead devotes the majority of its briefing to reiterating its failed statutory interpretation arguments. The OIC has not established – and indeed cannot establish – that its regulatory authority has been diminished improperly by the Court of Appeals' decision. Nor can it establish that the Court of Appeals improperly analyzed or applied the statutes and regulations at issue. The OIC's Petition does not raise an issue of substantial public interest.

Despite the OIC's insinuation that its "broad regulatory authority" under the inducement statute (RCW 48.30.010) is at stake, Pet. at 8, the Court of Appeals' opinion does not implicate the OIC's statutory authority in any way. The inducement statute permits the OIC to define "by regulation" unfair or deceptive acts or practices that it may regulate, but only after the appropriate notice and comment period. RCW 48.30.010(2). Thus, the OIC may establish the type of vicarious liability it seeks here through the proper procedures. Instead of doing so, however, the OIC attempted to reach this result by claiming that an insurer should be held

per se liable for its agent's regulatory violations based solely on the statutory appointment of that agent and without regard to the scope of the agency relationship. The Court of Appeals disagreed, holding that "[n]o authority supports the OIC's argument that the insurance code eliminates the need for a case-by-case analysis to establish vicarious liability" and that such liability is only proper when an agent's actions are within the scope of the agency relationship and subject to the insurer's control.

CTIC, 166 Wn. App. at 854.

In its Petition, the OIC asserts that the Court of Appeals failed to properly consider either the agency statutes or the inducement statute and regulations in reaching its holding. Pet. at 9-10. But the Court of Appeals plainly considered this authority in its analysis – it simply reached a result different than the result the OIC sought. The Court of Appeals rejected the OIC's argument that "by defining the term 'agent' the legislature intended to establish the scope of every relationship authorized by former RCW 48.17.010." *CTIC*, 166 Wn. App. at 854. Despite this holding, the OIC continues to rely on the definition of "agent" as one appointed to "solicit" insurance as the basis for its claim that the scope of agency is statutorily defined, and that anything that the OIC deems is "solicitation" is within the scope of that agency. Pet. at 9-10. But, as both the Superior Court and Court of Appeals recognized, these statutes do not define the

scope of this relationship. April 2, 2010 VRP 37:8-13; *CTIC*, 166 Wn. App. at 853-54.⁴ To adopt the OIC’s claim that it may impose vicarious liability for any agent’s acts that it deems are “solicitation” would permit the OIC to assess liability on an ad hoc basis and without regard to established principles of agency law, including whether the alleged “solicitation” activity is within the scope of the agency relationship and subject to the insurer’s control.

Regardless, as the OIC concedes, the Court of Appeals did not invalidate the inducement regulation. Pet. at 8. And as the Court of Appeals recognized, its holding has no bearing whatsoever on the OIC’s ability to enforce the inducement regulations directly against the party committing the regulatory violation. *CTIC*, 166 Wn. App. at 858, n.9 (“nothing in this opinion prevents the OIC from holding the UTCs solely responsible for complying with anti-inducement regulations”). The Court of Appeals found it notable that “the OIC fail[ed] to explain why Land Title should not be solely accountable for its own alleged violations of anti-inducement regulations”. *Id.* at 858. Indeed, this result is compelled by the inducement statute itself, which provides that the OIC may assess

⁴ In other contexts, Washington courts have recognized that the statutory definition of agent in former RCW 48.17.010 does not aptly describe the activities of a typical title insurance agent because these agents only place a “relatively small insurance component” with their contracting insurers unlike other insurer-agent relationships. *Fid. Title Co. v. Dep’t of Revenue*, 49 Wn. App. 662, 669, 745 P.2d 530 (1987). This further illustrates why the OIC’s suggested method of defining the scope of this relationship is improper.

penalties against only the “person ... violating” the statute. RCW 48.30.010(5).⁵ To the extent the OIC wishes to hold insurers liable for the regulatory violations of their agents, it must do so either by amending the inducement regulation after proper notice and comment, or by establishing that the activities at issue fall within the scope of the agency relationship.

Finally, whether the “business of insurance” generally may be a matter of public interest, Pet. at 7 (citing RCW 48.01.030), does not mean that any opinion regarding the insurance industry is automatically subject to review.⁶ The OIC has not identified any reason why the public interest is substantially implicated by the Court of Appeals’ holding, especially when that holding merely requires that the OIC exercise its existing regulatory authority within the confines of existing law. There is no basis for review under RAP 13.4(b).

⁵ The OIC continues to ascribe significance to the language in the inducement regulation and statute stating that they apply to “both insurers and agents” and that they govern direct and indirect inducements. Pet. at 8. These provisions are not a proxy for vicarious liability. They merely state that agents and insurers can each be liable for their own violations, not that they can be held *per se* liable for each other’s acts, whether those acts are direct or indirect in their nature. RCW 48.30.150; WAC 284-30-800.

⁶ A few recent examples of this Court’s denial of petitions for review of decisions involving the insurance industry include: *Moratti ex rel. Tarutis v. Farmers Ins. Co. of Washington*, 173 Wn.2d 1022, 272 P.3d 850 (2012) (denying review of case involving bad faith and consumer protection claims); *Bushnell v. Medico Ins. Co.*, 172 Wn.2d 1005, 257 P.3d 665 (2011) (same); *Humleker v. Gallagher Bassett Services, Inc.*, 171 Wn.2d 1023, 257 P.3d 662 (2011) (denying review of case related to uninsured motorist coverage); *Indem. Ins. Co. of N. Am. v. City of Tacoma*, 171 Wn.2d 1029, 257 P.3d 662 (2011) (denying review of case related to insurance coverage issues).

B. The OIC has not Established Any Conflict between the Court of Appeals' Opinion and this Court's Precedent.

1. There is No Conflict with Cases Regarding the Determination of the Existence and Scope of the Insurer-Agent Relationship.

The OIC argues that the Court of Appeals' opinion conflicts with this Court's decisions regarding the existence and scope of an insurer-agent relationship. Pet. at 11-13. It argues that both whether an agency relationship exists and the scope of that relationship should be resolved by resort to the insurance code's definitional provisions. No decision of this Court supports that proposition, and the Court of Appeals properly considered and applied this Court's precedent in reaching its holding.

The OIC primarily relies on *Day v. St. Paul Fire & Marine Ins. Co.*, 111 Wash. 49, 189 P. 95 (1920). The *Day* Court was faced with the question of how the (then recent) passage of the insurance code changed the manner in which courts should determine the existence of an insurer-agent relationship. 111 Wash. at 52. The *Day* Court held that the insurance code defined the existence of the relationship. *Id.* at 53-54. This was the extent of the Court's holding in *Day*.

As such, the Court of Appeals properly recognized that *Day* holds "only that the insurance code established a new method to determine who the law will consider to be an agent." *CTIC*, 166 Wn. App. at 853. It did not, as the Court of Appeals noted, "address the scope of agency

established between an insurance company and its appointed agent”, let alone the question of whether an insurer may be held liable for a UTC’s acts that are expressly outside the scope of the agency relationship. *Id.*

Likewise, the Court of Appeals opinion does not conflict with the holdings of *Miller v. United Pac. Cas. Ins. Co.*, 187 Wash. 629, 60 P.2d 714 (1936) or *Am. Fid. & Cas. Co. v. Backstrom*, 47 Wn.2d 77, 287 P.2d 124 (1955). The OIC asserts that the *Miller* and *Backstrom* courts looked to the statutory definition of agent to “determine the scope of an insurance agent’s authority to bind the insurer.” Pet. at 12 (emphasis added). But in both cases, this Court again applied the statutory definition of “agent” solely to determine the existence of an agency relationship. *Miller*, 187 Wash. at 636; *Backstrom*, 47 Wn.2d at 81. The Court then went on to apply common law principles to analyze the scope of agency. *Miller*, 187 Wash. at 637-39; *Backstrom*, 47 Wn.2d at 82-83. This is exactly the approach the Court of Appeals followed here: After recognizing that Land Title was a statutory agent of CTIC, the Court of Appeals analyzed common law principles to determine whether CTIC could be liable for Land Title’s actions. It properly determined that CTIC could not.⁷

⁷ The OIC also references *Ellis v. William Penn Life Assurance Co. of Am.*, 124 Wn.2d 1, 14, 873 P.2d 1185 (1994), but does not argue a conflict with this case. Pet. at 11. This is for good reason. *Ellis* found that the insurers at issue could be held liable for their own failures to comply with the insurance regulations, not that those insurers were liable for acts of their agents.

The Court of Appeals' decision is grounded in and consistent with the established premise that while the insurance code may establish the existence of the insurer-agent relationship, it is silent as to both the scope of that relationship generally and the issue of vicarious liability specifically. The OIC has failed to identify any conflict between the Court of Appeals' holding in this regard and this Court's precedent. In the absence of such conflict, review is unwarranted.

2. The Court of Appeals Correctly Applied Common Law Agency Principles to Conclude that CTIC Lacked Actual Authority Over Land Title's Alleged Violations.

The OIC has also failed to establish any conflict with this Court's authority governing common law agency. Rather, the Court of Appeals relied on established precedent to determine that CTIC was not vicariously liable because CTIC lacked actual control over Land Title's actions at issue here. *CTIC*, 166 Wn. App. at 855-56 (relying on, in part, *Kroshus v. Koury*, 30 Wn. App. 258, 264, 633 P.2d 909 (1981); *Larner v. Torgerson*, 93 Wn.2d 801, 613 P.2d 780 (1980)). The OIC argues that this holding conflicts with this Court's decision in *Nat'l Fed. of Ret. Pers. v. Ins. Comm'r*, 120 Wn.2d 101, 838 P.2d 680 (1992) ("*NFRP*"). Pet. at 18. Again, there is no conflict.

In *NFRP*, this Court considered the “single issue” of “whether the Insurance Commissioner had jurisdiction over the activities of the [NFRP],” which mailed its members “lead letters” regarding insurance program options and asked them to send in reply cards if they were interested in more information. *NFRP*, 120 Wn.2d at 105. After it received completed reply cards, the NFRP sold the information to insurance companies and insurance agents. *Id.* at 107. This Court determined that the NFRP’s activities constituted solicitation of insurance without a license. *Id.* at 103-04. This was the extent of the Court’s holding; it did not address the question of vicarious liability. In contrast, the issue before the Court of Appeals was whether CTIC can be held liable for Land Title’s actions, not whether those actions constituted the “solicitation” of insurance. *NFRP* is not relevant to this latter determination and, as a result, there is no conflict with this case.

The OIC contends that “once [CTIC] chose to appoint Land Title as its agent, Land Title’s solicitation activities were automatically imputed to it.” Pet. at 17. But the Court of Appeals determined correctly that the scope of CTIC’s relationship with Land Title is not determined by definitional and procedural statutes. *CTIC*, 166 Wn. App. at 853-54. This is consistent with the authority on which the OIC relies, which holds that an agent’s acts may be imputed to an insurer only when those acts are

within the *scope* of the agency relationship. *See Backstrom*, 47 Wn.2d at 82 (“knowledge is binding where the agent is acting within the *scope* of his authority.” (emphasis added)).

Accordingly, the Court of Appeals applied correctly common law agency principles to determine that CTIC was not vicariously liable for Land Title’s actions. The Court of Appeals acknowledged that the “most crucial factor” in this determination is whether the insurer had “control or right of control over those activities from whence the actionable negligence flowed.” *CTIC*, 166 Wn. App. at 854-55 (quoting *Kroshus*, 30 Wn. App. at 264); *see also Stephens v. Omni*, 138 Wn. App. 151, 183, 159 P.3d 10 (2007) (“The right to control is indispensable to vicarious liability.”). In reaching its holding, the Court of Appeals relied on the undisputed fact that CTIC and Land Title’s Agreement precluded Land Title from marketing on CTIC’s behalf. *CTIC*, 166 Wn. App. at 855. The Court of Appeals also relied on undisputed testimony from the President of Land Title that “[CTIC] does not have any input in, or oversight of, Land Title’s marketing practices or procedures.” *Id.*

Finally, the OIC argues that the Court of Appeals erred in basing its decision on whether CTIC chose to exercise control over Land Title, rather than on whether CTIC had a right of control. Pet. at 18-19. The Court of Appeals found that the OIC’s purported authority for this point,

Kamla v. Space Needle Corp., 147 Wn.2d 11, 119-20, 52 P.3d 472 (2002), did “not support the OIC’s strained argument []that a party who fails to disclaim expressly the right to control, thereby acts affirmatively to establish the party’s right to control[].” *CTIC*, 166 Wn. App. at 856. The Court of Appeals instead relied on evidence that CTIC neither actually controlled nor had the right to control Land Title’s marketing and solicitation activities. *Id.* The OIC fails to identify how this conflicts with existing law.

3. There is No Conflict with this Court’s Precedent Regarding Apparent Authority.

Before the Court of Appeals, the OIC also argued that CTIC should be held liable for Land Title’s acts under the doctrine of apparent authority. The Court of Appeals rejected this argument, because this doctrine is intended to protect innocent third parties, which the OIC was not; the OIC failed to show an objective manifestation of intent by CTIC to hold Land Title out as its agent because its claims were premised entirely on its failed statutory argument; and the OIC had failed to show any intent by CTIC to authorize Land Title to commit the alleged regulatory violations at issue. *CTIC*, 166 Wn. App. at 857.

Although the OIC asserts that the Court of Appeals’ holding conflicts with this Court’s precedent, it devotes the majority of its

argument to the claim that the Court of Appeals relied on “inapposite court cases” from this Court and applied its own precedent “too broadly”. Pet. at 15. These are not grounds for review. RAP 13.4(b). Notably, the OIC claims a conflict with only one apparent authority case, *Pagni v. New York Life Ins. Co.*, 173 Wash. 322, 23 P.2d 6 (1933). But this case only supports the Court of Appeals’ holding.

In *Pagni*, the Court recognized that an insurer could be liable for its agent’s acts when that agent was acting within the scope of its actual or apparent authority, notwithstanding that the actions at issue were “in violation of private instructions or limitations” on the agent’s authority. 173 Wash. at 349. The OIC ascribes great significance to this language, but fails to explain its context, which plainly distinguishes this case from the one at hand. In *Pagni*, the insurer had knowledge of the custom at issue and had sanctioned the agent’s course of conduct, such that the agent could properly be found to be acting within its apparent authority. *Id.* It was on those grounds that the court found the insurer liable for its agent’s acts. This is wholly unlike the present case, in which CTIC had no knowledge of, no involvement in, and no control over, Land Title’s

alleged violations of the inducement regulation. See *CTIC*, 166 Wn. App. at 855-56. There is no conflict between this holding and *Pagni*.⁸

The OIC's remaining arguments also lack merit. The OIC contends that *Ranger Ins. Co. v. Pierce Cty*, 164 Wn.2d 545, 192 P.3d 886 (2008), is "inapposite" to the question at hand, but does not claim any conflict with this precedent. Regardless, the Court of Appeals merely cited to *Ranger* as a case similarly rejecting a finding of apparent authority where there was an absence of an objective manifestation of authority to do the act at issue. *CTIC*, It did not err in doing so.

The OIC also contends that the Court of Appeals applied *D.L.S. v. Maybin*, 130 Wn. App. 94, 98, 121 P.3d 1210 (2005), "too broadly" in finding that the OIC was not the type of "innocent third party" the doctrine of apparent authority was intended to protect. Pet. at 15. Again, the OIC does not claim a conflict with this authority and does not assert RAP 13.4(b)(2) as a basis for review. Instead, it argues that the innocent third party principle should not apply in the context of the regulated insurance industry. It has failed to cite any authority supporting its claim, or any precedent with which the Court of Appeals' decision conflicts. There is

⁸ The OIC also claims that the Court of Appeals' holding "strips the protections afforded to consumers" under the inducement regulation. Pet. at 17. As set forth above, that claim is a red herring as the OIC retains full authority to regulate and sanction directly the entities that violate this regulation, as well as the ability to amend existing regulations or enact new ones.

no conflict with this or any other authority, and review is unwarranted under RAP 13.4(b)(1).

C. Whether the Court of Appeals' Decision Conflicts with the APA is Irrelevant and Not a Basis for this Court's Review.

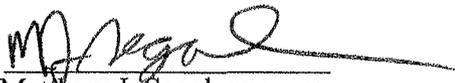
Finally, the OIC contends that the Court of Appeals' decision conflicts with the procedural requirements of the Administrative Procedure Act. Pet. at 19-20. A conflict with a statute is not a recognized ground for review under RAP 13.4(b). Moreover, the OIC has failed to establish that there would be any impact on the outcome of this matter had the Court of Appeals remanded this case to the OIC Judge to enter a final order, rather than the court reinstating directly the order of the ALJ. This issue does not support or require this Court's review.

V. CONCLUSION

The OIC has failed to satisfy either of its stated grounds for this Court's review. CTIC respectfully requests that its Petition be denied.

RESPECTFULLY SUBMITTED this 22nd day of May, 2012.

PACIFICA LAW GROUP LLP

By 
Matthew J. Segal, WSBA #29797
Sarah C. Johnson, WSBA #34529
Jessica A. Skelton, WSBA #36748
Attorneys for Respondent Chicago
Title Insurance Company

No. 87215-5

RECEIVED BY E-MAIL

SUPREME COURT OF THE STATE OF WASHINGTON

STATE OF WASHINGTON, OFFICE
OF THE INSURANCE
COMMISSIONER,

Petitioner,

v.

CHICAGO TITLE INSURANCE
COMPANY,

Respondent.

**CERTIFICATE OF
SERVICE**

I, Katie Dillon, under penalty of perjury of the laws of the State of Washington, declare as follows:

1. I am and at all times hereinafter mentioned was a citizen of the United States, a resident of the State of Washington, over the age of 21 years, and competent to be a witness in the above action, and not a party thereto.

2. On the 22nd day of May, 2012, I delivered true and correct copies of Answer to Petition for Review via email delivery to the following:

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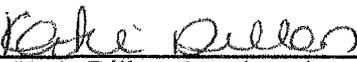
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Office of Insurance Commissioner*

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Signed at Seattle, Washington this 22nd day of May, 2012.

PACIFICA LAW GROUP LLP

By 
Katie Dillon, Legal Assistant

OFFICE RECEPTIONIST, CLERK

To: Katie Dillon
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MartaD@ATG.WA.GOV; Matthew Segal; Sarah Johnson; Jessica Skelton
Subject: RE: State of WA, Office of the Insurance Commissioner v. Chicago Title Insurance Co. - No. 87215-5

Rec. 5-22-12

Please note that any pleading filed as an attachment to e-mail will be treated as the original. Therefore, if a filing is by e-mail attachment, it is not necessary to mail to the court the original of the document.

From: Katie Dillon [<mailto:Katie.Dillon@pacificallawgroup.com>]
Sent: Tuesday, May 22, 2012 3:02 PM
To: OFFICE RECEPTIONIST, CLERK
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Subject: State of WA, Office of the Insurance Commissioner v. Chicago Title Insurance Co. - No. 87215-5

Attached please find Chicago Title Insurance Company's Answer to Petition for Review and Certificate of Service being submitted by Matthew Segal, Sarah Johnson, and Jessica Skelton of Pacifica Law Group.

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