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**FILED**  
**MAR 21 2017**  
Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

PIONEER TITLE COMPANY OF BLAINE  
COUNTY, LLC dba PIONEER TITLE  
COMPANY OF TWIN FALLS COUNTY

Idaho Title Agency License No. 479470

Docket No. 18-3287-17

**ORDER ADOPTING REPORT  
OF EXCEPTION EXAMINATION  
AS OF DECEMBER 31, 2015**

The State of Idaho, Department of Insurance (“Department”), having conducted an examination of the affairs, transactions, assets, tract indexes, abstract records, and any other records of PIONEER TITLE COMPANY OF BLAINE COUNTY, LLC dba Pioneer Title Company of Twin Falls County (“Pioneer Title”) to ascertain compliance with title 41, Idaho Code, and related rules, pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5), hereby alleges the following facts that constitute a basis for issuance of an order, pursuant to Idaho Code § 41-227(5)(a), adopting the Report of Exception Examination of Pioneer Title Company of

Blaine County, LLC dba Pioneer Title Company of Twin Falls County for the Period January 1, 2014 to December 31, 2015 (“Report”), as filed.

### **FINDINGS OF FACT**

1. Pioneer Title is a title agency licensed by the Department to transact title insurance in Twin Falls County, Idaho, under Title Agency License No. 479470.

2. The Department completed an examination of Pioneer Title pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about February 14, 2017. The Department’s findings are set forth in the Report.

3. Pursuant to Idaho Code § 41-227(4), a copy of the Report was filed with the Department on February 14, 2017, and was transmitted to Pioneer Title on the same date. A copy of the Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-2710(7), Pioneer Title had twenty-eight (28) days from service of the Report within which to review, comment, or request a hearing on the Report.

5. On or about February 27, 2017, the Department received a Waiver from Pioneer Title signed by Jesse Hamilton, its General Counsel and Senior Vice President. By execution of such Waiver, a copy of which is attached hereto as Exhibit B, Pioneer Title consented to the immediate entry of a final order by the Director of the Department (“Director”) adopting the Report without any modifications; waived its right to make a written submission or rebuttal to the Report; and waived its right to request a hearing and to seek reconsideration or appeal from the Director’s final order.

6. No request for hearing, written submission, or rebuttal with respect to any matter contained in the Report was received by the Department from Pioneer Title.

## **CONCLUSIONS OF LAW**

7. Idaho Code § 41-227(5)(a) provides that, after expiration of “the period allowed for the receipt of written submissions or rebuttals, the director shall fully consider and review the report, together with any written submissions or rebuttals and relevant portions of the examiner’s work papers” and shall enter an order adopting the report of examination as filed or with modifications or corrections.

8. Having fully considered the Report, the Director concludes that, with regard to the matters examined and information provided by Pioneer Title, the comments and recommendations contained in the Report are appropriate and are incorporated herein as if set forth in full.

## **ORDER**

NOW, THEREFORE, based on the foregoing, IT IS HEREBY ORDERED that the Report of Exception Examination of Pioneer Title Company of Blaine County, LLC dba Pioneer Title Company of Twin Falls County for the Period January 1, 2014 to December 31, 2015, is hereby ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to Idaho Code §§ 41-2710(7) and 41-227(8), that the adopted Report is a public record and shall not be subject to the exemptions from disclosure provided in chapter 1, title 74, Idaho Code.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that, within thirty (30) days of the issuance of the adopted Report, Pioneer Title shall file with the Department’s Examiner Title & Market Insurance Specialist affidavits executed by each of its directors or, if none, its principal officers, stating under oath that they have received a copy of the adopted Report and related orders.

**IT IS SO ORDERED.**

DATED this 20<sup>th</sup> day of March, 2017.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

**NOTIFICATION OF RIGHTS**

This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See*, Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 21<sup>st</sup> day of March, 2017, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2015, to be served upon the following by the designated means:

Jesse Hamilton  
Legal Counsel  
Pioneer Title Company of Blaine County  
dba Pioneer Title Co. of Twin Falls County  
1211 W. Myrtle Street, Ste. 100  
Boise, ID 83702  
[jesse@pioneer1031.com](mailto:jesse@pioneer1031.com)

- first class mail
- certified mail
- hand delivery
- email

Pioneer Title Company of Blaine County  
dba Pioneer Title Co. of Twin Falls County  
8151 W. Rifleman Street  
Boise, ID 83704-9003

- first class mail
- certified mail
- hand delivery
- email

Hermoliva Abejar  
Chief Deputy Examiner  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
Boise, ID 83720-0043  
[hermoliva.abejar@doi.idaho.gov](mailto:hermoliva.abejar@doi.idaho.gov)

- first class mail
- certified mail
- hand delivery
- email

  
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REPORT OF EXCEPTION EXAMINATION  
For the Period January 1, 2014 to December 31, 2015

Of

Pioneer Title Company of Blaine County LLC  
dba Pioneer Title Company of Twin Falls County  
(a title agent corporation - license # 479470 – Twin Falls County)

As of

December 31, 2015

*Equal Opportunity Employer*



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Boise, Idaho  
February 8, 2017

The Honorable Dean L. Cameron  
Director of the Idaho Department of Insurance  
700 West State Street  
Boise, Idaho 83720

Sir:

Pursuant to your instructions and in conformity with Idaho Code §§ 41-219, 41-220, and 41-2713, an examination has been made of the administrative affairs, books, records and financial condition of;

Pioneer Title Company of Blaine County LLC.  
dba Pioneer Title Company of Twin Falls County  
8151 W Rifleman Street  
Boise, Idaho 83704  
License #479470 – Twin Falls County

Hereinafter referred to as “Title Agent”.

The following Report of Exception Examination is respectfully submitted.



## **FOREWORD**

This is an exception examination report of the practices and procedures of Pioneer Title Company of Blaine County, dba Pioneer Title Company of Twin Falls County (Title Agent) an Idaho Title Agent licensed in Twin Falls County. However, failure to identify or criticize specific products, procedures or files does not constitute approval thereof by the Idaho Department of Insurance (the Department).

The examination was conducted at the Title Agent's corporate office located at 8151 W Rifleman Street, Boise, Idaho, remotely at the offices of AM Interim Services LLC located at 5122 S. Adonis Way in Boise, Idaho and at the Idaho Department of Insurance at 700 W State Street, 3<sup>rd</sup> Floor, Boise, Idaho 83702. In performing this examination, the examiner(s) reviewed a sample of the Title Agent's procedures, files, and documentation. Some noncompliant practices may not have been discovered during this examination. As such, this report may not fully reflect all the procedures and practices of the Title Agent.

During the examination, the examiner(s) may cite violations made by the Title Agent. Statutory citations are as of the period under examination unless otherwise noted. The goal of the examination team was to produce an examination report that reflects agreement in content with the Title Agent. The report indicates where agreement was not possible.

The final examination report documents consist of the examiners' report, the Title Agent's response if elected, and any administrative actions based on the findings of the Department.

## **PURPOSE AND SCOPE OF EXAMINATION**

The purpose of the examination is to determine compliance with applicable Idaho Statutes and regulations, and rules promulgated by the Department. In addition, examiners may have documented practices and procedures that did not appear to be in the best interest of Idaho insurance consumers.

The period covered by this examination is January 1, 2014 through December 31, 2015. Specific areas examined include operations/management, claims, advertising and marketing, title file review and escrow fiduciary account and file review.

The Department's authority to conduct the examination includes, but is not limited to, Idaho Code § 41-2710(7), which grants authority for regular examinations of a title agent's tract indexes, abstract records, and any other records to ascertain compliance with title 41, Idaho Code, and related rules, to occur not more than every fifth year, unless the agent otherwise requests or the director has cause to believe the same does not comply with said title or the rules thereunder.

## **HISTORY AND DESCRIPTION**

Pioneer Title Company of Blaine County, LLC was filed as a Limited Liability Company with the Idaho Secretary of State on July 3, 2012. They were licensed in Twin Falls County with the Department and began operations on March 13, 2014. They conduct business in Twin Falls County out of offices in Ketchum, Idaho.

## **PRIOR EXAMINATION**

The examination included a review to determine if exceptions were noted in a preceding report of examination and whether those exceptions were addressed. Pioneer Title Company of Blaine County, LLC began operations in Twin Falls County on March 13, 2014. Therefore, there was no prior 5 year examination to review for this examination.

## **PRIOR ESCROW AUDIT**

The examination included a review to determine if exceptions were noted in a preceding escrow audit report and whether those exceptions were addressed. Pioneer Title Company of Blaine County, LLC began operations in Twin Falls County on March 13, 2014. Therefore, there was no prior 3 year escrow audit to review for this examination.

## **SUMMARY OF FINDINGS AND RECOMMENDATIONS**

### **I. OPERATIONS AND MANAGEMENT**

The examination included a review of the Title Agent's operations and management. The focus of this portion of the examination included a review of the management and control, contracting authority, surety bond, claims, and financial interests of the title entity management and ownership.

#### **A. MANAGEMENT, CONTROL AND FINANCIAL INTERESTS**

**IDAPA 18.01.39.011, 012 & 013**

The Idaho Secretary of state lists Pioneer Title Company of Blaine County as a Limited Liability Corporation. The member/owner is Pioneer Title Company of Ada County, Inc. The registered agent is Tim Bundgard. No exceptions were noted as a result of this portion of the examination.

#### **B. CONTRACTING AUTHORITY**

**Idaho Code § 41-2710(2)**

The Title Agent has underwriting agreements with First American Title Insurance Company, National Title Insurance of New York Inc., and Old Republic National Title Insurance Company. The underwriting contracts high liability approval requirements range from \$500,000.00 to \$1,000,000.00 with a range of \$2,500.00 to \$5,000.00 deductible for loss. No exceptions were noted as a result of this portion of the examination.

#### **C. SURETY BOND**

**Idaho Code §§ 41-2710(6), 2711**

**IDAPA 18.01.25.011.08 & 09**

The Department has on file surety bond #104850945 in the amount of \$50,000.00 issued by Travelers Casualty and Surety Company on behalf of the Title Agent. The examination confirmed this bond to be currently active. No exceptions were noted as a result of this portion of the examination.

#### **D. CLAIMS**

**Idaho Code § 41-2708(1) & (2)**

The Title Agent reported that there were no claim losses during the examination period. Additionally, we did not find material issues with the title plant during the examination. No exceptions were noted as a result of this portion of the examination.

## **II. ADVERTISING AND MARKETING**

**Idaho Code § 41-2708(3) & (4)**

**IDAPA 18.01.39.014 & 18.01.56**

The examination included a review of the Title Agent's marketing and sales practices. A general ledger for each year under examination for all accounts involving contributions, donations, sales expenses, travel and meal expenses, Title Agent/staff function expenses, as well as samples of listing packages or property profiles were requested and received. After a cursory review of the general ledgers, samples were picked within our examination parameters. Supporting documents for the samples were requested, received and reviewed. No exceptions were noted as a result of this portion of the examination.

## **III. TITLE FILE REVIEW**

**Idaho Code §§ 41-2702, 2708 & 2709**

**IDAPA 18.01.25 & 18.01.56.017 & Exhibit 1(9)**

The Title Agent's Title Department is managed by Mike Goddard and is comprised of one (1) title officers. The title plant is posted and maintained by Title Fact, Inc., 163 4<sup>th</sup> Avenue North, Twin Falls, Idaho. A sample of title files were reviewed within the parameters of our examination for the rates charged, the correct insured amount of the owner's and mortgagee's policies, proper countersignatures, double sales, proper use of the Standards of Liability and liens and encumbrance rules, cancellation fees, and unique kind or class of risk. No exceptions were noted as a result of this portion of the examination.

## **IV. ESCROW FIDUCIARY ACCOUNTS AND FILE REVIEW**

The Title Agent does not provide escrow services under this license. No exceptions were noted as a result of this portion of the examination.

**CONCLUSION**

We certify and attest that we have examined the Title Agent's tract indexes, abstract records, as well as other records, and the operation of the Title Agent's business and other matters relevant to the affairs of the Title Agent. We further certify that we have no relationship, other than in our capacity as examiners and/or regulators, with the Title Agent or its employees and that no conflict of interest exists that would prevent us from conducting the examination. We acknowledge the assistance and cooperation of the Title Agent's employees during the examination. Based on our examination, we prepared this Examiner's Report of Exceptions (the "Report") in accordance with Idaho Code § 41-2710(7). We confirm that the findings, conclusions, and recommendations contained in this Report are our own.

Respectfully submitted,

*Arlene Barrie*

Arlene Barrie  
Contract Title Agent Examiner

*Jim Scanlon*  
Examiner Title and Market Insurance Specialist

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of February, 2017.



*Mandy M. Ary*  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Boise, Idaho  
Commission Expires: 7/24/18



State of Idaho  
**DEPARTMENT OF INSURANCE**

C. L. "BUTCH" OTTER  
Governor

700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Phone (208)334-4250  
FAX # (208)334-4398

DEAN L CAMERON  
Director

**WAIVER**

In the matter of the Report of Examinations as of December 31, 2015, of:

**Pioneer Title Company  
8151 W. Rifleman Street  
Boise, ID 83704**

By executing this Waiver, the Agent hereby acknowledges receipt of the above-described examination reports, verified as of the 14th day of February 2017, and by this Waiver hereby consents to the immediate entry of final orders by the Director of the Department of Insurance adopting said reports without any modifications.

By executing this Waiver, the Company also hereby waives:

1. its right to examine the reports for up to thirty (28) days as provided in Idaho Code section 41-2710(7),
2. its right to make additional written submissions or rebuttals to the reports prior to entry of final orders as provided in Idaho Code section 41-2710(7) and,
3. any right to request a hearing under Idaho Code sections 41-227(5) and (6), 41-232(2)(b), or elsewhere in the Idaho Code, and
4. any right to seek reconsideration and appeal from the Director's order adopting the reports as provided by section 41-227(6), Idaho Code, or elsewhere in the Idaho Code.

Dated this 27<sup>th</sup> day of February, 2017

**PIONEER TITLE COMPANY**

Jesse Hamilton

Name (print)

Jesse Hamilton

Name (signature)

General Counsel / S.V.P.

Title

