

EXHIBIT 1

A title entity shall not provide items of value except as provided in Sections 031.02, 031.03, 031.04, and 031.05 of IDAPA 18.05.01. The following is a partial, but not all inclusive, list of acts and practices which are considered illegal inducements not permitted by the Idaho Insurance Code:

1. A title entity will not sponsor any activity off its premises unless the producer of title business bears the entire cost of the activity. A title entity will not cosponsor, subsidize, contribute fees, prizes, gifts, or otherwise provide items of value for a promotional function off the title entity's premises regardless whether the function is self-promotional or not. Off premises functions/activities include, but are not limited to, meetings, luncheons, dinners, conventions, installation ceremonies, celebrations, outings, or related activities of producers of title business, cocktail parties, hospitality room functions, open house celebrations, dances, fishing trips, motor vehicle rallies, sporting events of all kinds, gambling trips, hunting trips or outings, golf tournaments, artistic performances, and outings in recreation areas or entertainment areas. It will be the burden of the title entity to be prepared to present documentation to the Department of Insurance that no items of value were provided.

2. A title entity will not sponsor, subsidize, supply prizes or labor, or otherwise provide items of value for promotional activities of producers of title business. This does not prevent a title entity from attending activities of producers of title business if there is no cost to the title entity other than the title entity's own entry fees, registration fees, meals, etc., and provided that these fees are no greater than those charged to producers of title business.

3. A title entity will not provide or offer to provide, either directly or indirectly, a compensating balance or deposit in a lending institution either for the express or implied purpose of influencing the extension of credit by such lending institution to any such person, or for the express or implied purpose of influencing the placement or channeling of title insurance business by such lending institution.

4. A title entity will not pay or offer to pay, either directly or indirectly, with respect to any producer of title business for:

- a.** The services of an outside professional whose services are required by any producer of title business to complete or structure a particular transaction;
- b.** The salary of an employee of such producer of title business;
- c.** The salary or any part of the salary of a relative of any producer of title business employed by a title entity, if the payment is in excess of the reasonable value of the work actually performed;
- d.** A fee for making an inspection or appraisal of property, whether or not the fee bears a reasonable relationship to the services performed;
- e.** Services required to be performed by any producer of title business in his or her professional capacity (e. g. the drafting of documents that are required to be filed by such producer of title business with the title entity for the initiation of closing and settlement services);
- f.** Any evidence of title or a copy of the contents thereof which is not produced or issued by the title entity, if the evidence or the title relates to a current transaction;
- g.** The rent for all or any part of the space occupied by any producer of title business;
- h.** Money, prizes, or other items of value in any kind of a contest or promotional endeavor;
- i.** Any advertising effort made in the name of, for, or on behalf of any producer of title business;

Attachment to Idaho Rule 18.05.01
Regarding Rebates and Illegal Inducements

j. Any business form of any such producer of title business other than a form regularly used in the conduct of the title entity's business, which form is furnished solely for the convenience of the title entity and does not constitute a benefit to the producer of title business; or

k. Any salary, commission, or any other consideration to any employee who is at the same time actively engaged as a real estate licensee in the real property or mortgage brokerage business or is actively engaged in any other business of a producer of title business; or

l. Any fee on behalf of any producer of title business before or after inducing such producer of title business to cancel an order with another title entity.

5. A title entity will not furnish, or offer to furnish, all or any part of the time or productive effort of any employee of the title entity (example: office manager, escrow officer, secretary, clerk, messenger, etc.) to any producer of title business. This provision is not intended to effect the title entity's day to day business with producers of title business. It is directed at title entity employees being utilized by, or "loaned" out to a producer of title business for the self-promotional interests of the producer of title business.

6. A title entity will not furnish, or offer to furnish, pay for, or offer to pay for, furniture, office supplies including file folders, telephones, equipment, or automobiles to any producer of title business, or pay for, or offer to pay for, any portion of the cost of renting, leasing, operating, or maintaining any of the aforementioned items.

7. A title entity will not provide, or offer to provide, non-title services (example: computerized bookkeeping, forms management, computer programming, trust accounting) or any similar benefit to a producer of title business, without charging for and receiving a fee commensurate for services provided (e. g. a fee for trust accounting shall be a like fee charged by state or federally chartered banks or savings and loan associations in the local area). This provision also does not prevent title entities from contracting with trade associations to provide non-title services for a profit (i.e. MLS services).

8. A title entity will not provide gifts or other items of value in excess of fifty dollars (\$50) per year per individual in connection with congratulations or condolences to a producer of title business.

9. A title entity will not issue a title insurance binder, commitment or preliminary report without an order.

10. A title entity will not furnish any part of its facility (e. g. conference rooms, meeting rooms, etc.) to a producer of title business or trade association without receiving a fair rental charge commensurate with the average rental for similar facilities in the area.

11. A title entity will not furnish reports containing publicly recorded information, appraisals, estimates, or income production potential, information kits or similar packages containing information about one or more parcels of real property (other than as permitted in Section 031.02) helpful to any producer of title business, consumer, or member of the general public without making a charge that is commensurate with the actual cost of the work performed and the material furnished (e. g. "farm packages", lot book reports, tax information, title commitments).

12. Delivery service between a title entity and a producer of title business will be conducted by the title entity's regular messenger service and will only involve the delivery of items from a title entity to a producer of title business or from a producer of title business to a title entity.