

**FILED**  
NOV 13 2024  
Department of Insurance  
State of Idaho

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

**STATE OF IDAHO**

In the Matter of:

NORTH IDAHO TITLE INSURANCE, INC.  
[Bonner County]

Idaho Title Agency License No. 119258

Docket No. 18-4503-24

**ORDER ADOPTING REPORT  
OF EXCEPTION EXAMINATION  
AS OF DECEMBER 31, 2023**

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 NORTH IDAHO TITLE INSURANCE, INC. [Bonner County] (“North Idaho 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 North Idaho Title for the Period January 1, 2019 to December 31, 2023 (“Report”), as filed.

**FINDINGS OF FACT**

1. North Idaho Title is a title agency licensed by the Department to transact title insurance in Bonner County, Idaho, under Title Agency License No. 119258.
2. The Department completed an examination of North Idaho Title pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about October 2, 2024. 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 October 17, 2024, and was transmitted to North Idaho Title on the same date. A copy of the Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-2710(7), North Idaho 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 October 28, 2024, the Department received a Waiver from North Idaho Title, signed by Darrell Martin, its Executive Vice President and Secretary. By execution of such Waiver, a copy of which is attached hereto as Exhibit B, North Idaho 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 for the Director’s final order.

### **CONCLUSIONS OF LAW**

6. 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.

7. Having fully considered the Report, the Director concludes that, with regard to the matters examined and information provided by North Idaho 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 NORTH IDAHO TITLE INSURANCE, INC. [Bonner County] for the period January 1, 2019 to December 31, 2023, 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, North Idaho Title will 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 13 day of November, 2024.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

  
\_\_\_\_\_  
DEAN L. CAMERON  
Director



### **NOTIFICATION OF RIGHTS**

This is a final order of the agency. 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 motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. *See*, Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

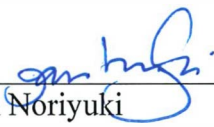
Dean L. Cameron, Director  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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 party seeking review of the order 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. A petition for judicial review must be filed within twenty-eight (28) days of: (a) the service date of this final order; (b) the service of an order denying a motion for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a motion 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. *See* Idaho Code § 67-5274.

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 13<sup>th</sup> day of November, 2024, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2023, to be served upon the following by the designated means:

Darrell Martin Executive Vice President and Secretary North Idaho Title Insurance, Inc 601 E Front Avenue, Suite #204 Coeur d'Alene, ID 83814-5169	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: <a href="mailto:dmartin@mlhc.com">dmartin@mlhc.com</a>
Natalie Ellison, Regulatory Compliance Manager Rick Brown, Regional Vice President Gavin Jacobson, Senior Vice President	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: <a href="mailto:nellison@mlhc.com">nellison@mlhc.com</a> <a href="mailto:rickb@northidahotitle.com">rickb@northidahotitle.com</a> <a href="mailto:gavinj@northidahotitle.com">gavinj@northidahotitle.com</a>
Matt Steen Deputy Attorney General Idaho Department of Insurance 700 W. State Street, 3 <sup>rd</sup> Floor P.O. Box 83720 Boise, ID 83720-0043	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: <a href="mailto:matt.steen@doi.idaho.gov">matt.steen@doi.idaho.gov</a>

  
\_\_\_\_\_  
Jan Noriyuki  
Paralegal

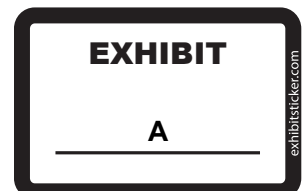


REPORT OF EXCEPTION EXAMINATION  
For the Period January 1, 2019 through December 31, 2023

Of  
NORTH IDAHO TITLE INSURANCE, INC.  
(a title agent corporation - license #119258 – Bonner County)

As of  
December 31, 2023

*Equal Opportunity Employer*



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Boise, Idaho  
October 2, 2024

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, 41-2710(7) and 41-2713, an examination has been made of the administrative affairs, books, records, and financial condition of;

North Idaho Title Insurance, Inc.  
418 N. 3<sup>rd</sup> Avenue, Suite B  
Sandpoint, Idaho 83864-5012  
License #119258 – Bonner County

Hereinafter referred to as “Agent.”

The following Report of Exception Examination is respectfully submitted.



## **FOREWORD**

This is an exception examination report of the practices and procedures of North Idaho Title Insurance, Inc., an Idaho Title Agent licensed in Bonner County. The examination was conducted remotely from the offices of the Idaho Department of Insurance (the “Department”) located at 700 West State Street, 3<sup>rd</sup> Floor, Boise, Idaho.

In performing this examination, the examiner(s) reviewed a sample of the Agent’s procedures, files, and documentation. Some noncompliant practices may not have been discovered during this examination. In addition, examiners may have documented practices and procedures that did not appear to be in the best interest of Idaho insurance consumers. However, failure to identify or criticize specific practices, products, or files does not constitute approval thereof by the Department.

It should be understood that the examination comments are restricted to areas of concern and are not intended as commentary on the various favorable aspects of the Agent’s operations. It should be further recognized that these comments should not be regarded as reflecting the integrity or capabilities of individuals at the Agent. As such, this report may not fully reflect the procedures and practices of the Agent.

This examination report cites Idaho Statute and administrative rules promulgated by the Department. Statute and rule citations are current unless otherwise noted.

The final examination report documents consist of the examiner’s report, the Agent’s response, if any, and any administrative actions based on the findings of the Department. The goal of the examination team was to produce an examination report that reflects agreement in content with the Agent. The report indicates where agreement was or was not possible.

## **PURPOSE AND SCOPE OF EXAMINATION**

The purpose of this examination is to determine compliance with applicable Idaho Statutes, and promulgated rules issued by the Department.

The period covered by this examination is January 1, 2019 through December 31, 2023. Specific areas examined include operations/management, claims, advertising and marketing, title file review and escrow fiduciary account and file review.

The authority of the Department to perform this examination includes, but is not limited to, Idaho Code § 41-2710(7), which grants authority to the Department to regular examinations of the tract indexes, abstract records, and any other records to ascertain compliance with title 41, Idaho Code, and related rules, of a title agent 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.

## **EXECUTIVE SUMMARY**

Our examination of the Agent did not disclose any material adverse findings. No exceptions and recommendations were noted as a result of the examination.

## **HISTORY AND DESCRIPTION**

North Idaho Title Insurance, Inc., filed its articles of incorporation with the State of Idaho, and on April 15, 1993, the Idaho Secretary of State granted its approval and issued their Certificate of Incorporation. North Idaho Title Insurance, Inc., was initially licensed as a title agent in Kootenai County by the Idaho Department of Insurance on June 1, 1993. They expanded their title agent operations with the addition of licenses in both Bonner and Teton County, January 12, 2005, and October 31, 2006, respectively. The corporation and its operations are currently a wholly owned subsidiary of Mother Lode Holding Company, its parent, who is also parent to title related operations in 8 other states. They conduct business in Bonner County out of offices in Sandpoint, Idaho.

## **PRIOR EXAMINATION**

Our examination included a review to determine if exceptions were noted and addressed in the preceding report of exception examination, dated June 11, 2019, which covered the period of January 1, 2015 through December 31, 2018. No exceptions were noted in that examination report.

## **EXAMINATION FINDINGS AND RECOMMENDATIONS**

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

The examination included a review of the Agent's operations and management. The focus of this section of the examination includes review of 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 18.05.01.014 & 015**

As of April 3, 2024, the Idaho Secretary of State shows the Agent as active-good standing, with Rick Brown as its President and Registered Agent, Darrell Martin as Secretary and David Philipp as Treasurer. The Directors are listed as Darrell Martin, David Philipp, Lisa Steele, Randall E. Bradley, and its Vice Presidents as Gavin Jacobson, Gerald Chalmers, John Tyler, Matthew Feivish Wajner, James Vernon Boxdell II, and William Aulber. No exceptions were noted as a result of this portion of the examination.

#### **B. CONTRACTING AUTHORITY** **Idaho Code § 41-2710(2)**

The Agent has underwriting contracts with American Guaranty Title Insurance Company ("AGTIC"), DOMA, First American Title Insurance Company ("FATIC"), Old Republic National Title Insurance Company ("ORNTIC"), Stewart Title Guaranty Company ("STGC"), and Westcor Land Title Insurance Company ("WLTIC").

The underwriting contracts are subject to high liability limits, without underwriter approval, and deductible for loss, as follows:

<b>Underwriter</b>	<b>High Liability Limit Without UW Approval</b>	<b>Deductible for Loss</b>
AGTIC	\$1,500,000.00 (as of 10/13/2021)	\$5,000.00
DOMA	\$1,000,000.00 (as of 05/14/2014)	The first \$2,500.00, and 70% of the next \$12,500.00, with a maximum liability of \$11,250.00
FATIC	\$15,000,000.00 (as of 07/01/2022)	No deductible
ORNTIC	\$3,000,000.00 (as of 11/16/2021)	\$5,000.00
STGC	\$3,000,000.00 (as of 06/17/2022)	\$15,000.00
WLTIC	\$5,000,000.00 (as of 9/20/2007)	\$5,000.00

**C.     SURETY BOND**  
**Idaho Code §§ 41-2710(6), 2711**  
**IDAPA 18.05.01.021.07 & 08**

The Department has on file surety bond #9420101 in the amount of \$50,000.00 issued by Fidelity and Deposit Company of Maryland on behalf of the Agent. We confirmed during the examination that this bond is currently active. No exceptions were noted as a result of this portion of the examination.

**D.     CLAIMS**  
**Idaho Code § 41-2708(1) & (2)**

The Agent reported thirty-seven (37) claims filed within the examination period. The claims appear to reflect survey matters and oversights of employees of the Agent, which purport missed easements, encroachments, liens, and/or rights of access. There does not appear to be any material problem with the title plant. No exceptions were noted as a result of this portion of the examination.

**II.    ADVERTISING AND MARKETING**  
**Idaho Code § 41-2708(3) & (4)**  
**IDAPA 18.05.01.031 & Exhibit 1**

The examination included a review of the 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, 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 18.05.01.012, 013 & Exhibit 1(9)**

The title department is managed by Chantelle Fuhriman, and is comprised of herself, three (3) title officers, and two (2) title assistants. The title plant is owned, posted, and maintained by the Agent in Sandpoint, 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, 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 escrow department is managed by Nancy Albanese, and is comprised of herself, three (3) escrow officers, and one (1) escrow assistant.

##### **A. FIDUCIARY ACCOUNTS IDAPA 18.05.01.021.04, 05 & 09**

The examination included a review of the fiduciary accounts utilized during the examination period. The accounts were reviewed for correct labeling, separation from operating funds, reconciliation, and negative balances. The fiduciary accounts are balanced on a daily basis and reconciled on a monthly basis by the Agent's corporate escrow services group. The monthly reconciliations are reviewed by Victoria Marshall, Assistant Controller at Financial Services Group. No exceptions were noted as a result of this portion of the examination.

##### **B. ESCROW FILE REVIEW Idaho Code § 41-2705(3) IDAPA 18.05.01.021 & 022**

The examination included a review of the escrow files opened during the examination period. A sample of the escrow files were reviewed within the parameters of our examination for adequate written instructions, conformity to the written instructions, rates charged as filed, signed settlement statements, receipt and disbursement ledgers, evidence of receipts and disbursements made, file overdrafts, and business interests of the escrow officers. No exceptions were noted as a result of this portion of the examination.

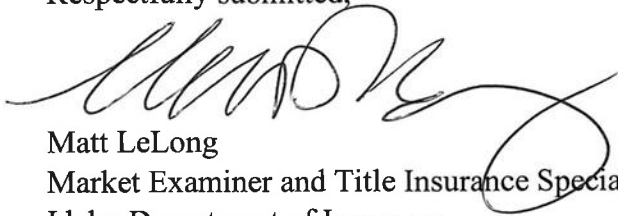
#### **SUMMARY OF RECOMMENDATIONS**

There were no recommendations as a result of the examination.

## AFFIDAVIT OF EXAMINER

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

Respectfully submitted,



Matt LeLong  
Market Examiner and Title Insurance Specialist  
Idaho Department of Insurance

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of October, 2024.



Notary Public for Idaho  
Residing at: Bowse, ID  
Commission Expires: 03-30-2027



*State of Idaho*  
**DEPARTMENT OF INSURANCE**

**BRAD LITTLE**  
Governor

700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, Idaho 83720-0043  
Phone 208-334-4250  
Fax 208-334-4398  
Website: <https://doi.idaho.gov>

**DEAN L. CAMERON**  
Director

**WAIVER**

In the matter of the Report of Exception Examination as of December 31, 2023, of:

**North Idaho Title Insurance, Inc.  
418 N. 3rd Avenue, Suite B  
Sandpoint, Idaho 83864-5012  
License #119258 – Bonner County**

By executing this Waiver, Darrell Martin [print or type officer/director name], on behalf of North Idaho Title Insurance, Inc., hereby acknowledges receipt of the above-described examination report, verified as of the 17th day of October 2024, and by this Waiver hereby consents to the immediate entry of a final order by the Director of the Department of Insurance (the "Director") adopting said report without any modifications, except under circumstances the Director under his lawful duties and powers may abate, adopt, or amend, any recommendations and/or penalties imposed by the examiner-in-charge.

By executing this Waiver, North Idaho Title Insurance, Inc., also hereby waives:

1. its right to examine the report for up to twenty-eight (28) days as provided in Idaho Code section 41-2710(7),
2. its right to make additional written submissions or rebuttals to the report prior to entry of a final order as provided in Idaho Code section 41-2710(7) and,
3. any right to request a hearing under Idaho Code sections 41-2710(7) and 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 report as provided by section 41-227(6)(a), Idaho Code, or elsewhere in the Idaho Code.

Dated this 28th day of October, 2024

**North Idaho Title Insurance, Inc.**

Darrell Martin

Name (print)



Name (signature)

Executive Vice President & Secretary

Title

**EXHIBIT**

**B**