

FILED

DEC 16 2024

Department of Insurance  
State of Idaho

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

**STATE OF IDAHO**

In the Matter of:

NEZ PERCE FARMERS COUNTY  
MUTUAL FIRE INSURANCE  
COMPANY

NAIC ID No. 14429

Docket No. 18-4622-24

**FINDINGS AND ORDER  
REGARDING HAZARDOUS  
CONDITION**

On December 3, 2024, the Idaho Department of Insurance (“Department”) received notice from Nez Perce Farmers County Mutual Fire Insurance Company (“Nez Perce Farmers”) of its intent to discontinue operations and liquidate effective December 31, 2025. This decision was supported by the following evidence:

Nez Perce Farmers is organized pursuant to Idaho Code, title 41, chapter 31, County Mutual Insurers. Idaho Code § 41-3106(1) limits the amount of risk a county mutual insurer is permitted to retain after deductions for reinsurance. Nez Perce Farmers cannot operate and remain solvent without reinsurance.

On October 23, 2024, Nez Perce Farmers notified the Department that their reinsurer was discontinuing coverage which would ultimately make Nez Perce Farmers not compliant with county mutual insurer statutes. Nez Perce Farmers immediately began searching for suitable replacement reinsurance coverage to remain compliant and solvent.

The December 3, 2024, notice to the Department disclosed the culmination of an unsuccessful search by Nez Perce Farmers to find a suitable replacement for reinsurance coverage and the decision by the Board of Directors to discontinue operations and liquidate.

In connection with its plan to discontinue operations and liquidate, Nez Perce Farmers indicated that it intends to nonrenew all its existing policies. Nez Perce Farmers represented that its proposed block nonrenewal would affect 199 policies, which would be nonrenewed on their natural expiration dates occurring on or after January 1, 2025. The policies in force for Nez Perce Farmers require no less than 45-day prior notice of nonrenewal, and cover Fire, Extended Coverage (Wind and Hail), Vandalism and Malicious Mischief, Personal Property Theft, Theft and Upset, Broad Form and Special Form.

Acting pursuant to Idaho Code § 41-3309(2), the Director finds that there is reasonable cause to believe that Nez Perce Farmers is in such condition as to render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance.

Therefore, to abate this determination, the Director requires Nez Perce Farmers to dispose of its business in force through nonrenewal and cancellation after timely notice of such action, no later than December 31, 2025.

Therefore, *It is Ordered* that Nez Perce Farmers may nonrenew its policies, with no less than 45-day prior notice, beginning February 1, 2025. In addition, *It is Ordered* that Nez Perce Farmers cancel, effective December 31, 2025, all policies renewed in the month of January of 2025 upon no less than 45-day prior notice.

This is a final order of the Director and is effective immediately.

DATED this 16<sup>th</sup> day of December, 2024.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

A handwritten signature in blue ink, appearing to read "Dean L. Cameron", is written over a horizontal line.

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 14 days of the service date of this order. The agency will dispose of the motion for reconsideration within 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 or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within 28 days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within 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. Idaho Code § 67-5274.

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16<sup>th</sup> day of December, 2024, I caused a true and correct copy of the foregoing FINDINGS AND ORDER REGARDING HAZARDOUS CONDITION to be served upon the following by the designated means:

Nez Perce Farmers County Mutual Fire Insurance Co. Christina Kochsmeier PO Box 140 Kendrick, ID 83537-0140	<input checked="" 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:npfcminsurance@gmail.com">npfcminsurance@gmail.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 checked="" type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input type="checkbox"/> Email: <a href="mailto:matt.steen@doi.idaho.gov">matt.steen@doi.idaho.gov</a>

  
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Jan Noriyuki,  
Paralegal