

FILED

APR 30 2025

Department of Insurance  
State of Idaho

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

**STATE OF IDAHO**

In the Matter of:

BONNER TITLE, LLC

Idaho Title Agency License No. 3002996339

Docket No. 18-4695-25

**ORDER ADOPTING REPORT  
OF EXCEPTION EXAMINATION  
AS OF DECEMBER 31, 2024**

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 BONNER TITLE, LLC (“Bonner 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 Bonner Title for the period of April 12, 2021, to December 31, 2024 (“Report”), as filed.

**FINDINGS OF FACT**

1. Bonner Title is a title agency licensed by the Department to transact title insurance in Bonner County, Idaho, under Title Agency License No. 3002996339.
2. The Department completed an examination of Bonner Title pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about March 25, 2025. The Department’s findings are set forth in the Report. In summary, the examiner found that Bonner Title violated the Department’s rules as follows:
  - a. From April 12, 2021, through December 31, 2024, Bonner Title violated IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b) on one (1) occasion

by providing donations, contributions, or sponsorships, items of value, related to various trade association events that exceeded the annual permissible limit by a total excess of \$2,371.35.

- b. From April 12, 2021, through December 31, 2024, Bonner Title violated Idaho Code § 41-2708(1)(b) on two (2) occasions by executing and issuing policies of title insurance that exceeded the contractual limits of liability without first obtaining the insurer's written authorization as stipulated in the underwriter agreement.

3. Based on these findings, the examiner recommended Bonner Title:

- a. Revise its procedures to ensure future donations or sponsorships, items of value, to trade associations comply with IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b); and
- b. Revise its procedures to ensure future policies of title insurance exceeding contractual limits of liability are pre-approved in writing by the underwriter and comply with Title 41, Idaho Code § 41-2708(1)(b).

4. Pursuant to Idaho Code § 41-227(4), a copy of the Report was filed with the Department on April 2, 2025, and was transmitted to Bonner Title on April 21, 2025. A copy of the Report is attached hereto as Exhibit A.

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

6. On April 21, 2025, the Department received a Waiver from Bonner Title, signed by J.T. Jacobsen, its President and General Manager. By execution of such Waiver, a copy of which is attached hereto as Exhibit B, Bonner 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**

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 and record, the Director concludes that, regarding the matters examined, the Report's comments, findings, and recommendations are appropriate and should be 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 BONNER TITLE, LLC for the period of April 12, 2021, to December 31, 2024, is hereby ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to §§ 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, BONNER TITLE, LLC will file, with the Department's Market Examiner & Title 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 FURTHER ORDERED, that within thirty (30) days of the issuance of the adopted

Report, BONNER TITLE, LLC will submit to the Department in writing proposed revisions of its policies and procedures to ensure: (a) future donations or sponsorships, items of value, to trade associations comply with IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b); and (b) future policies of title insurance exceeding contractual limits of liability are pre-approved in writing by the underwriter and comply with Idaho Code § 41-2708(1)(b).

**IT IS SO ORDERED.**

DATED this 20 day of April, 2025.

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

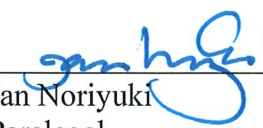
Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was 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; or (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 1<sup>st</sup> day of May, 2025, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2024, to be served upon the following parties by the designated means:

Bonner Title, LLC  
c/o Kootenai County Title Co.  
J.T. Jacobsen, President  
1450 Northwest Blvd Ste 200  
Coeur d'Alene, ID 83814

- ☐ First Class Mail
- ☒ Certified Mail
- ☐ Hand Delivery
- ☐ Facsimile
- ☒ Email: [jt@kootenaititle.com](mailto:jt@kootenaititle.com)  
[denise@kootenaititle.com](mailto:denise@kootenaititle.com)

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



REPORT OF EXCEPTION EXAMINATION

For the Period April 12, 2021 through December 31, 2024

Of

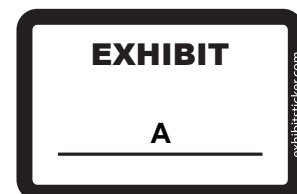
BONNER TITLE, LLC

(a title agent limited liability company - license #3002996339 – Bonner County)

As of

December 31, 2024

*Equal Opportunity Employer*



## **Table of Contents**

<b>SALUTATION.....</b>	<b>3</b>
<b>FOREWORD.....</b>	<b>4</b>
<b>PURPOSE AND SCOPE OF EXAMINATION.....</b>	<b>5</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>HISTORY AND DESCRIPTION.....</b>	<b>6</b>
<b>PRIOR EXAMINATION.....</b>	<b>6</b>
<b>EXAMINATION FINDINGS AND RECOMMENDATIONS.....</b>	<b>7</b>
<b>I.    OPERATIONS AND MANAGEMENT .....</b>	<b>7</b>
<b>A.    MANAGEMENT, CONTROL AND FINANCIAL INTERESTS .....</b>	<b>7</b>
<b>B.    CONTRACTING AUTHORITY.....</b>	<b>7</b>
<b>C.    SURETY BOND .....</b>	<b>7</b>
<b>D.    CLAIMS.....</b>	<b>7</b>
<b>II.    ADVERTISING AND MARKETING .....</b>	<b>8</b>
<b>III.    TITLE FILE REVIEW.....</b>	<b>9</b>
<b>IV.    ESCROW FIDUCIARY ACCOUNTS AND FILE REVIEW.....</b>	<b>10</b>
<b>A.    FIDUCIARY ACCOUNTS.....</b>	<b>10</b>
<b>B.    ESCROW FILE REVIEW .....</b>	<b>11</b>
<b>SUMMARY OF RECOMMENDATIONS.....</b>	<b>11</b>
<b>AFFIDAVIT OF EXAMINER.....</b>	<b>12</b>
<b>PENALTY, STIPULATIONS AND APPEAL NOTIFICATION .....</b>	<b>13</b>



Boise, Idaho  
March 25, 2025

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;

Bonner Title, LLC  
120 E. Lake Street, Suite #311  
Sandpoint, Idaho 83864  
License #3002996339 – 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 Bonner Title, LLC, 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 in 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 April 12, 2021 through December 31, 2024. During this timeframe, licensee KT Investments, Inc., operating under the trade name Bonner Title and holding title agent license #841713, underwent a reorganization of its license structure and on March 12, 2024, was merged into new licensee Bonner Title, LLC, who is the primary subject of this examination. 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**

The examination identified a total of three (3) findings of exceptions. For detailed information, including the exceptions, violations, imposed penalties, and recommendations, please refer to the relevant section of this report. Below is an overview of these exceptions:

### **1) Advertising and Marketing (Section II, pages 8-9)**

A total of one (1) finding of exception has been identified in this section of the examination. This exception is as follows:

- **Exception #1:** In calendar year 2024, the Agent engaged in donations, contributions, or sponsorships related to various trade association events, resulting in a cumulative value exceeding the annual permissible limit of \$2,000.00 by an amount totaling \$2,371.35. This action constitutes a violation of IDAPA 18.05.01.031.03(b).

### **2) Title File Review (Section III, pages 9-10)**

A total of two (2) findings of exceptions have been identified in this section of the examination. These exceptions are as follows:

- **Exception #2:** On August 25, 2023, the Agent executed and issued a title insurance loan policy that exceeded their contractual limit of \$2,000,000.00 by an additional amount of \$101,250.00, without first obtaining the insurer's written authority as stipulated in the underwriting contract. This action constitutes a violation of Idaho Code § 41-2708(1)(b).

- **Exception #3:** On December 28, 2023, the Agent executed and issued a title insurance owner's policy that exceeded the contractual limit of \$2,000,000.00 by an additional amount of \$750,000.00, without first obtaining the insurer's written authority as stipulated in the underwriting contract. This action constitutes a violation of Idaho Code § 41-2708(1)(b).

## **HISTORY AND DESCRIPTION**

Bonner Title, LLC was founded and formed by the current members of Kootenai County Title Company, Inc., who have been operating in Kootenai County for over 50 years and continue to maintain active operations. By establishing Bonner Title, LLC, the members have now expanded their presence to include Bonner County. In 2021, Bonner Title, LLC filed its Certificate of Organization with the Idaho Secretary of State, who subsequently issued them a Certificate of Organization Limited Liability Company on March 3, 2021. On April 12, 2021, the Idaho Department of Insurance issued a title agent license for Bonner County operations to licensee KT Investments, Inc., d/b/a Bonner Title. In March of 2024, the corporation reorganized its license structure with Bonner Title, LLC as the new licensee and KT Investments, Inc., as the managing member, consequently the Idaho Department of Insurance issued a new title agent license to Bonner Title, LLC on March 12, 2024. In February of 2025, Bonner Title, LLC relocated its physical offices to its present location in Sandpoint, Idaho. J.T. Jacobsen assumes the roles of President and General Manager. The company operates in Bonner County, with offices situated in Sandpoint, Idaho.

## **PRIOR EXAMINATION**

Our examination included a review to identify if exceptions were noted in the preceding 5-year report of exception examination and whether those exceptions were satisfactorily addressed. The Agent was licensed and commenced operations in Bonner County on April 12, 2021. Consequently, no prior 5-year report of exception examination was available for review.

## **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 February 3, 2025, the Idaho Secretary of State shows Bonner Title, LLC as Active-Existing. KT Investments, Inc., is recorded as its sole Member with J.T. Jacobsen as the Registered Agent and Manager, with Denise Potts also listed as Manager. 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 Old Republic National Title Insurance Company and American Guaranty Title Insurance Company. The underwriting contracts require high liability approval for risks in excess of \$2,000,000.00 and are subject to deductible for loss in a range between \$5,000.00 through \$10,000.00. No exceptions were noted as a result of this portion of the examination.

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

The Department has on file surety bond #ID5511261 in the amount of \$50,000.00 issued by Merchants Bonding Company (Mutual) 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 no claims filed within the examination period. 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.

A total of one (1) exception was noted as a result of this portion of the examination, detailed as follows:

Violations of IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b)		
Exception Number	Calendar Year	Examination Findings
1	2024	<p>1) On or about April 26, 2024, the Agent provided a trade association donation or sponsorship to Realtors Political Action Committee, incurring a total expenditure of \$635.00.</p> <p>2) On or about June 17, 2024, the Agent provided a trade association donation or sponsorship to Selkirk Association of Realtors, incurring a total expenditure of \$1,800.00.</p> <p>3) On or about June 24, 2024, the Agent provided a trade association donation or sponsorship to Selkirk Association of Realtors, incurring a total expenditure of \$186.35.</p> <p>4) On or about August 28, 2024, the Agent provided a trade association donation or sponsorship to Women's Council of Realtors North Idaho, incurring a total expenditure of \$1,150.00.</p> <p>5) On or about November 13, 2024, the Agent provided a trade association donation or sponsorship to North Idaho Building Contractors Association, incurring a total expenditure of \$300.00.</p> <p>6) On or about November 19, 2024, the Agent provided a trade association donation or sponsorship to Women's Council of Realtors North Idaho, incurring a total expenditure of \$300.00.</p> <p>In calendar year 2024, the Agent provided trade association donations or sponsorships, incurring a collective expenditure of \$4,371.35, exceeding the permissible annual limit of \$2,000.00 by a total of \$2,371.35.</p>

**IDAPA 18.05.01.031.01** states in relevant part, with emphasis added: "**Items of Value**. A title entity **will not** provide items of value to a producer of title business, consumer or member of the general public **except as permitted** in Sections 031.02, 031.03, 031.04 and 031.05 of this chapter.

If a providing of things of value **does not clearly fit** into the rules in Sections 031.02, 031.03, 031.04, and 031.05, then it is **not allowed**.”

**IDAPA 18.05.01.031.03(b)** states in relevant part, with emphasis added: “Donations are per agent license or insurer and are **limited to** a cumulative donation value of two thousand dollars (\$2,000) or equivalent things of value **collectively to all trade associations per year.**”

**Violation - Exception #1:** The Agent was in violation of IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b) for providing trade associations with monetary donations or sponsorships, items of value, exceeding the annual permissible limits by \$2,371.35.

**Recommendations - Exception #1:** Given that this is the first occurrence of this specific type of finding and the associated violations, it is recommended that no administrative penalties be imposed at this time. However, the Department reserves the right to impose administrative penalties for any future occurrences of similar violations.

Furthermore, it is recommended that the Agent prepare and submit a written proposal to the Department. This proposal should delineate the proposed procedures that will be implemented to ensure that any future donations or sponsorships, items of value, to trade associations remain in strict compliance with IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b).

### **III. TITLE FILE REVIEW**

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

**IDAPA 18.05.01.012, 013 & Exhibit 1(9)**

The title department, under the management of Sam Johnson, comprises himself and seven (7) title officers. The title plant is owned, posted, and maintained by the Agent in Coeur d’Alene, 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.

A total of two (2) exceptions were noted as a result of this portion of the examination, detailed as follows:

Violations of Idaho Code § 41-2708		
Exception Number	Agent File Number	Examination Findings
2	BT-30138	On August 25, 2023, the Agent executed and issued a title insurance loan policy through their underwriter, Old Republic National Title Insurance Company, exceeding their contractual limit of \$2,000,000.00 by an additional amount of \$101,250.00. This action was taken without first obtaining the required written authorization from the insurer, as stipulated in the underwriting contract.

3	BT-30233	On December 28, 2023, the Agent executed and issued a title insurance owner's policy through their underwriter, Old Republic National Title Insurance Company, that exceeded the contractual limit of \$2,000,000.00 by an additional amount of \$750,000.00. This action was taken without first obtaining the required written authorization from the insurer, as stipulated in the underwriting contract.
---	----------	--

**Idaho Code § 41-2708** states in relevant part, with emphasis added: “**(1)** Insurability. No title insurance on real property in the state of Idaho shall be issued unless and until the title insurer or its agent: **(b)** Has caused to be made a search and examination of the title and a determination of insurability of title in accordance with sound title underwriting practices.”

**Violations - Exception #2 and #3:** The Agent, on two (2) occasions, was in violation of Idaho Code § 41-2708(1)(b) for executing and issuing policies of title insurance that exceeded the contractual limits of liability as authorized in the underwriter agreement, without first obtaining the insurer's written authorization, as stipulated under the underwriting contract.

**Recommendations - Exception #2 and #3:** Given that this is the first occurrence of these specific types of findings and the associated violations, it is recommended that no administrative penalties be imposed at this time. However, the Department reserves the right to impose administrative penalties for any future occurrences of similar violations.

Furthermore, it is recommended that the Agent prepare and submit a written proposal to the Department. This proposal should delineate the proposed procedures that will be implemented to ensure that any future policies of title insurance exceeding contractual limits of liability are pre-approved in writing by the underwriter and comply with Idaho Code § 41-2708(1)(b).

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

The escrow department, under the management of Keri Mitchell, comprises herself and one (1) escrow officer.

##### **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 Denise Potts. The monthly reconciliations are reviewed by J.T. Jacobsen. 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**

The recommendations made below identify corrective measures the Department finds necessary as a result of the exceptions noted in this Report of Exception Examination (“Report”). Location in the Report is referenced in parenthesis.

**1) Advertising and Marketing (Section II, pages 8-9)**

- **Exception #1:** It is recommended that no administrative penalties be imposed at this time.

It is further recommended that the Agent prepare and submit a written proposal to the Department. This proposal should delineate the proposed procedures that will be implemented to ensure that any future donations or sponsorships, items of value, to trade associations remain in strict compliance with IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b).

**2) Title File Review (Section III, pages 9-10)**

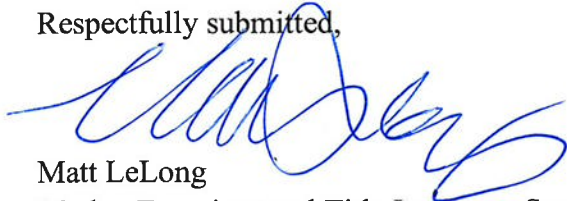
- **Exception #2 and #3:** It is recommended that no administrative penalties be imposed at this time.

It is further recommended that the Agent prepare and submit a written proposal to the Department. This proposal should delineate the proposed procedures that will be implemented to ensure that any future policies of title insurance exceeding contractual limits of liability are pre-approved in writing by the underwriter and comply with Idaho Code § 41-2708(1)(b).

## AFFIDAVIT OF EXAMINER

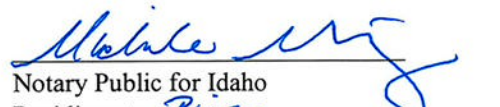
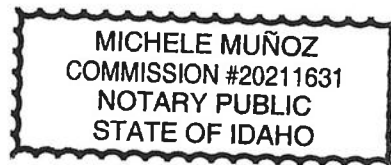
I certify and attest that I have examined the Agent's tract indexes, abstract records, as well as other records, and the operation of the Agent's business and other matters relevant to the affairs of the Agent. I further certify that I have no relationship, other than in my capacity as examiner and/or 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 2<sup>nd</sup> day of April, 2025.



Notary Public for Idaho  
Residing at: Boise  
Commission Expires: 03-30-2027



## **PENALTY, STIPULATIONS AND APPEAL NOTIFICATION**

This matter comes before the Department as a result of this Report of Exception Examination (“Examination”). The Department has fully considered and reviewed this Examination, any written submissions and rebuttals provided by the Agent in response to the Examination and the recommendations of the Examiner.

The Department makes the following findings of fact and imposes penalties and stipulations:

- 1) **Exception #1:** In calendar year 2024, the Agent provided trade association donations or sponsorships, incurring a collective expenditure of \$4,371.35, exceeding the permissible annual limit of \$2,000.00 by a total of \$2,371.35.

This action constitutes violations of IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b). Administrative penalties are appropriate pursuant to Idaho Code §§ 41-117, 41-1016, and 41-2708(3). However, as this is the first occurrence of these violations, no administrative penalties will be imposed at this time, with the stipulation that the Department reserves the right to impose new administrative penalties for any future occurrences of similar violations.

No later than thirty (30) days from the service date of the Final Order’s adoption, the Agent shall submit to the Department, in writing, the proposed procedures to be implemented to ensure that any future donations or sponsorships, items of value, to trade associations remain in strict compliance with IDAPA 18.05.01.031.01 and IDAPA 18.05.01.031.03(b).

- 2) The Agent, on two (2) occasions, executed and issued policies of title insurance that exceeded the contractual limit of \$2,000,000.00, without first obtaining the insurer’s written authorization, as stipulated under the underwriting contract. Specifically:
  - **Exception #2:** On August 25, 2023, the Agent executed and issued a title insurance loan policy through their underwriter, Old Republic National Title Insurance Company, exceeding their contractual limit of \$2,000,000.00 by an additional amount of \$101,250.00.
  - **Exception #3:** On December 28, 2023, the Agent executed and issued a title insurance owner’s policy through their underwriter, Old Republic National Title Insurance Company, that exceeded the contractual limit of \$2,000,000.00 by an additional amount of \$750,000.00

These actions constitute violations of Idaho Code § 41-2708(1)(b). Administrative penalties are appropriate pursuant to Idaho Code §§ 41-117, 41-1016, and 41-2708(3). However, as this is the first occurrence of these violations, no administrative penalties will be imposed at this time, with the stipulation that the Department reserves the right to impose new administrative penalties for any future occurrences of similar violations.

No later than thirty (30) days from the service date of the Final Order’s adoption, the Agent shall submit to the Department, in writing, the proposed procedures to be implemented to

ensure that any future policies of title insurance exceeding contractual limits of liability are pre-approved in writing by the underwriter and comply with Idaho Code § 41-2708(1)(b).

*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, 2024, of:

**Bonner Title, LLC**  
**120 E. Lake Street, Suite #311**  
**Sandpoint, Idaho 83864**  
**License #3002996339 – Bonner County**

By executing this Waiver, J. T. Jacobsen [print or type officer/director name], on behalf of Bonner Title, LLC, hereby acknowledges receipt of the above-described examination report, verified as of the 2nd day of April 2025, 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, Bonner Title, LLC, 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 21 day of April, 2025

**Bonner Title, LLC**

J. T. Jacobsen

Name (print)

[Signature]

Name (signature)

President

Title

