

**FILED**

**JUL 10 2023**

**Department of Insurance  
State of Idaho**

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE  
STATE OF IDAHO**

In the Matter of:

LATAH COUNTY TITLE COMPANY,

Title Agency License No. 5663

Docket No. 18-4304-23

**ORDER ADOPTING REPORT  
OF EXAMINATION AS OF  
DECEMBER 31, 2022**

The Idaho Department of Insurance (“Department”), in accordance with Idaho Code §§ 41-219(1) and (5), 41-2710(7), has examined the affairs, transactions, accounts, records, and assets of Latah County Title Company (“Latah County”), for the period of January 1, 2018 through December 31, 2022. The Department’s verified Report of Examination (“Report”), reflecting the examiner’s findings, was then filed with the Department per Idaho Code § 41-227.

Having reviewed the Report and record, the Department’s Director (“Director”) enters this order adopting the Report as filed. A copy of the Report is attached to this Order as Exhibit “A”.

**FINDINGS OF FACT**

1. Latah County is a title agency licensed by the Department to transact title insurance in Latah County, Idaho, under Title Agency License No. 5663.
2. On or about May 26, 2023, the Department completed an examination of Latah County per Idaho Code §§ 41-2710(7) and 41-219(1) and (5). The Department's examination disclosed no material adverse findings, exceptions or recommendations.

3. Per Idaho Code § 41-227(4), the Department filed a copy of the Report with the Department on May 26, 2023. A copy of the Report was transmitted to Latah County on May 31, 2023.

4. Per Idaho Code § 41-2710(7), Latah County had 28 days from the receipt of the Report to make a written submission or rebuttal with respect to matters in the Report. On May 31, 2023, the Department received a “Waiver” from Latah County signed by Teresa L. Cossairt, Latah County’s Secretary/Manager and authorized signatory. A copy of the Waiver is attached hereto as Exhibit “B”. By Executing the Waiver, Latah County has consented to the Director’s immediate entry of a final order adopting the Report without modification. Latah County has also waived its rights to: (1) examine the Report for not more than 28 days; (2) make a written submission or rebuttal to the Report prior to the entry of a final order; (3) request a hearing, and (4) seek reconsideration or appeal from the Director’s final order.

### **CONCLUSIONS OF LAW**

5. Idaho Code § 41-227(5) requires the Director to fully consider and review the Report, together with any written submissions or rebuttals and any relevant portions of the examiner’s work papers and enter an order adopting the Report as filed or with modifications or corrections, rejecting the Report and reopening the examination, or calling for an investigatory hearing.

6. Having fully considered the Report and record, the Director concludes that, regarding the matters examined, the Report is appropriate and should be adopted and incorporated into this Order as if set forth in full.

### **ORDER**

NOW, THEREFORE, IT IS ORDERED that the Report is adopted as filed and incorporated herein as if set forth in full.

IT IS FURTHER ORDERED, per Idaho Code §§ 41-227(8) and 41-2710(7), 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, per Idaho Code § 41-227(6)(a), that within 30 days of the service date of this Order adopting the Report, Latah County must file with the Department's chief examiner, 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.

DATED AND EFFECTIVE this 7 day of July, 2023.

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 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:

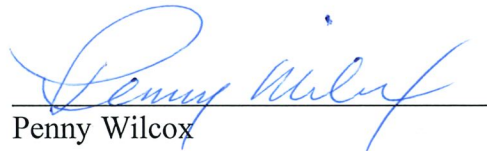
- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

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 10<sup>th</sup> day of July, 2023, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXAMINATION AS OF DECEMBER 31, 2022, to be served upon the following by the designated means:

Teresa L. Cossairt Latah County Title Company 106 E. 2 <sup>nd</sup> Street Moscow, ID 83843-2816	<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:teresa@latahtitle.com">teresa@latahtitle.com</a>
John C. Keenan Deputy Attorney General Idaho Department of Insurance 700 W. State St., 3 <sup>rd</sup> Floor PO 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:john.keenan@doi.idaho.gov">john.keenan@doi.idaho.gov</a>

  
Penny Wilcox



REPORT OF EXCEPTION EXAMINATION

For the Period January 1, 2018 through December 31, 2022

Of

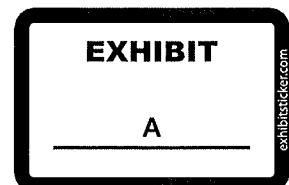
LATAH COUNTY TITLE COMPANY

(a title agent corporation - license #5663 – Latah County)

As of

December 31, 2022

*Equal Opportunity Employer*



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Boise, Idaho  
May 26, 2023

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;

Latah County Title Company  
106 East Second Street  
Moscow, Idaho 83843-2816  
License #5663 – Latah 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 Latah County Title Company an Idaho Title Agent licensed in Latah County. The examination was partially conducted at the Agent's office in Moscow, Idaho and 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, examiner(s) 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 examiners' report, the Agent's response, 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, 2018 through December 31, 2022. 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**

Latah County Title and Trust Company was founded in 1895 and incorporated on October 1, 1912, by C.L. Thompson, S.R.H. McGowen, J.M. Thompson, and Fred Veatch. In October of 1962, the business was purchased by Charles J. and Mary C. Kiblen. On December 1, 1973, they were required to and became licensed with the Idaho Department of Insurance. In August of 2011, the business was purchased by the current owners, David C. Kiblen and Sundae P. Kiblen. They conduct business in Latah County out of offices in Moscow, Idaho.

## **PRIOR EXAMINATION**

Our examination included a review to determine if exceptions were noted and addressed in the preceding report of exception examination dated October 15, 2018, which covered the period of January 1, 2013 through December 31, 2017. No exceptions were noted in that examination.

## **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 October 27, 2022, the Idaho Secretary of State lists David C. Kiblen as Registered Agent and President, and Teresa L. Cossairt as Secretary. Teresa L. Cossairt is the County Manager at the Agent. No exceptions were noted as a result of this portion of the examination.

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

The Agent has an underwriting contract with First American Title Insurance Company. The underwriting contract with First American Title Insurance Company requires a high liability approval for risks in excess of \$2,000,000.00 and is subject to a \$2,500.00 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 18.05.01.021.07 & 08**

The Department has on file surety bond #104777435 in the amount of \$50,000.00 issued by Travelers Casualty and Surety Company of America 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 four (4) claims filed within the examination period. The claims appear to be purported legal description and easement errors. There does not appear to be any 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 both Teresa L. Cossairt and Andrew Kiblen and is comprised of three (3) Title Officers and one (1) Title Assistant. The title plant is posted and maintained by the Agent in Moscow, 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 both Teresa L. Cossairt and David C. Kiblen and is comprised of two (2) Escrow Officers and two (2) Escrow Assistants.

### **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 Karen Velador, the accountant for the Agent. The monthly reconciliations are reviewed by Teresa L. Cossairt, County Manager at the Agent. 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.

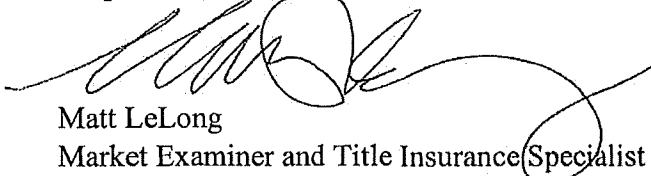
**SUMMARY OF RECOMMENDATIONS**

There were no recommendations as a result of the examination.

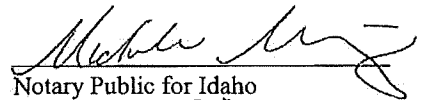
## AFFIDAVIT OF EXAMINER

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,

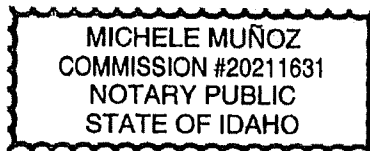
  
Matt LeLong  
Market Examiner and Title Insurance Specialist  
Idaho Department of Insurance

SUBSCRIBED AND SWORN to before me this 31<sup>st</sup> day of May, 2023.

  
Notary Public for Idaho

Residing at: Boise

Commission Expires: 03-30-2027



BRAD LITTLE  
Governor

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

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, 2022, of:

**Latah County Title Company  
106 East Second Street  
Moscow, Idaho 83843-2816  
License #5663 – Latah County**

By executing this Waiver, Teresa Cossairt [print or type officer/director name], on behalf of Latah County Title Company, hereby acknowledges receipt of the above-described examination report, verified as of the 31th day of May 2023, 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, Latah County Title Company, 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 31<sup>st</sup> day of May, 2023

**Latah County Title Company**

Teresa L. Cossairt

Name (print)

Teresa L. Cossairt

Name (signature)

Secretary - Manager

Title

**EXHIBIT**

B