

LAWRENCE G. WASDEN
Attorney General

JUDY L. GEIER – ISB No. 6559
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Telephone: (208) 334-4204
Facsimile: (208) 334-4298
judy.geier@doi.idaho.gov

FILED
JUL 27 2018
Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

AMERITITLE, INC.
[Caribou County]

Idaho Title Agency License No. 455694

Docket No. 18-3502-18

**ORDER ADOPTING REPORT
OF EXCEPTION EXAMINATION
AS OF DECEMBER 31, 2017**

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 AMERITITLE, INC. [Caribou County] (“Amerititle”) 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 Amerititle, Inc. [Caribou County] for the Period January 1, 2013 to December 31, 2017 (“Report”), as filed.

FINDINGS OF FACT

1. Amerititle is a title agency licensed by the Department to transact title insurance in Caribou County, Idaho, under Title Agency License No. 455694.

2. The Department completed an examination of Amerititle pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about May 31, 2018. 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 May 31, 2018, and was transmitted to Amerititle on the same date. A copy of the Report is attached hereto as Exhibit A.

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

5. No request for hearing, written submission, or rebuttal with respect to any matter contained in the Report was received by the Department from Amerititle.

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 Amerititle, 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 Amerititle, Inc. [Caribou County] for the Period January 1, 2013 to December 31, 2017, 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, Amerititle shall 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 23 day of July, 2018.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

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

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 the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition 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.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 27th day of July, 2018, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2017, to be served upon the following by the designated means:

Amerititle, Inc.
Mark Mills, Senior Vice President & CFO
mark.mills@futatitile.com

- first class mail
- certified mail
- hand delivery
- email

Amerititle, Inc.
71 E. 1st S.
Soda Springs, ID 83276-1437

- first class mail
- certified mail
- hand delivery
- email

Nathan Faragher
Chief Examiner, Company Activities Bureau Chief
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043
nathan.faragher@doi.idaho.gov

- first class mail
- certified mail
- hand delivery
- email

Judy L. Geier
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043
judy.geier@doi.idaho.gov

- first class mail
- certified mail
- hand delivery
- email





REPORT OF EXCEPTION EXAMINATION
For the Period January 1, 2013 to December 31, 2017

Of

AMERITITLE, INC.

(A title agent corporation - license #455694 – Caribou County)

As of

December 31, 2017

Equal Opportunity Employer



Table of Contents

SALUTATION.....	3
FOREWORD.....	4
PURPOSE AND SCOPE OF EXAMINATION	5
HISTORY AND DESCRIPTION	5
PRIOR EXAMINATION	6
PRIOR ESCROW AUDITS	6
SUMMARY OF FINDINGS AND RECOMMENDATIONS	7
I. OPERATIONS AND MANAGEMENT	7
A. MANAGEMENT, CONTROL AND FINANCIAL INTERESTS	7
B. CONTRACTING AUTHORITY	7
C. SURETY BOND	7
D. CLAIMS.....	7
II. ADVERTISING AND MARKETING.....	8
III. TITLE FILE REVIEW.....	8
IV. ESCROW FIDUCIARY ACCOUNTS AND FILE REVIEW	8
CONCLUSION.....	9

Boise, Idaho
May 31, 2018

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;

AmeriTitle, Inc.
71 East 1st Street
Soda Springs, Idaho 83276-1437
License #455694 – Caribou County

Hereinafter referred to as the “Agent”.

The following Report of Exception Examination is respectfully submitted.

FOREWORD

This is an exception examination report of the practices and procedures of AmeriTitle, Inc. an Idaho Title Agent licensed in Caribou County. However, failure to identify or criticize specific products, procedures or files does not constitute approval thereof by the Idaho Department of Insurance (the Department).

The examination was conducted at the Agent's sister company offices at 380 E Parkcenter Blvd, in Boise, Idaho and at the offices of the Department located at 700 West State Street, 3rd 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. As such, this report may not fully reflect all of the procedures and practices of the Agent.

During the examination, the examiner(s) may cite violations made by the Agent. Statutory citations are as of the period under examination unless otherwise noted. 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 not possible.

The final examination report documents consist of the examiners' report, the Agent's response, and any administrative actions based on the findings of the Idaho Department of Insurance.

PURPOSE AND SCOPE OF EXAMINATION

The purpose of this examination is to determine compliance with applicable Idaho Statutes, Idaho Department of Insurance regulations, and promulgated rules issued by the Department. In addition, examiners may have documented practices and procedures that did not appear to be in the best interest of Idaho insurance consumers.

The period covered by this examination is January 1, 2013 through December 31, 2017. Specific areas examined include operations/management, claims, advertising and marketing, title file review and escrow fiduciary account and file review.

The authority of the Idaho Department of Insurance to perform this examination includes, but is not limited to, Idaho Code §41-2710(7), which grants authority to the Idaho Department of Insurance to regular examination 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 this chapter or the rules thereunder.

HISTORY AND DESCRIPTION

AmeriTitle, Inc. was incorporated on August 5, 1985. They were issued a Certificate of Authority with the Idaho Secretary of State on December 13, 1999, which was withdrawn and reissued on December 2, 2016 with a change of “jurisdiction of formation” from Oregon to Delaware. They purchased Weiser Valley Title, Inc. in 2003 from Jay & Jenna Edwards the current operating managers of the Adams County office. They were licensed in Caribou County with the Idaho Department of Insurance on August 19, 2013. They conduct business out of the office in Soda Springs, Idaho.

Futura Title & Escrow, the parent company of Boise Idaho based Alliance Title & Escrow Corporation, purchased AmeriTitle, Inc. in early 2013. The companies maintain their separate brand identities.

The sale of AmeriTitle, Inc. was part of a strategy by previous owner, Klamath Falls based Jeld-Wen, to focus on its core door and window manufacturing business. The company owned AmeriTitle, Inc. for 28 years.

In October 2015 AmeriTitle, Inc. provided their 90-day written notice of termination of the work charge and service agreement with Nextitle, Northwest Title.

In March 2015 AmeriTitle, Inc. entered into a workshare title and post-closing services agreement with ServiceLink NLS, LLC.

PRIOR EXAMINATION

As Amerititle, Inc. has only been licensed in Caribou County since 2013, no previous examination has been completed. No exceptions were as a result of this portion of the examination.

PRIOR ESCROW AUDITS

Our examination included a review to determine if the five (5) exceptions noted in the December 28, 2015 escrow audit completed by Ms. Nancy Frandsen of Stewart Title Insurance Company which covered the periods July 1, 2012 through June 30, 2015 were addressed. We determined that the agent satisfactorily addressed these exceptions in January of 2016. No exceptions were noted as a result of this portion of the examination.

SUMMARY OF 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 18.01.39.011, 012 & 013**

As of December 31, 2017, the Idaho Secretary of State lists Larry Matney as the CEO. Mr. Matney is also the President and Director. Darlene Allman is Vice President and Secretary, Mark Mills is Treasurer and Brent Lloyd is Director. The current registered agent is CT Corporation System. No exceptions were noted as a result of this portion of the examination.

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

This agent has underwriting contracts with Fidelity National Title Insurance Company, Stewart Title Guaranty Company, WFG National Title Insurance Company (Williston Financial Group LLC), Old Republic National Title Insurance Company and Commonwealth Land Title Insurance Company. The underwriting contracts require a high liability approval ranging from \$750,000.00 to \$2,000,000.00 with no deductible for loss with WFG and a range of \$2,500.00 to \$5,000.00 deductible for loss with the other carriers. No exceptions were noted as a result of this portion of the examination.

C. SURETY BOND **Idaho Code §§ 41-2710(6), 2711** **IDAPA 18.01.25.011.08 & 09**

The Idaho Department of Insurance has on file surety bond # 2161580 in the amount of \$50,000.00 issued by North American Specialty Insurance Company 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 there were no claims for this location during 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 18.01.39.014 & 18.01.56

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, Title 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 18.01.25 & 18.01.56.017 & Exhibit 1(9)

The title department is managed by Richard Hajek and consists of two (2) title officers. This location leases its title plant from its sister company Alliance Title & Escrow Corp. 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, cancellation fees, and unique kind or class of risk. No exceptions were noted as a result of this portion of the examination.

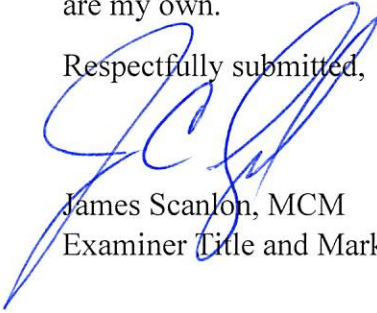
IV. ESCROW FIDUCIARY ACCOUNTS AND FILE REVIEW

No Escrow Services are provided under this license.

CONCLUSION

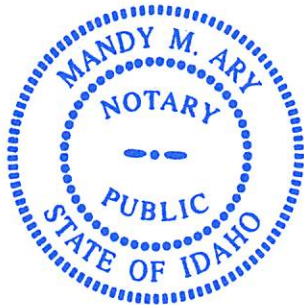
I certify and attest that I have examined the Title Agent's tract indexes, abstract records, as well as other records, and the operation of the Title Agent's business and other matters relevant to the affairs of the Title Agent. I further certify that I have no relationship, other than in my capacity as examiner and/or regulator, with the Title 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 Title Agent's 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,



James Scanlon, MCM
Examiner Title and Market Insurance Specialist

SUBSCRIBED AND SWORN to before me this 31 day of May, 2018.




Notary Public for Idaho
Residing at: Boise, ID
Commission Expires: 7/24/24

