



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

TODD E. KISER
Insurance Commissioner

Insurance Department

Bulletin 2013-6

TO: Title Insurers, Individual Title Insurer Producers, Agency Title Insurance Producers and Escrow Agents

FROM: Todd E. Kiser, Utah Insurance Commissioner

SUBJECT: Escrow Rates and Fees

The purpose of this Bulletin is to remind escrow agents of the requirements related to charges or fees for performance of escrow services.

Pursuant to the Utah Insurance Code, Subsection 31A-19a-209(3), all title insurers, agency title insurance producers and individual title insurance producers may not file with the commissioner or use any rate or other charge relating to the business of title or escrow¹ that would cause that person to operate at less than the cost of doing business. *Title operations and escrow operations must, independently, operate at not less than the cost of doing business.*

Subsection 31A-19a-209(2) requires each: title insurer; agency title insurance producer; and every individual title insurance producer, not designated by an agency title insurance producer, to file with the commissioner a schedule of its rates and charges to perform escrow services.

¹ **31A-1-301 (58)** "Escrow" means:

(i) a transaction that effects the sale, transfer, encumbering, or leasing of real property, when a person not a party to the transaction, and neither having nor acquiring an interest in the title, performs, in accordance with the written instructions or terms of the written agreement between the parties to the transaction, any of the following actions:

(A) the explanation, holding, or creation of a document; or

(B) the receipt, deposit, and disbursement of money;

(ii) a settlement or closing involving:

(A) a mobile home;

(B) a grazing right;

(C) a water right; or

(D) other personal property authorized by the commissioner.

(b) "Escrow" does not include:

(i) the following notarial acts performed by a notary within the state:

(A) an acknowledgment;

(B) a copy certification;

(C) jurat; and

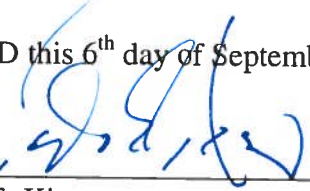
(D) an oath or affirmation;

(ii) the receipt or delivery of a document; or

(iii) the receipt of money for delivery to the escrow agent.

Those persons are further required to retain a copy of the effective schedule of rates and charges in each office location and furnish a copy to the public upon request, as required in Subsection 31A-19a-209(5). A title insurance insurer; agency title insurance producer; and individual title insurance producer may not impose any rate or other charge in connection with issuance of a title insurance policy or for escrow services performed in connection with the issuance of a title insurance policy that are not included in the schedule of charges filed with the commissioner, pursuant to Subsection 31A-19a-209(6). Insurance Rule R592-15-7, specifically applicable to escrow service charges, states that only the minimum escrow charges are required to be filed with the commissioner. Rule R592-15-7 clarifies that other escrow settlement service charges must be billed at a reasonable hourly rate and included on the schedule of charges. The schedule of charges or fees may be amended at any time subject to Subsection 31A-19a-209(4).

DATED this 6th day of September 2013,



Todd E. Kiser
Commissioner of Insurance