



State of Utah

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Insurance Department

TODD E. KISER
Insurance Commissioner

BULLETIN 2019-2

To: Title Insurance Producers Operating Under Ownership Affiliated Business Arrangements

From: Todd E. Kiser, Utah Insurance Commissioner

Date: June 17, 2019

Subject: **Laws that are Unaffected by the Passage of Senate Bill 121**

Senate Bill 121 repealed Utah's controlled business statute and enacted standards for title insurance producers and their associates that operate under "ownership affiliated business arrangement[s.]" *Utah Code § 31A-23a-1001(8)*. This Bulletin reminds those producers that the Insurance Department will continue to enforce laws that are unaffected by the passage of Senate Bill 121. Some of the laws are listed below.

Title insurance producers must:

- Obtain a Department license, *Utah Code § 31A-23a-204*;
- Obtain a title insurer's appointment, *Utah Code § 31A-23a-115(1)(a)*;
- Annually file a report with the Department, *Utah Code § 31A-23a-413* and *Utah Admin. Code R592-11*;
- Adopt escrow fees sufficient to keep the producer from operating at less than the cost of doing business, *Utah Code 31A-19a-209(3)* and *Utah Admin. Code 592-15-7*;
- File a schedule of escrow fees, *Utah Code § 31A-19a-209(2)* and *Utah Admin. Code R592-15*;
- Maintain search and examination records for 15 years, *Utah Code 31A-20-110*;
- Maintain escrow records for the current calendar year plus three years, *Utah Code § 31A-23a-412(5)(a)*.

Title insurance producers may not:

- Give consideration to obtain title business, *Utah Code § 31A-23a-402(2)(a)*;
- Allow a person connected with a title insurance transaction, including an insured, a mortgage lender, a realtor or a builder, to receive consideration from the transaction, *Utah Code § 31A-23a-402(2)(c)*;
- Share commissions with persons who did not contribute to the issuance of a policy, *Utah Code § 31A-23a-504(4)(b)*;
- Charge or pay more or less than fair market value for offices or facilities provided to or by entities that refer title business, *Utah Admin. Code R592-6-4(7), (8) and (9)* and *R592-6-3(4)(b)*;

- Share office space with entities that refer title business, *Utah Admin. Code R592-6-4(10)*;
- Jointly advertise with entities that refer title business, *Utah Admin. Code R 592-6-4(22), -4(23), and -4(24)*;
- Commingle trust funds with funds of an associate, *Utah Code § 31A-23a-409(1)*.

An agency title insurance producer must be owned or managed by a “qualifying licensee” who is not a qualifying licensee for more than two agencies, *Utah Code § 31A-23a-204(1)*.

A dual licensed title licensee must obtain the commissioner’s approval to provide a title insurance product or service, *Utah Code § 31A-2-405* and *Utah Admin. Code R592-5*.

Please address questions about this Bulletin to Reed Stringham (rmstringham@utah.gov), Tracy Klausmeier (tklausmeier@utah.gov) or Adam Martin (gmartin@utah.gov).

DATED this 17 day of June 2019



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