NOTICE OF PROPOSED RULE

TYPE OF RULE: New ___; Amendment X; Repeal ___; Repeal and Reenact ___

Title No. - Rule No. - Section No.

Utah Admin. Code Ref (R no.): R592-5

Changed to Admin. Code Ref. (R no.): R

Agency Information

1. Department: Insurance

Agency: Title and Escrow Commission

Room no.: Suite 2300

Building: Taylorsville State Office Building

Street address: 4315 S. 2700 W.

City, state and zip: Taylorsville, UT 84129

Mailing address: PO Box 146901

City, state and zip: Salt Lake City, UT 84114-6901

Contact person(s):

Name: Steve Gooch

Phone: 801-957-9322

Email: sgooch@utah.gov

Please address questions regarding information on this notice to the agency.

General Information

2. Rule or section catchline:

R592-5. Title Insurance Product or Service Approval for a Dual Licensed Title Licensee

3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):

The rule is being changed in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended. The Title & Escrow Commission approved these changes in a June 30, 2021 meeting by a vote of 3-0.

4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):

The majority of the changes are being done to fix style issues to bring the rule text more in line with current rulewriting standards and to make the language of the rule more clear. It also updates the Severability section to use the department’s current language. It does not add, remove, or change any regulations or requirements.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:

A) State budget:

There is no anticipated cost or savings to the state budget. The changes are clerical in nature and do not add, remove, or change regulations.

B) Local governments:

There is no anticipated cost or savings to local governments. This rule applies to insurance licensees and has no bearing on local governments.

C) Small businesses ("small business" means a business employing 1-49 persons):

There is no anticipated cost or savings to small businesses. The changes are clerical in nature and do not add, remove, or change regulations.

D) Non-small businesses ("non-small business" means a business employing 50 or more persons):
There is no anticipated cost or savings to non-small businesses. The changes are clerical in nature and do not add, remove, or change regulations.

E) Persons other than small businesses, non-small businesses, state, or local government entities (*person* means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or savings to any other persons. The changes are clerical in nature and do not add, remove, or change regulations.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. Any affected persons are already required to comply with the provisions of the rule, and the changes do not add, remove, or change regulations.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

After conducting a thorough analysis, it was determined that this proposed rule amendment will not result in a fiscal impact to businesses. — Jonathan T. Pike, Insurance Commissioner

6. A) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

<table>
<thead>
<tr>
<th>Regulatory Impact Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Cost</td>
</tr>
<tr>
<td>State Government</td>
</tr>
<tr>
<td>Local Governments</td>
</tr>
<tr>
<td>Small Businesses</td>
</tr>
<tr>
<td>Non-Small Businesses</td>
</tr>
<tr>
<td>Other Persons</td>
</tr>
<tr>
<td><strong>Total Fiscal Cost</strong></td>
</tr>
<tr>
<td>Fiscal Benefits</td>
</tr>
<tr>
<td>State Government</td>
</tr>
<tr>
<td>Local Governments</td>
</tr>
<tr>
<td>Small Businesses</td>
</tr>
<tr>
<td>Non-Small Businesses</td>
</tr>
<tr>
<td>Other Persons</td>
</tr>
<tr>
<td><strong>Total Fiscal Benefits</strong></td>
</tr>
<tr>
<td><strong>Net Fiscal Benefits</strong></td>
</tr>
</tbody>
</table>

B) Department head approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this fiscal analysis.

Citation Information

7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

<table>
<thead>
<tr>
<th>Section 31A-2-404</th>
<th>Section 31A-2-405</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; if none, leave blank):

<table>
<thead>
<tr>
<th>First Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Title of Materials Incorporated (from title page)</td>
</tr>
<tr>
<td>Publisher</td>
</tr>
</tbody>
</table>
### B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; if none, leave blank):

<table>
<thead>
<tr>
<th>Second Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Title of Materials Incorporated (from title page)</td>
</tr>
<tr>
<td>Publisher</td>
</tr>
<tr>
<td>Date Issued</td>
</tr>
<tr>
<td>Issue, or version</td>
</tr>
</tbody>
</table>

#### Public Notice Information

9. **The public may submit written or oral comments to the agency identified in box 1.** (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)

**A) Comments will be accepted until (mm/dd/yyyy):** 08/16/2021

**B) A public hearing (optional) will be held:**

<table>
<thead>
<tr>
<th>On (mm/dd/yyyy):</th>
<th>At (hh:mm AM/PM):</th>
<th>At (place):</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

10. **This rule change MAY become effective on (mm/dd/yyyy):** 08/23/2021

**NOTE:** The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.

#### Agency Authorization Information

**To the agency:** Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the *Utah State Bulletin* and delaying the first possible effective date.

<table>
<thead>
<tr>
<th>Agency head or designee, and title:</th>
<th>Date (mm/dd/yyyy):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steve Gooch, Public Information Officer</td>
<td>07/01/2021</td>
</tr>
</tbody>
</table>

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**R592. Insurance, Title and Escrow Commission.**

**R592-5. Title Insurance Product or Service Approval for a Dual Licensed Title Licensee.**

**R592-5-1. Authority.**

This rule is promulgated by the Title and Escrow Commission pursuant to Sections 31A-2-404 and 31A-2-405[which direct the Title and Escrow Commission to make rules to administer the provisions related to title insurance].

**R592-5-2. Purpose and Scope.**

1. The purpose of this rule is to set forth [the] requirements for a dual licensed title licensee to obtain:
   (a) approval from the [insurance] commissioner pursuant to Subsection 31A-2-405(2); [and]
   (b) expedited approval from the [Title and Escrow] Commission pursuant to Subsection 31A-2-405(3).

2. This rule applies to [all] a dual licensed title licensee[s] and an applicant[s] for a title insurance license or renewal of a title insurance license.

**R592-5-3. Definitions.**

For the purposes of this rule, the commissioner adopts the definitions. Terms used in this rule are defined in Sections 31A-1-301[and] and 31A-2-402[, and the following]: Additional terms are defined as follows:

1. (a) "Dual licensed title licensee" has the same meaning as set forth in Section 31A-2-402.
   (b) "Dual licensed title licensee", as defined in Section 31A-2-402, does not mean:
   (i) a title licensee who holds an inactive license under Subsections 31A-2-402(3)(b)(i), (ii) [and] (iii); or
(ii) a title licensee who holds an education provider certificate.

(2) "Need for expedited approval" means a significant hardship to the buyer or seller in the transaction.

(3) "Principal" means a person from whom a dual licensee has received compensation for submitting a transaction under one or more of [his or her] the licensee's dual licenses. Examples include[ but are not limited to, ] a mortgage company, a real estate broker, an agency title insurance producer, a builder, or a developer.

(4) "Title insurance product" means the insuring, guaranteeing, or indemnifying of owners of real or personal property or the holders of liens or encumbrances on that property, or others interested in the property against loss or damage suffered by reason of liens or encumbrances upon, defects in, or the unmarketability of the title to the property, or invalidity or unenforceability of any liens or encumbrances on the property.

(5) "Title insurance service" has the same meaning as the definition of "escrow" found in Subsection 31A-1-301(56).


(1) Only a dual licensed title licensee [can may] file a request for approval for the provision of a title insurance product or service.

(2) A complete filing consists of:

(a) a filing fee pursuant to Section 31A-3-103[; and either]

(b) a "Dual Licensee Request [F]or Approval for the Provision of a Title Insurance Product or Service" form; or

(c) a "Dual Licensee Request [F]or Expedited Approval for the Provision of a Title Insurance Product or Service" form.

(3) A filing to request approval of a "Dual Licensee Request for Approval for the Provision of a Title Insurance Product or Service" form must:

(a) be sent electronically to the commissioner via email to pcforms.uid@utah.gov; and

(b) include credit card information in the payment section of the form.

(4) An expedited filing to request approval of a "Dual Licensee Request for Expedited Approval for the Provision of a Title Insurance Product or Service" form must:

(a) include a completed [S]ection 6, [Reason for Requesting Expedited Approval]explaining the significant hardship to the buyer or seller, on the "Dual Licensee Request for Expedited Approval for the Provision of a Title Insurance Product or Service" form;

(b) be sent electronically to the Chair of the [Title and Escrow ]Commission via email to pcforms.uid@utah.gov; and

(c) include credit card information in the payment section of the form.

(5) Approval or disapproval will be sent to the filer via return email.

R592-5-5. Severability.

[If any section, term, or provision of this rule shall be adjudged invalid for any reason, such judgment shall not affect, impair or invalidate any other section, term, or provision of this rule and the remaining sections, terms, and provisions shall be and remain in full force.

R592-5-6. Penalties.

A person found, after a hearing or other regulatory process, to be in violation of this rule shall be subject to penalties as provided under Sections 31A-2-308 and 31A-2-405.

R592-5-7. Enforcement Date.

The commissioner will begin enforcing this rule 15 days after the rule's effective date if any provision of this rule, Rule R592-5, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: title dual licensees

Date of Enactment or Last Substantive Amendment: October 26, 2007

Notice of Continuation: September 13, 2017

Authorizing, and Implemented or Interpreted Law: 31A-2-404