

NOTICE OF
PROPOSED RULE REPEAL AND REENACTMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Office of Administrative Rules.

Agency Information

1. Agency: Insurance - Title and Escrow Commission
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Steve Gooch	801-538-3803	801-538-3829	sgooch@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 42711 Date filed: 03/20/2018 03:43 PM
 State Admin Rule Filing Key: 160059
 Utah Admin. Code ref. (R no.): R 592 - 7 -

Title

2. Title of rule or section (catchline):
 Title Insurance Continuing Education Program

Notice Type

3. Type of notice: Repeal and Reenact

Rule Purpose

4. Purpose of the rule or reason for the change:
 The amendments to this rule are being made at the direction of the Title & Escrow Commission by a vote of 4-1.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

The rule is being amended to make a number of changes to continuing education (CE) requirements for the title insurance industry. It fully delegates authority from the Title & Escrow Commission to the Insurance Commissioner for approving CE courses, rather than granting provisional approval. It sets requirements for what types of CE can be accepted for renewal of a title insurance producer license. It allows all CE hours to be obtained through one or more insurers. It removes references to approving a title CE provider, reflecting current business practices. It also adds two new definitions and makes a number of clean-up changes for grammar and clarity.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

There is no anticipated cost or savings to the state budget. The Insurance Department has been provisionally approving CE for the Title & Escrow Commission. The changes will have no bearing on how the Insurance Department conducts its business.

B) Local government:

Affected: No

There is no anticipated cost or savings to local governments. This change governs the relationship between the Insurance Department and its title insurance licensees.

C) Small businesses:

Affected: Yes

("small business" means a business employing fewer than 50 persons)

Some small businesses may see costs or savings. There are 43 CE providers that charge for CE courses taught in Utah. These providers may see a reduction in earnings due to this rule. It is not known what the magnitude of this cost would be because the Insurance Department cannot determine the number of courses each provider teaches, nor do we track how much they charge for classes. Conversely, the 496 agencies that pay for CE courses may see savings because agents can now get all of their CE training from title insurance companies, which generally do not charge for training.

D) Persons other than small businesses, businesses, or local government entities:

Affected: Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The state's 2,074 individual title insurance licensees will likely see some savings, if they choose to take free CE courses from a title insurer, rather than from a CE provider that charges for training. The 43 CE providers in Utah, many of which are sole proprietors, may see a reduction in earnings if agents choose to take free CE courses from a title insurer.

Compliance Cost Information

8. Compliance costs for affected persons:

There are no compliance costs for any affected persons.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

I. WHETHER A FISCAL IMPACT TO BUSINESS IS EXPECTED AS A RESULT OF THE PROPOSED RULE AND, IF SO, A DESCRIPTION OF WHY: Some small businesses may be impacted. CE providers that charge for training may see a reduction in earnings due to this rule. Independent agents and agencies that pay for CE courses may see savings because agents can now get all of their CE training from title insurance companies, which generally do not charge for training. II. AN ESTIMATE OF THE TOTAL NUMBER OF BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: There are an estimated 43 CE providers that charge for training in Utah, and an estimated 496 title insurance agencies in Utah, according to Insurance Department data. III. AN ESTIMATE OF THE SMALL BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: The 43 CE providers that charge for training in Utah may see a reduction in earnings due to this rule. It is not known what the magnitude of this cost would be because the Insurance Department cannot determine the number of courses each provider teaches, nor do we track how much they charge for classes. Conversely, the 496 agencies that pay for CE courses may see savings because agents can now get all of their CE training from title insurance companies, which generally do not charge for training. IV. A DESCRIPTION OF THE SOURCES OF COST OR SAVINGS AS WELL AS THE EXPECTED NET SAVINGS OR COST TO BUSINESS ESTABLISHMENTS AND SMALL BUSINESS ESTABLISHMENTS AS A RESULT OF THE PROPOSED RULE OVER A ONE-YEAR PERIOD, IDENTIFYING ONE-TIME AND ONGOING COSTS: It is not known what the magnitude of this cost would be because the Insurance Department cannot determine the number of courses each provider teaches, nor do we track how much they charge for classes. The Department is also unable to determine if title producers will change the manner in which they currently obtain CE. It is assumed that the 43 CE providers who charge for training will face the largest impact, as agents will now have more ability to get free CE training. The 496 agencies may see savings if they choose to attend free CE trainings presented by title insurers. V. DEPARTMENT HEAD'S COMMENTS ON THE ANALYSIS: The above in-depth fiscal analysis represents the Insurance Department's best estimate of the fiscal impact this rule will have on businesses in Utah.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
31A-2-404(2)(a)(iii)

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by reference (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. 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. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 05/15/2018

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

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 05/22/2018

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
title insurance continuing education

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

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.

Agency Authorization

Agency head or designee, and title:

Steve Gooch Information Specialist

Date (mm/dd/yyyy): 03/19/2018