



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Insurance Department

JONATHAN T. PIKE
Insurance Commissioner

Title & Escrow Commission Meeting

<https://insurance.utah.gov/licensee/title/tec>

Date: June 12, 2023

Place: In Person

Virtual

Time: 10:00 AM

Taylorsville SOB
4315 S. 2700 W.
Big Cottonwood Room
Taylorsville, UT 84129

Google Meet

ATTENDEES

TITLE & ESCROW COMMISSION

| | |
|---|---|
| xChair, Kim Holbrook (<i>Insurer, Davis County</i>) | xDarla Milovich (<i>Agency, Salt Lake County</i>) |
| xVice Chair, Chase Phillips (<i>Agency, Weber County</i>) | VACANT (<i>Agency</i>) |
| xJeff Mathews (<i>Public Member, Morgan County</i>) | |
| Jon Pike, <i>Insurance Commissioner</i> | xReed Stringham, <i>Deputy Commissioner</i> |
| xTracy Klausmeier, <i>P&C Division Director</i> | Adam Martin, <i>Market Conduct Examiner</i> |
| xSteve Gooch, <i>PIO Recorder</i> | |

REAL ESTATE COMMISSION

| | |
|---|--|
| Randy Smith (<i>Chair</i>) | Rick Southwick (<i>Commissioner</i>) |
| xMarie McClelland (<i>Vice Chair</i>) | xAndrea Wilson (<i>Commissioner</i>) |
| Jim Bringhurst (<i>Commissioner</i>) | |
| xJonathan Stewart, <i>Real Estate Division Director</i> | xMaelynn Valentine, <i>Board Secretary</i> |

PUBLIC

| | | |
|---------------|-----------------|-------------------|
| Kadee Wright | Laurel North | Tina Williams |
| Nate Sprague | Matt Sager | Cort Ashton |
| Kim Cruz | Tejay Rasband | Mike Sumner |
| Dan Orullian | David Buddingh | David Moore |
| James Seaman | Jessica Goodman | Justin Sutherland |
| Michael Smith | Wade Taylor | Nancy Frandsen |

MINUTES — Approved by TEC

General Session: (Open to the Public)

- **Welcome** / Kim Holbrook, Chair (10:05 AM)
- **Telephone Roll Call**
- **New Business**
 - TEC 2023 goal to increase awareness of cyber and wire fraud on consumers and agencies; and
 - Vacant land property schemes
 - *Timestamp 05:30*

- Discussion about the TEC's fraud goals and how vacant land property schemes (or "seller impersonation fraud") work.
- Kim presents a fraud handout from the American Land Title Association that Steve will pass along to Maelynn for the REC.
- Director Stewart says the DRE is aware of the issue and did a lot of PR at the end of 2022. They received many phone calls from people who caught a fraudulent transaction before it went through.
- Post-policy fraud and forgery coverage — the value of a title insurance policy
 - *Timestamp 10:15*
 - Homeowners have protection against post-policy fraud and forgery if they have a homeowners policy, which is the default policy in the real estate contract.
- The value of a CPL
 - *Timestamp 10:40*
 - Discussion of what a closing protection letter (CPL) is, who can get one, and how they may be valuable in a transaction.
- Earnest money options and legislative changes to allow new funds transfer technologies
 - *Timestamp 17:00*
 - Discussion of legislative changes that allow for real-time settling of funds and 24/7 money movement. These sorts of technologies may decrease wire fraud because of how the money is requested.
- Rule R592-6: Unfair Inducements and Marketing Practices in Obtaining Title Insurance Business
 - *Timestamp 19:15*
 - The TEC voted unanimously to open a discussion on this rule and to form a subcommittee to work on it. The TEC invites a member of the REC or industry to be included.
 - There is a letter from the ULTA and a very early draft of proposed changes that Kim will send to Director Stewart.

Executive Session (None)

- **Adjourn** (10:31 AM)
- **Next Meeting: TBD** — October 16 proposed

TEC 2023 Goals

1. Continue making sure testing is relevant
2. Continue working with the Real Estate Commission
3. Continue working with the ULTA as a liaison
4. Increase awareness of cyber and wire fraud's effect on consumers and agencies
5. Increase awareness of affiliated business arrangements (ABA)