



Insurance Department

State of Utah Title & Escrow Commission Meeting Meeting Information

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

TODD E. KISER
Commissioner

Date: January 14, 2019

Time: 9AM

Place: East Building, Copper Room

ATTENDEES

TITLE & ESCROW COMMISSION

xChair, James Swan (*Insurer, Salt Lake County*) xNancy Frandsen (*Insurer, Salt Lake County*)
xVice Chair, Alison McCoy (*Agency, Tooele County*) xDavid Moore (*Agency, Salt Lake County*)
xRandy Smart (*Public Member, Salt Lake County*) xPerri Babalis, *AG Counsel - TEC*

DEPARTMENT STAFF

xTodd Kiser, *Ins. Commissioner* xReed Stringham, *Deputy Comm.* xTracy Klausmeier, *P&C Dir.*
xRandy Overstreet, *Licensing Dir.* xMichael Covington, *CE Specialist* xSteve Gooch, *PIO Recorder*

PUBLIC

Carol Yamamoto Tim A. Krueger Frank Medina
Matt Sager Blake Heiner Sheri Olsen
Bob Rice [PHONE] Kirk Smith [PHONE] Chase Phillips [PHONE]
Matt Ryden [PHONE]

MINUTES — *Approved*

General Session: (Open to the Public)

- **Welcome** / James Swan, Chair (9:00 AM)
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
 - **Motion by David to adopt minutes. Seconded by Nancy. Motion passes 5-0.**
- **Concurrence Reports**
 - Licenses
 - **Motion by Alison to concur. Seconded by Randy. Motion passes 5-0.**
 - Penalties
 - Timios Agency had a trust account with a bank that doesn't have a Utah office. There were 450 deposits into the account during the time period of the investigation. The agency recognized its error and fixed it. The \$5,000 penalty is standard for this type of violation across all lines of insurance that the UID regulates.
 - **Motion by Nancy to concur. Seconded by David. Motion passes 5-0.**
 - Continuing education
 - It was a busy quarter, and January will likely be busy too because ULTA has their midwinter convention.
 - Nancy asks if Michael had to turn any courses down. Michael says she can't think of any. Nancy asks if that suggests that educators are giving relevant training. Michael says yes, or that they're screening them with her ahead of time.
 - **Motion by Randy to concur. Seconded by Alison. Motion passes 5-0.**
- **Board Duties & Responsibilities** / Perri
- **Update on 2019 Goals** / James

- ULTA report / James
 - The ULTA continues to evaluate upcoming legislation for remote online notarization and other topics that might be coming up. There's not a lot to report at the moment, but the ULTA will be active in coming weeks and months.
 - The ULTA midwinter convention is this week in St. George. They've put together a great agenda, and James will report on it at the February meeting.
- REC report / Nancy
 - Mary Martinez is the new contact on the REC. Cal Musselman was elected to the legislature and has resigned as chair. Russell Booth is the new chair.
 - The REC has abandoned its bill to license home inspectors.
 - The mandatory 3-hour course for real estate agents starts in 2019.
 - Johnny Stewart, director of the DRE, says they spent \$100,000 on their PSA about wire fraud and they're willing to let the UID link to it on their website.
- **New Business**
- **Old Business**
 - Discussion on 2019 goals / James
 - Last month, there was discussion of keeping all 2018 goals with some modification. Testing, working with the REC and ULTA will all be continued, but the fourth needs to be modified a little.
 - Wire fraud can happen to consumers easily and without any fault on the title company's part. Fraudsters can hack into a real estate agent's public email (like Gmail, Yahoo, Hotmail) to track the transaction, then pretend to be the title company or another party to the transaction and send new transfer instructions at the last minute. Utah consumers are at high risk of this. Increasing awareness needs to be a continuing topic in 2019.
 - Nancy agrees that consumer awareness should be a focus. She says Johnny Stewart was shocked that the TEC would ask to use the video. He sees the value in the TEC and REC working together. The real estate caravan has a broader aspect, and they didn't have much interest in having a title person join it. But the ULTA education courses happen across the state and might be a good option, if they'll help develop a course. James says the agenda for the St. George convention includes discussions of wire fraud.
 - Alison says it's good the TEC talks about wire fraud because not all title companies are part of the ULTA. The TEC represents all title companies where the ULTA only represents its members. Continuing discussion here is important.
 - Nancy it would be good to develop a course with the ULTA that would teach agents and show them how to inform their clients. It may need to go that one step further.
- **Other Business**
 - Update on commissioner terms / Steve
 - James and David's terms finish at the end of June. The UID is looking for their replacements: one agency member and one underwriter member.
 - Nancy says she thought the underwriter was changed. There was some discussion about the timing, and it's determined that the change was included in the UID's bill during the 2018 legislative session. James notes that the change was that if a replacement for an underwriter can't be found, then an agency representative can be chosen.
 - Alison suggests that the openings be mentioned at the ULTA conference to get some interest.
 - Steve notes that interested parties can apply now on boards.utah.gov. If there isn't much interest between now and March, the UID will send out a call for applications.
 - Legislative update
 - The UID's bill is HB 55. Currently, the section about changing meetings isn't reflecting what the TEC has talked about. The legislative research analyst is working on a substitute bill that will be corrected.

- **Hot Topics**

- Reed notes that there was discussion about Provo Land Title last month. The TEC concurred with the penalty and asked the UID to pursue another investigation. Reed researched the legal doctrine of claim preclusion and discovered that the UID is limited to what has been done, and can't do any more.
- Alison says the recorders will be running a bill to increase recording fees.
- Nancy notes that Alison started this week as Tooele County Auditor.
- Randy will need to be excused from the February meeting because he'll be out of town for a 2-week trial.

Executive Session (None)

- **Adjourn** (9:23 AM)
 - **Motion by Alison to adjourn. Seconded by Nancy. Motion passes 5-0.**
- **Next Meeting: February 11, 2019** — Copper Room

2019 Meeting Schedule in Copper Room*

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|--------|--------|--------|--------|--------|--------|
| Jan 14 | Feb 11 | Mar 11 | Apr 15 | May 13 | Jun 10 |
| Jul 8 | Aug 12 | Sept 9 | Oct 21 | Nov 18 | Dec 16 |

* as currently scheduled; may change after Legislative Session