



Insurance Department

State of Utah

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor
TODD E. KISER
Commissioner

State of Utah Title & Escrow Commission Meeting Meeting Information

Date: January 8, 2018

Time: 9AM

Place: East Building, Copper Room

MEMBERS

COMMISSION MEMBERS

Chair, Alison McCoy (*Agency, Tooele County*) xNancy Frandsen (*Insurer, Salt Lake County*)
xVice Chair, David Moore (*Agency, Salt Lake County*) James Swan (*Insurer, Salt Lake County*)
xRandy Smart (*Public Member, Salt Lake County*)

DEPARTMENT STAFF

Todd Kiser, *Ins. Commissioner* xBrett Barratt, *Deputy Comm.* xPerri Babalis, *AG Counsel - TEC*
xSuzette Green-Wright, *MC Dir.* xRandy Overstreet, *Licensing Dir.* xReed Stringham, *AG Counsel - UID*
xAdam Martin, *Examiner* xTanna Shurtliff, *Examiner* Lisa Watts Baskin, *ALJ*
xSteve Gooch, *PIO Recorder*

PUBLIC

Tim Grubb James Seaman Carol Yamamoto
Frank Medina Adam Back Bob Rice [PHONE]
Kirk Smith [PHONE]

MINUTES — *Approved*

General Session: (Open to the Public)

- **Welcome** / David Moore, Chair (9:01 AM)
 - James is excused for jury duty.
 - Alison is excused to attend a board meeting for another public body.
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
 - Randy notes that a lot of the comments attributed to "Randy" were by Randy Overstreet, not Randy Smart. Attributions need to be fixed for December and need to be clearer going forward.
 - **Motion by Nancy to adopt minutes. Seconded by Randy. Motion passes 3-0.**
- **Reports**
 - Concur with Complaint & Enforcement Report / Suzette
 - There haven't been many big investigations lately. She hopes the industry will let the UID know of issues that are happening. Most of the December issues were unlicensed activity.
 - The UID closed quite a few investigations: one with a private letter of admonition, one with a public letter of admonition, and nothing that went to an E-Case.
 - One investigation was completed in December.
 - **Motion by Randy to concur. Seconded by Nancy. Motion passes 3-0.**
 - Concur with Licensee Report / Suzette
 - Agency licenses are doing wonderfully. We had been seeing a 10-12 problems every month, but in December we just had 2. Individuals are doing about the same too. There are some lapsed licenses, but the 2 reinstated licenses are both within 15 days.
 - Nancy asks if people get notice about upcoming renewals prior to the license lapsing. Randy O. says they're sent out 75 days prior to renewal currently, but it will soon increase to 90 days along

with reminders every 30 days. They also get a notice when they lapse or go inactive, as do the agencies and companies they're appointed with. Nancy says she hasn't been getting emails when agents lapse. Randy O. says she should be notified that the appointment is being terminated. Suzette says the notice is sent to the person who is set up in Sircon as the company's contact person.

- **Motion by Nancy to concur. Seconded by Randy. Motion passes 3-0.**
- Request for Dual Licensee Expedited Request: None
- Request for Attorney Exemption: None
- **Administrative Proceedings Action** / Lisa Watts Baskin, ALJ
 - Stipulation and Order: None
 - Order to Show Cause: None
 - Informal Adjudicative Proceeding and Order: None
 - Notice of Formal Adjudicative Proceeding: None
- **Board Duties & Responsibilities** / Perri
- **Update on 2018 Goals** / David
 - Starting in December, Nancy will attend Real Estate Commission meetings. Every month, she'll give a short synopsis of things they discussed that could relate to the TEC. The only thing that pertained to the TEC at the December meeting was a lot of enforcement discussion. The major discussion was what constitutes a branch of a real estate office. They're still discussing state-approved forms. Their rule amendment and the new REPC will be effective in January, but they did not give out copies of it.
 - **David asks to add Nancy's REC report to the monthly agenda.**
- **New Business**
 - Underwriters' retainment of cancelled agents' files / Nancy
 - Nancy notes that ULTA put an older UID bulletin from 2014 regarding file retention in their newsletter. Are there any regulations that require underwriters to keep cancelled agent files? David says escrows have to maintain for the current year plus 3 years; title maintains from current year plus 15 years. They need to retain evidence of search and examination, not actual records. Some agencies keep the title and escrow files together and others separate them.
 - Nancy notes that this has come up before but the discussion didn't go anywhere. She thought the UID was going to come up with something that would make underwriters more responsible for cancelled agent' files. Randy O. doesn't recall that, and he would have been involved in the discussions.
 - David notes that a few years ago a company closed and wanted to turn their files over to the underwriter, but the underwriter refused them. The files were then just destroyed. Perri says the bulletin was the response to that. David says that's correct, but is it sufficient to just keep the evidence of a search and exam? He says keeping files can be expensive.
 - David asks what happens if the agent closes their doors and the underwriter doesn't want the files. Commissioner Kiser asks what the risk is to Nancy (underwriter) if David (agency) goes out of business; also if Nancy goes out of business, what's the risk to David? It seems the company would need to do whatever it needs to do to protect itself from the acts of the agents whether it's expensive or not. He doesn't think the impetus is on the UID to say it's too expensive for the company. It's not the UID's responsibility if a company goes out of business — people will go to the underwriter for help. He says it's up to the industry to do what they need to do to protect people.
 - Nancy says Stewart retains files based on the 15-year requirement. However, they go back through and clear files and get a lot of calls from title companies needing clearing. She's not sure if she needs to if it's not something the industry feels is important for other underwriters to do. She spends a lot of money and storage on cancelled agents' files, They thought they were doing it based on the UID bulletin, but if that's not something that's necessary and is just based on the underwriter, that's fine too. She's trying to understand where the UID is coming from.

- Adam says this is covered under 31A-20-110. It says evidence of search must be retained either originally or in a form that can accurately and reliably reproduce the original.
- David notes that he closed a title company in 2006 and everything was digitized. The 15 year length is helpful to clearing a title. The issue comes when a company hasn't followed through on recording a reconveyance or release. It's good to have something that shows what was done.
- **Old Business**
 - Discuss amendments to R592-7 re: no more than ½ CE be from one insurer / James
 - **David moves this topic to the February meeting.**
 - David's only question is whether the TEC's approval process for CE is a rubber stamp or something else. He wants to make sure we don't create a burden for the UID or Michael. He questions what happens if she and the Commissioner approve a course, but then the TEC doesn't approve it.
- **Other Business**
 - Randy appreciates the inclusion of the list of meetings for the year on these agendas. He notes that he may not be able to attend the February and June meetings.
- **Hot Topics**

Executive Session (None)

- **Adjourn** (9:25 AM)
 - **Motion by Nancy to adjourn. Seconded by Randy. Motion passes 3-0.**
- **Next Meeting: February 12, 2018** — Aspen Room

2018 Meeting Schedule in Copper Room

Jan 8	Feb 12 (<i>Aspen</i>)	Mar 12	Apr 9	May 14	Jun 11
Jul 9	Aug 13	Sept 10	Oct 1	Nov 5	Dec 10