



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: March 13, 2023

Place: In Person

Virtual

Time: 9:00 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>) | |

DEPARTMENT STAFF

- | | | |
|--|--------------------------------------|--|
| Jon Pike, <i>Insurance Commissioner</i> | xReed Stringham, <i>Deputy Comm.</i> | xTracy Klausmeier, <i>P&C Dir.</i> |
| xRandy Overstreet, <i>Licensing Dir.</i> | Patrick Lee, <i>Finance Dir.</i> | xAdam Martin, <i>MC Examiner</i> |
| Michael Covington, <i>CE Specialist</i> | xSteve Gooch, <i>PIO Recorder</i> | |

PUBLIC

- | | | |
|----------------|---------------|----------------|
| Blake Heiner | Bob Rice | Carol Yamamoto |
| Cort Ashton | Dan Orullian | Joseph McPhie |
| Frank Medina | Matt Ryden | Rachael Ortiz |
| Tammy Greening | Wade Taylor | Nate Sprague |
| Kurt Andrews | TeJay Rasband | Kim Cruz |
| Matt Sager | | |

MINUTES — Approved

General Session: (Open to the Public)

- **Welcome** / Kim Holbrook, Chair (9:04 AM)
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
 - **Motion by Jeff to adopt minutes. Seconded by Chase. Motion passes 4-0.**
 - YEA: Kim, Chase, Darla, Jeff
 - NAY: None
- **Concurrence Reports**
 - Licenses
 - Kim welcomes a new agency, The Real Title Open Group, to the industry, and also the new agents.
 - **Motion by Darla to concur. Seconded by Chase. Motion passes 4-0.**
 - YEA: Kim, Chase, Darla, Jeff

- NAY: None
- **Update on 2023 Goals**
 - ULTA report / Kim
 - *Timestamp 03:55*
 - The ULTA Executive Committee meets today at noon and will be discussing legislation, TEC news, and other questions or concerns.
 - There is a PRIA meeting coming up in March. They are looking for a new co-chair.
 - Discuss 2023 goals / Kim
 - *Timestamp 04:55*
 - Kim proposes adding "cyber and" to item #4: "Increase awareness of cyber and wire fraud's effect on consumers and agencies."
 - **Motion by Jeff to adopt the 2023 goals with Kim's proposal. Seconded by Chase. Motion passes 4-0.**
 - YEA: Kim, Darla, Chase, Jeff
- **New Business**
 - TEC discussions regarding concurrence with penalties / Reed
 - *Timestamp 07:05*
 - Reed discusses the process for obtaining the TEC's concurrence with a stipulation and order for a penalty. Stipulations have all been scrutinized by the respondent, the UID's lawyers, and the administrative law judge, and all parties have agreed that the action is explicable and supported by the law. The information contained in the stipulation and order is enough for the TEC to make a determination regarding concurrence.
- **Old Business**
- **Other Business**
 - Legislative update / Reed
 - *Timestamp 14:40*
 - Reed gives an overview of HB 410, Insurance Amendments, which has several provisions that affect the title industry.
 - The amendments may require rule changes. The UID will bring proposed changes to the TEC for review at a later date. The proposed changes will focus only on changes that are required by the statutory amendments.
 - Accepting applications for the TEC / Steve
 - *Timestamp 24:45*
 - Kim thanks Cal Robinson for his service on the board, and wishes him and his family the best.
 - There are three board member seats that need to be filled. Terms are for 4 years, and applications must be received by March 31.
 - Apply at:
 - Insurer member: <https://boards.utah.gov/s/board-seat/a028y000001ObWyAAK/seat13672>
 - Agency member: <https://boards.utah.gov/s/board-seat/a028y000001ObWzAAK/seat13673>
 - Agency member: <https://boards.utah.gov/s/board-seat/a028y000001ObWxAAK/seat13671>
 - This is a half-term and must be filled ASAP
 - April meeting with REC? / Steve
 - *Timestamp 27:00*
 - The TEC would like to hold a meeting with the REC if they're available. Steve will confirm the date with the REC.
- **Hot Topics**
 - Loans using an attorney opinion letter / Matt Sager
 - *Timestamp 27:45*
 - Matt discusses the recent issue that has arisen with attorney opinion letters (AOL) and the UID's recent bulletin regarding them.

- There is discussion about the differences and similarities between AOLs, closing indemnification letters (CIL), and policies of title insurance.
- There is discussion about various possible situations involving AOLs and CILs, and whether they would be insurance in those cases. In most cases, they're very similar but likely not actual insurance products. It's a complex issue.
- The bulletins from 2010 and 2012 regarding indemnification should stand as boundaries, and AOLs should be reviewed within those boundaries, and a determination needs to be made about whether an AOL is an authorized insurance product.
- There may be a risk to the public if AOLs and CILs require agents to come up with cash that they don't have to handle an indemnification. Agencies will need to know of the risks and know what they're signing.
- The UID will need to review the AOLs and CILs to determine whether they're insurance products. The Idaho Department of Insurance has been talking with United Wholesale Mortgage (UWM) about the letters they use, and may have a contact at UWM that can provide copies of their letters to the UID.
- Synergy Title news report / Kim
 - *Timestamp 58:30*
 - Title insurance with post-policy fraud protection may be a remedy for the homeowners.
 - Topic will be on the agenda to discuss with the REC at the next TEC/REC meeting.

Executive Session (None)

- **Adjourn** (10:06 AM)
 - **Motion by Chase to adjourn. Seconded by Jeff. Motion passes 4-0.**
 - YEA: Kim, Chase, Darla, Jeff
 - NAY: None
- **Next Meeting: April 10, 2023** — Big Cottonwood Room, Taylorsville State Office Building

2023 Meeting Schedule

Jan 9 Canceled	Feb 13	Mar 13	Apr 10	May 8	Jun 12*
Jul 10	Aug 14	Sept 18	Oct 16*	Nov 13	Dec 11

*Proposed TEC/REC meeting immediately following