



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 8**, 2021

Time: **9AM**

Place: TELECONFERENCE ONLY

ATTENDEES

TITLE & ESCROW COMMISSION

xChair, Chase Phillips (<i>Agency, Weber County</i>)	xDarla Milovich (<i>Agency, Salt Lake County</i>)
xVice Chair, Nancy Frandsen (<i>Insurer, Salt Lake County</i>)	xAlison McCoy (<i>Agency, Tooele County</i>)
xRandy Smart (<i>Public Member, Salt Lake County</i>)	xPerri Babalis, <i>AG Counsel - TEC</i>

DEPARTMENT STAFF

xJon Pike, <i>Insurance Commissioner</i>	xReed Stringham, <i>Deputy Comm.</i>	xTracy Klausmeier, <i>P&C Dir.</i>
Randy Overstreet, <i>Licensing Dir.</i>	xDanny Schoenfeld, <i>Finance Dir.</i>	xAdam Martin, <i>MC Examiner</i>
Michael Covington, <i>CE Specialist</i>	xSteve Gooch, <i>PIO Recorder</i>	xEddie Vasquez, <i>AG Counsel</i>

PUBLIC

Blake Heiner	Carol Yamamoto	Matt Sager
Wade Taylor	David Moore	Nathan Sprague
Joseph McPhie	Matt Ryden	Scott Cope
Jeff Wiener		

MINUTES — Approved

General Session: (Open to the Public)

- **Welcome** / Chase Phillips, Chair (9:00 AM)
- **Reading of Anchor Location Determination**
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
 - **Motion by Darla to adopt minutes. Seconded by Nancy. Motion passes 5-0.**
- **Concurrence Reports**
 - Licenses
 - Bruce Bartlett was originally licensed in 1982.
 - David Cope was originally licensed in 1980.
 - **Motion by Alison to concur. Seconded by Darla. Motion passes 4-0.**
 - Chair's phone dropped the call; vice chair finished the vote.
- **Board Duties & Responsibilities** / Perri
- **Update on 2020 Goals**
 - ULTA report / Nancy
 - The main discussion at last month's meeting was the proposed changes to R592-6. Nancy received a letter from the ULTA executive committee, and Steve has distributed it. It will be part of Reed's discussion later in the meeting.
 - REC report / Darla

- 26 new complaints, 27 closed complaints, 457 pending, 9 at the AG's office
 - **New Business**
 - Proposed amendments to R592-6 / Reed
 - Reed tried to identify the sections he'd moved by adding information and highlighting it. He hopes that everyone can see that everything that was in the old two rules is still contained in this one rule, just in a different place.
 - Nancy notes that line 36 talks about conducting a continuing education (CE) program. She wants to make sure that it doesn't prohibit new agent training for real estate companies. That's not a CE program — it's something title companies do for people who aren't licensed yet. She wants to make sure the UID isn't precluding something that isn't CE. She believes that it should be allowed so companies can continue to do their new agent program.
 - Nancy reads the letter to the TEC from Jon Ivins, president of the ULTA.
 - Chase says the changes make sense to him, and it appears the ULTA is supportive. He thinks the proposed changes seem to do exactly what Reed said it would. He asks if anyone has any concerns, and notes that the ULTA wants to add the ability to increase some of the fees listed in the rule, and the ability to review them more often than they are now. If inflation increases faster than the current five-year review period, it could be restrictive. He appreciates the idea, but is concerned that opening the rule might start debates on other areas of the rule. He'd welcome comments from the public on the ULTA's idea. He's not certain he wants to take it on at the moment, but it seems like a reasonable request.
 - Alison appreciates the ULTA's comments and the work that Reed has done. She supports Reed's changes, but isn't inclined to go past them at this point. It doesn't seem like the ULTA members had much interest in going further either.
 - Chase asks if the TEC has tried to set something up to look at inflation every two years and whether any allowed fees need to be increased. What would the process be? Perri isn't sure that's something that is appropriate to be put in a rule. The five-year review is to make sure the rule is relevant. The TEC can look at the rule any time. She doesn't think the Office of Administrative Rules would like a two-year review in the rule.
 - Reed says it looks like the TEC is considering two different questions: 1) should the rule changes as proposed be approved, and 2) should there be a process in place for a periodic review of all rules. He'd like to have #1 addressed first. But as for #2, there's a statutory limit on the amount of recovery of damages. The statute in Utah provides that it will be adjusted every year according to inflation. Risk Management is the group in state government that changes the cap. The TEC could enact a similar statute that involves a cap on damages.
 - Chase appreciates that other people in the industry have given the TEC something to consider and that could be a beneficial change. He doesn't want to be dismissive, but it's something that can be requested at any time. If the industry feels the restrictions are unfair or unreasonable, the TEC could look at that as an individual question. He's not inclined to bring other changes into the rule as proposed, but the TEC can look at that change under another proposed amendment.
 - **Chase asks to have a periodic review of fees put on the next agenda if the ULTA would like it discussed.**
 - Nancy returns to line 36 and wants to make sure that title companies can still do new agent training. Reed says as he reads it, CE means that credit is being given, and new agent training doesn't involve credit. The UID could easily make a fix to say that 36 doesn't apply to in-house new agent training. Nancy says that would be fine, but you could even say "if conducting a continuing education program." She says we don't want to preclude preclicensing classes for people who aren't licensed. It's not a new thing, she just wanted to make sure the UID doesn't have a problem with classes being done that aren't for CE. Reed says the UID doesn't have a concern about it, and if that's sufficient for the TEC we can leave it, or we can add something if necessary. Nancy says if there's no concern and nothing will change, then it's OK as-is, especially since the changes are only for this part of the rule and aren't adding anything new. She

appreciates the ULTA's input and support. She would approve this rule amendment based on what Reed has presented, and doesn't feel the need to open it for anything else at this time.

- Jeff Wiener notes that underwriters are filing and refiling rate manuals that are due April 1. This rule being open always generates discussion and new questions. His only concern is that it's a lot to bite off at this time. He anticipates that once the new rate justifications are filed, it'll take the UID some time to review, plus additional questions they'll get. He doesn't know that a change is dire today because it's just clarification, so maybe punting it down the road is a good idea. Chase asks if putting this rule into effect will cause the UID problems. Reed says there shouldn't be any; the rule is ready to go and just needs to be filed. He says it's important to have the clarifications in place because questions have come up during investigations about how to interpret the rule. The UID ended up dropping an investigation because of the confusion in the rule. He'd like to see it move forward, and has no concerns about it. Perri notes that rulemaking takes some time, and it wouldn't be made effective immediately. Steve says there's about a 45-day rulemaking period. It wouldn't be made effective until late April or early May.
- David Moore notes that lines 28 through 31 deal with open houses. He suggests that 29-31 be moved to sub-paragraphs of 28. Reed says that's a great idea.
- **Motion by Nancy to submit the rule with the changes proposed by Reed, including the changes to paragraphs 28 through 31 as discussed. Seconded by Darla. Motion passes 5-0.**

- **Old Business**

- **Other Business**

- Annual reports due April 30 / Adam
 - Adam notes that annual reports are due April 30 for any licensee that was licensed at any time from 2020 back. The report was restructured last year and removed the financial requirements. Now is only 1.5 pages and includes a few simple questions. The main request is the annual premium and branch offices for 2020. They can be filed now, and Adam would appreciate them being filed ASAP because he's also working on the rate filings.
- Openings on the TEC in 2021 / Steve
 - Nancy, Alison, and Randy will be completing their terms in June. We need to find replacements pretty quickly. The openings are for Title Insurer, Title Agency, and General Public members. There is a new application process with the Office of Boards & Commissions, and Steve hasn't been instructed on it yet. Most likely it will involve uploading a resume or CV, and a short application. In the meantime, interested parties should email Steve at sgooch@utah.gov.
 - Alison says she's really enjoyed serving on the board. Coming from a small title agency, it's been helpful to see different perspectives. She's also served as the at-large member of the Funeral Board and that's opened her eyes in a lot of different ways. She encourages people to have their friends and family apply, because serving on the board helps educate people about the industry, and it helps spread the word about the industry generally.
 - Nancy agrees with Alison. It's been very different doing the TEC meetings without seeing the public, the Department, and each other face to face. She asks if the new terms will be four-year terms as well. Steve says they're all four years.
 - Steve notes that the seats are appointed by the Governor with the consent of the Senate. He thinks that getting applications by April 15 ought to allow enough time for approval.
 - Chase notes that the TEC serves an important role. He suggests that agency owners encourage the rising stars in their agencies to apply. It's a good resume builder.

- **Hot Topics**

Executive Session (None)

- **Adjourn** (9:56 AM)
 - **Motion by Alison to adjourn. Seconded by Darla. Motion passes 5-0.**
- **Next Meeting: April 19, 2021** — Teleconference

2021 Meeting Schedule in Copper Room

Jan 11	Feb 8	Mar 8	Apr 19	May 10	Jun 14
Jul 12	Aug 9	Sept 13	Oct 18	Nov 8	Dec 20

* bold dates denote quarterly required in-person meetings