



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: June 11, 2018

Time: 9AM

Place: East Building, Copper Room

MEMBERS

COMMISSION MEMBERS

xChair, Alison McCoy (Agency, Tooele County) xNancy Frandsen (Insurer, Salt Lake County)
Vice Chair, David Moore (Agency, Salt Lake County) xJames Swan (Insurer, Salt Lake County)
Randy Smart (Public Member, Salt Lake County)

DEPARTMENT STAFF

xTodd Kiser, *Ins. Commissioner* Tanji Northrup, *Deputy Comm.* xReed Stringham, *Deputy Comm.*
xPerri Babalis, *AG Counsel - TEC* Tracy Klausmeier, *P&C Dir.* xRandy Overstreet, *Licensing Dir.*
xAdam Martin, *Examiner* xTanna Shurtliff, *Examiner* xMichael Covington, *CE Spec.*
xSteve Gooch, *PIO Recorder*

PUBLIC

Tim Krueger Carol Yamamoto Jeff Wiener
Blake Heiner Adam Back Wes Jensen [PHONE]
Wade Taylor [PHONE] Matt Ryden [PHONE] Chase Phillips [PHONE]

MINUTES — *Approved*

General Session: (Open to the Public)

- **Welcome** / Alison McCoy, Chair (9:00 AM)
 - David is excused
 - Randy is excused
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
 - **Motion by Nancy to adopt minutes. Seconded by James. Motion passes 3-0.**
- **Reports**
 - Concur with Licensee Report / Tanna
 - The reports have been condensed to show only the past 6 months.
 - There was 1 reinstated agency license and 1 reinstated agent license, plus several new and lapsed agent licenses.
 - Concur with Complaint & Enforcement Report / Tanna
 - There were no investigations opened or closed in May.
 - There were 19 closed and 10 opened Ecases.
 - There were 1 opened and 1 closed consumer complaints.
 - **Motion by James to concur with Licensee and Complaint & Enforcement reports. Seconded by Nancy. Motion passes 3-0.**
 - Request for Dual Licensee Expedited Request: None
 - Request for Attorney Exemption: None
- **Administrative Proceedings Action**
 - 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** / Alison
 - ULTA report / Alison
 - ULTA's July convention is coming up. Alison, Nancy and James will all be attending.
 - Real Estate Commission report
 - Nancy didn't attend the last meeting because she was out of town. They changed the date for their June meeting, to a date she can't make.
 - She would like to reach out to Mark Fagergren about road shows, as discussed in May.
- **New Business**
 - R592-7 / Randy O.
 - R592-7 will be made effective July 1.
 - Michael's first concern is turning on the new CE compliance feature with Sircon because it will affect agents immediately. The UID will need to properly notify the agents and let them know what to expect. Steve can send out an email blast. Randy O. notes that this email will be specific to title agents who have no other lines.
 - Sircon is setting up test features now, but Michael thinks it will be September before the feature is turned on.
 - Agents that are currently CE compliant will have their renewals go through. However, for agents that aren't CE compliant, the system will go through and calculate the hours to determine what can and can't be allowed.
 - James is concerned that some people may have spent time and money on CE that is currently OK under the rule, but may not be OK under the revised rule. Can the system give credit for classes that agents have paid for? Michael says the September date will let us notify people about what is happening; once the feature is activated on September, she won't be able to do anything about it. James asks if someone took a health class in March but aren't ready to submit before September — will that eliminate that credit? Michael says yes. Randy O. says the two months of warning will let agents make sure they're compliant.
 - Commissioner Kiser says if the agent brought records showing they took the class, the UID would work with the agent during the transition period. We don't want to fine agents and take licenses away during the transition. Michael says the UID can override Sircon in some cases, but it gets difficult because it could extend for two years potentially.
 - Michael would like the ULTA and insurers to help get the word out about the rule change, so agents know about it. Alison will email the ULTA board to see if they can announce it at the ULTA convention in July.
 - Jeff Wiener asks if his license renewal is in October, can he still finish all of his CE prior to September outside the new rule regulations and have it qualify as compliant in October. Michael says that's right — just don't take any CE after you're compliant. Jeff asks if he takes a class in September, will that knock out any noncompliant classes he'd taken previously. Michael says yes.
 - Commissioner Kiser says the challenge will come when an agent has fulfilled their CE, but in the wrong categories and gets a notice that their renewal is noncompliant.
 - Jeff notes that a lot of agents have to take a CE class at the last minute. If someone takes a CE class on the day before renewal in the right categories, but they had 3 classes prior that were in the wrong categories, would that make the agent noncompliant. Michael says that when the feature is turned on, it will calculate from that moment going forward. Jeff suspects this will result in some lapsed licenses as we clean up the CE issue. Nancy agrees and suggests that the UID send something September 1 telling agents to check their hours to see what hours have fallen off. Being proactive is better than having the hours fall off. Nancy asks if Michael can override the hours, or do they have to wait for the license to lapse. Michael says yes, but she'll have to do

- overrides for a couple of years. Randy O. says agents should contact Michael ahead of time to work it out.
- Jeff asks if the classes themselves will drop out of Sircon. Michael says no, it will just show that zero hours apply. Jeff doesn't want agents to have to worry about finding old certificates. Michael says they won't have to; their transcripts will show that they took the classes but that zero hours apply.
 - Alison asks if there's a report that can be generated that would say who has CE already banked in the system, so Michael can contact those people specifically. Michael says yes, and she will ask Sircon for a list of people renewing through December.
 - Blake Heiner suggests sending an email blast ASAP, and then another one a couple of weeks before the September start date.
- Testing pass/fail rate / Randy O.
- This year's exam review workshop will be August 14-15 at the same hotel as usual. Following the workshop, the UID will work with PSI to update the test.
 - Randy O. was able to get the title license pass/fail rate for the past 3 years. He notes that the UID has had the same vendor (PSI) for the past 3 years, and because title is a relatively small industry, the sample size for the test is also small.
 - For the title escrow exam, the pass rate is 47% (134 exams). We prefer the pass rate to be 60-70% on the first time. When you make changes to the test, you can't always know the pass rate you'll end up with. So you have to make changes and watch the trend over the next few years. We don't want the test to be too easy or too difficult, and it looks like it's currently too difficult.
 - Alison reads the numbers for 2017:
 - Title Escrow — 47% (134 exams)
 - Title Examiner — 63% (38 exams)
 - Title Marketing — 46%
 - Carol Yamamoto says she's participated in the exam review workshop before and wonders if the goal is for agents to pass the test, or for them to know the job.
 - Commissioner Kiser suggests that business owners ought to provide mentor programs. When kids come out of college with skills and education, sometimes they just don't know the job. If companies or agencies can provide mentoring opportunities, we will see higher success ratios. Carol agrees, but says her company doesn't have the resources to mentor. She notes that 20 years ago she used to go to classes provided by the state and they were very valuable.
 - Blake says there's a difference between being licensed and knowing what you're doing. He doesn't think putting too high an expectation on the licensing is helpful. The license is the first step, then you have to learn how the business works. Carol agrees and says millennials aren't willing to listen or accept constructive criticism.
 - Alison notes that the goal for the test is "minimally competent."
 - Randy O. says if the TEC wants to keep the tests difficult, we can do that. However, he would suggest tweaking the difficulty of some questions to allow more people to pass, especially on the escrow and marketing tests.
 - Jeff says he suspects that the reason the title examiner test is in the right pass/fail range is because it hasn't changed much, unlike the other areas. The other areas have had significant changes that have resulted in outdated questions. He says he remembers Tammy going through all the questions to eliminate the ones that no longer applied. He doesn't know where it ended up, but he knew she had difficulty getting the questions. Adam says he and Angie reviewed all the questions last year. Very few were outdated, and they removed any of them that were.
 - Nancy suggests that part of the millennial mindset is trying to pass a test first without studying. That could be part of why the scores are so low. She's heard that the test is really easy, which is what they saw during the review last year.
 - Jeff asks if the UID can get the second-time pass rate, because that could prove Nancy's theory.

- Alison asks if there's a waiting period between tests. Randy O. says no. She suggests adding one so people don't just take the test over and over and over again.
- **Old Business**
 - Minimum E&O requirements / David
 - **Moved to July.**
- **Other Business**
- **Hot Topics**
 - Alison notes that the TEC is required to meet monthly by statute. She asks if there's any appetite for changing the requirements of how often the board needs to meet.
 - **Added to July meeting for discussion.**
 - Perri notes that the TEC needs to select a new chair and vice chair in July.

Executive Session (None)

- **Adjourn** (9:49 AM)
 - **Motion by James to adjourn. Seconded by Nancy. Motion passes 3-0.**
- **Next Meeting: July 9, 2018** — Copper Room

2018 Meeting Schedule in Copper Room

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