



# 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: July 9, 2018**

**Time: 9AM**

**Place: East Building, Copper Room**

### ATTENDEES

#### TITLE & ESCROW COMMISSION

xChair, 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)      xPerri Babalis, AG Counsel - TEC

#### DEPARTMENT STAFF

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

#### PUBLIC

Matt Sager      Carol Yamamoto      Tim Krueger  
Tim Grubb      Kim Mosby      Blake Heiner  
Frank Medina      Matt Ryden [PHONE]      Jeff Wiener [PHONE]  
Chase Phillips [PHONE]

### MINUTES — *Approved*

#### *General Session: (Open to the Public)*

- **Welcome** / Alison McCoy, Chair (9:02 AM)
  - James is excused.
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
  - **Motion by David to adopt minutes. Seconded by Nancy. Motion passes 4-0.**
- **Reports**
  - Concur with Licensee Report / Randy O.
    - There were no new agency licenses and several new title agent licenses.
    - Nancy says the TEC doesn't need to see renewed licenses — they only want to see new, lapsed, and reinstated licenses. Randy O. says the code requires that the UID present on new and renewal licenses.
    - Reed says the UID is trying to make things more efficient and informative, and also compliant with the law. He asks if the TEC wants info on lapsed and reinstated licenses, in addition to the required new and renewed licenses. David says yes. It's good for the TEC to know if people or agencies are lapsing and what the timeframe is.
    - **Motion by Randy to concur. Seconded by David. Motion passes 4-0.**
  - Concur with Complaint & Enforcement Report / Tanna
    - Tanna has been noticing a co-advertising trend and it is becoming an issue. It would be good if agencies could let their agents know that co-advertising isn't allowed.
    - There are 8 open cases and 12 closed cases. There was 1 complaint opened and 2 complaints closed.
    - **Motion by Nancy to concur. Seconded by David. Motion passes 4-0.**

- Approved Continuing Education Quarterly Report / Michael
  - The spreadsheet includes the date the course was put into force, the course title, the CE provider, and the number of courses approved for the month.
  - Number of courses approved in the quarter:
    - April – 14
    - May – 3
    - June – 9
  - **Motion by David to concur. Seconded by Randy. Motion passes 4-0.**
- 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**
  - ULTA report / Alison
    - The ULTA has been having Alison report on the TEC's activities. They talked about wire fraud on their last call.
    - The ULTA will be having its convention this week. Alison will report on it in August. She'll see if ULTA can address co-advertising while she's there.
  - Real Estate Commission report / Nancy
    - Nancy talked to Mark Fagergren about their spring caravan, and she asked him if wire fraud was addressed. He said it was, but probably not as much as the TEC would like. The caravan was for appraisers, lenders and realtors, and didn't focus on wire fraud. Nancy's company has found that wire fraud claims are coming from realtors' Gmail accounts.
    - Mark suggested that it might be beneficial for the TEC to initiate a 1-2 hour course about fraud scenarios and schemes. The hard thing for the DRE is making realtors feel like a course is important. If the TEC was behind a course, more realtors might be interested if the TEC was behind it.
    - Michael says there are a lot of DRE classes that could be approved on the TEC's side.
    - Randy O. asks if a certain percentage of the class would need to be about title insurance. David says it's an escrow matter.
    - Nancy says they want the TEC to file the class with the DRE and teach it to realtors to give it more clout.
- **New Business**
  - TEC meeting schedule / Alison
    - The TEC is currently required by statute to meet monthly. She is wondering if there's any appetite to change the statute so the TEC is required to meet quarterly but may meet monthly as necessary. The change would be made so commission members wouldn't waste time and resources in the event of a light agenda.
    - Randy asked Steve today if meetings are always light, because the last several haven't given the TEC much to do.
    - David says the only other title commission he knows of is in Colorado, and they meet quarterly.
    - Alison asks how the UID would start a legislative change. Commissioner Kiser says the UID would consider it, but there would need to be industry support and the genesis would have to come from the TEC. Alison says she talked with the ULTA and they agreed that there shouldn't be a meeting if they didn't need one.

- David notes that changing to quarterly would allow telephonic meetings. Perri says the regular quarterly meetings would need to be in-person, but others could be telephonic.
  - David asks if anyone at the meeting is opposed to changing to quarterly meetings. There are no dissenters.
  - **Motion by David to recommend that the UID ask for a legislative change to require TEC meetings at least quarterly. Seconded by Nancy. Motion passes 4-0.**
- Proposed reporting by the Department / Reed
  - Reed says the UID has been trying to make reporting efficient and informative, and has reviewed the statutes behind the reports.
  - The UID is required to report on penalties that are imposed, with the TEC voting to concur or not concur. The UID will present a copy of the ALJ's order as has been done in the past.
  - Licensing was discussed earlier, and will include a written report for each of the four areas.
  - Exemptions will be done the same way as licensing.
  - Reed notes that there's a lot of delay in having someone talk about each of those three reports: penalties, licensing, and exemptions. Everyone gets them before the meeting, so he suggests just having the TEC go straight into discussion without having the UID report on them. That could make the meetings more efficient.
  - CE courses are required to be reported quarterly.
  - Investigations are required to be reported annually. This will include the number and type of complaints, action taken, and the length of time they were open. In the past, the UID presented a large spreadsheet every month. He proposes presenting it annually which will show a broader perspective and trends. He doesn't think people look at past reports to make sense of the month-to-month timeline. Randy asks if the report will be more of a narrative then. Reed says he expects it to be.
  - Nancy asks when the annual investigation report would be presented. Reed said it could be on a calendar year schedule or whenever they want. Alison suggests doing it at the same time we do Perri's annual training. Nancy asks if it could be done at the next meeting. Tracy thinks we'd need at least until September to pull together a narrative and spreadsheet.
  - David notes that there could be a delay in getting new TEC members, so he suggests making September the annual meeting for training and annual reporting.
  - Randy O. asks what months they would want to do quarterly meetings. David says March, June, September, and December would work. Reed says it might be too early to solidify a schedule.
  - Nancy asks how soon it would be before the quarterly schedule would be effective. David says May, and Randy clarifies that it would be 60 days after the ~~[effective date]~~ last day of the legislative session.
  - **Motion by David to approve the UID's plan, along with an annual meeting in September. Seconded by Nancy. Motion passes 4-0.**
- 5-year review of R592-10 / Steve
  - David says everything looks good.
  - Matt Sager says R592-10-5 requires that each office provide notification when there's a change to an office manager. He asks if that's still relevant and necessary. He doesn't think many agencies provide that and questions the value of knowing the manager of the office. He notes that the UID will have contact info for individuals and may not need to know office managers.
  - Nancy asks if these reports are coming in and who gets them. Randy O. says that's a requirement for all producer agencies and insurers. Alison asks if this is more relevant for management, not office managers. Randy O. says no.
  - David notes that this is probably due to the assessment. He agrees with Matt and suggests eliminating the paragraph. Alison suggests maybe just changing it to "ownership" of the business. Randy says the rule says "owner, partner, officer or director of an agency." If an office manager isn't considered to be one of those, they wouldn't need to be included.

- David says R592-10-5 is needed because of the assessment because it's based on the number of offices a licensee has, but do agencies need to report the office manager? Tanna says it's nice to know who to call with questions. But it's not used often and offices don't send them on a regular basis. David asks if it would cause her problems if item (c) was deleted. Tanna says no. She could call the office and ask for the manager if necessary.
    - Nancy says we need to take Matt's suggestion under advisement, but take the time to review it more in depth. **David adds it to the August agenda.**
    - **Motion by Nancy that R592-10 is a valuable rule and should be continued. Seconded by David. Motion passes 4-0.**
  - **Old Business**
    - Minimum E&O requirements / David
      - **Tabled until August.**
    - R592-7 / Randy O.
      - The comment period has been completed and the rule can be made effective.
      - Sircon has worked out the testing and the process is ready to go. The good news is that it will be simpler than anticipated and won't need as much lead time for notification. The last possible effective date is July 30.
      - Michael says she tested with Sircon and it was determined that courses taken previously — the ones they originally thought would unapply — stayed in effect. The bottom line is that the only thing agents need to be made aware of is that agents should not take CE classes outside the 3 categories (title, title ethics, and ethics).
      - Randy O. says all classes will count up until July 29, but starting July 30 they'll need to be more careful about what classes they're taking.
      - The TEC approves the UID sending the email out, then making the rule effective the same day we turn on the system.
      - Nancy makes sure we have a paragraph in the email to address the previous hours question. Michael says we will.
      - David asks if any ethics class is available, or if it's just title ethics. Michael says the qualifying categories are title, title ethics, and ethics.
      - Nancy confirms that the email will go all title licensees. Michael says it will. It will also address that grandfathered agents won't need to worry about it and neither will agents with other lines of authority in addition to title.
  - **Other Business**
    - Title assessments / Tanna
      - Title assessments will be sent out August 1 with a due date of August 30.
    - Elect new chair & vice chair
      - **Motion by David to elect James as chair, with Alison as vice chair. Seconded by Nancy. Motion passes 4-0.**
  - **Hot Topics**

*Executive Session* (None)

- **Adjourn** (9:48 AM)
  - **Motion by Nancy to adjourn. Seconded by David. Motion passes 4-0.**
- **Next Meeting: August 13, 2018** — Copper 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 |