



State of Utah

SPENCER J. COX  
Governor

DEIDRE M. HENDERSON  
Lieutenant Governor

## Insurance Department

JONATHAN T. PIKE  
Insurance Commissioner

## Title & Escrow Commission Special Meeting

<https://insurance.utah.gov/licensee/title/tec>

**Date:** February 21, 2024

**Place:** In Person

**Virtual**

**Time:** 11:00 AM

Taylorsville SOB  
4315 S. 2700 W.  
Little Cottonwood Room  
Taylorsville, UT 84129

Google Meet

*\*This special meeting was called at the request of the Insurance Commissioner under 31A-2-403(6)(c)(i)\**

### ATTENDEES

#### TITLE & ESCROW COMMISSION

xChair, Kim Holbrook (*Insurer, Davis County*)      xNathan Sprague (*Insurer, Utah County*)  
xVice Chair, Jeff Mathews (*Public, Morgan County*)      xTina Williams (*Agency, Juab County*)  
xKevin Parke (*Agency, Salt Lake County*)

#### DEPARTMENT STAFF

xJon Pike, *Insurance Commissioner*      xReed Stringham, *Deputy Comm.*      xTracy Klausmeier, *P&C Dir.*  
xRandy Overstreet, *Licensing Mgr.*      Patrick Lee, *Finance Dir.*      xKelly Christensen, *P&C Asst. Dir.*  
Michael Covington, *CE Specialist*      xSteve Gooch, *PIO Recorder*

#### PUBLIC

Cort Ashton      Nancy Frandsen      Joseph McPhie  
Rachael Ortiz      Matt Ryden      David Smith  
Wade Taylor      Frank Medina      Jessica Goodman  
TeJay Rasband      Matt Sager

## MINUTES — Not Approved

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

- **Welcome** / Kim Holbrook, Chair (11:01 AM)
- **Telephone Roll Call**
- **New Business**
  - Recommended changes to R592-6 / Reed
    - *Timestamp 03:00*
    - The purpose of this meeting is to review and approve the changes that were discussed and agreed to at the February 12 meeting.
    - Discussion about R592-6-4(6), which concerns the sharing of office space. Discussion focuses on how the change could interfere with a landlord doing business.
    - Kim recommends removing "under an agreement to which the client is a party" to deal with the landlord issue. Tina and Jeff agree.

- Discussion about R592-6-4(7), which sets expectations for complying with the rule.
- Discussion about R592-6-4(17), which is being removed because it clashes with Subsection (21).
- Discussion about R592-6-4(21), which includes items moved from Subsection (17).
- Discussion about R592-6-5, which sets a deadline to comply with the rule. Jeff objects to an arbitrary date because it forces a landlord to change a valid, executed contract with a tenant. Discussion about getting rid of the specific date and sticking with the expiration date of the current agreement.
- Nate notes that some leases may have clauses that allows renewal or extension of the term. He thinks having a date is a good thing. Reed says "current agreement" wouldn't allow someone to exercise their right to renew. Jeff says a renewal agreement or extension is a valid part of the lease and cannot be prohibited. Reed says the prohibition would apply to the person wanting to renew the lease, not the landlord.
- Discussion about making the language more about sharing common resources and less about the space itself.
- Discussion about the need to set an end date for enforcement purposes, and whether such a limitation interferes with the right to contract. Reed says if we're already limiting what kind of space can be leased — i.e., no internal doors — this is just another kind of limitation that disallows renewing a lease. He proposes an end date of December 31, 2029.
- Discussion about changing the rule to just say office space cannot be shared at all, including common space.
- Reed proposes changing the language to be "(6) Occupying office space with a client, except:" and then a list of exceptions that includes a lobby and a break room and other areas the commissioner deems appropriate.
- Cort believes that "separate and distinct" is a statutory requirement, and the rule is the right place to give guidance about what "separate and distinct" is.
- Tracy notes that the rule language is complicated for market conduct to enforce because different people have different ideas about what's OK and what's not. Reed is trying to draw a line in the sand so examiners know what is and is not a violation.
- Discussion about specific common spaces and whether they should be allowed.
- Reed will make changes and take suggestions for the rule and will present them at a future meeting.

**Executive Session** (None)

- **Adjourn** (12:00 PM)
  - **Motion by Tina to adjourn. Seconded by Nate. Motion passes 5-0.**
    - YEA: Kim, Kevin, Tina, Nate, Jeff
    - NAY: None
- **Next Meeting: March 11, 2024** — Flaming Gorge Room, Taylorsville State Office Building

**2024 Meeting Schedule**

<del>Jan 22</del> Flaming Gorge	<del>Feb 12</del> Flaming Gorge	Mar 11 Flaming Gorge	Apr 8* TBD	May 13 TBD	<b>Jun 10</b> TBD
Jul 8 TBD	Aug 19 TBD	Sep 9 TBD	Oct 21* TBD	Nov 18 TBD	Dec 9 TBD

\*Proposed TEC/REC meeting immediately following