



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/licensees/title/tec/>)

Date: **October 20, 2025**

Place: **In Person**

Virtual

Taylorsville SOB

Google Meet

Time: **9:00 AM**

4315 S. 2700 W.

Flaming Gorge Room

Taylorsville, UT 84129

ATTENDEES

TITLE & ESCROW COMMISSION

xChair, Nathan Sprague (*Insurer, Utah County*)

xKim Cruz (*Insurer, Salt Lake County*)

xVice Chair, Kevin Parke (*Agency, Salt Lake County*)

xWarren Lignell (*Public, Utah County*)

xDoug Newell (*Agency, Carbon County*)

DEPARTMENT STAFF

Jon Pike, *Insurance Commissioner*

xReed Stringham, *Deputy Comm.*

xTracy Klausmeier, *P&C Dir.*

xRandy Overstreet, *Licensing Mgr.*

xMichael Covington, *CE Specialist*

Patrick Lee, *Finance Dir.*

xSteve Gooch, *PIO Recorder*

xJeanine Couser, *Notary Public*

xPerri Babalis, *AG Counsel*

PUBLIC

Jeff Mathews

Matt Sager

Wade Taylor

Blaine Einzinger

Jeff Wiener

Mike Sumner

Brooke Adair

Cort Ashton

Matthew Carey

Shellie Ennis

Jessica Goodman

Wendy Jeffery

Joseph McPhie

January Stark

Tina Williams

Blake Heiner

Bob Rice

Dan Orullian

Frank Medina

James Swan

Rachael Ortiz

Steven Troop

MINUTES — Not Approved

General Session: (Open to the Public)

- **Welcome** / Nathan Sprague, Chair (9:03 AM)
- **Telephone Roll Call**
- **Swear in New Board Member** / Jeanine Couser
 - *Timestamp 02:05*
 - Jeanine Couser administered the oath of office to new commission member Warren Lignell.
 - Warren introduced himself, noting his background in cybersecurity and his interest in insurance and real estate.
- **Thank Outgoing Member for Service** / Reed
 - *Timestamp 04:45*

- Reed and the commission thanked Jeff Mathews for his service as the public member, noting his valuable real estate experience and thoughtful contributions.
- **Adopt Minutes of Previous Meeting**
 - *Timestamp 07:15*
 - **Motion by Kevin to adopt minutes. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
- **Concurrence Reports**
 - Licenses
 - *Timestamp 08:08*
 - **Motion by Kevin to concur. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
 - Penalties
 - New concurrence process / Reed
 - *Timestamp 09:15*
 - Reed explained that, previously, the UID waited for the TEC's concurrence before enforcing an order. The statute only requires the commissioner to seek concurrence, but is silent regarding whether there's concurrence or not.
 - Going forward, the UID will enforce orders (especially emergency orders) immediately and then seek concurrence at the next meeting. Concurrence (or lack thereof) will be noted in the minutes. The statute gives the commissioner final authority if concurrence is not reached.
 - Kimberly J. Mosby and Gateway Title Insurance Agency LLC, Docket #2025-4824
 - *Timestamp 13:50*
 - This was a formal action case resulting in a judgment by default, which included the revocation of licenses for Kimberly J. Mosby and Gateway Title, the freezing of Gateway Title's bank account.
 - **Motion by Kevin to concur. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
 - Express Title Insurance Agency Inc., Docket #2025-4850
 - *Timestamp 17:00*
 - This was a stipulation for failure to pay the annual assessment timely, resulting in a \$250 forfeiture.
 - **Motion by Kevin to concur. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
 - Continuing education
 - *Timestamp 18:15*
 - **Motion by Kevin to concur. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
- **Update on 2025 Goals**
 - ULTA report / Kim
 - *Timestamp 19:23*
 - The ULTA conference is scheduled for January 22-23, which includes a meeting with legislators.
 - In-person CE classes are returning, with one recently held in Logan on October 16.
 - Tracy notes that she, Kim, and Nate worked on reviewing and improving the title licensee test.
- **Marketing Questions / Tracy**

Final determinations posted at <https://insurance.utah.gov/licensees/title/tec/#marketing-questions>.

- Q1: Can a title company be a sponsor of the Women's Council of Realtors' state orientation?
 - *Timestamp 21:34*
- **New Business**
 - Annual board member training / Perri Babalis
 - *Timestamp 28:00*
 - Perry Babalis provided the required annual training on the Open and Public Meetings Act.
 - Repeal of R592-1 / Reed
 - *Timestamp 36:22*
 - Reed presented a proposal to repeal rule R592-1, which contradicts state statute. The rule states that the commissioner's decision is not valid without TEC concurrence, while the statute gives the commissioner final authority. Since the statute is controlling, the rule is unnecessary.
 - The rule was created before the statute was amended.
 - Reed notes that the statute still requires concurrence, and the UID will continue to seek it.
 - **Motion by Kevin to repeal rule R592-1. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
 - Request for a rule to require a title licensee to disclose an ABA relationship to a consumer / Joseph McPhie
 - *Timestamp 44:04*
 - Joseph McPhie raised a question about whether title companies should be required to disclose an affiliated business arrangement (ABA) if the partner (e.g., realtor, developer) does not.
 - Kevin and Kim note that the DRE performs audits for the ABA disclosure as part of the purchase contract.
 - Reed clarified that this area — RESPA Section 8 — is regulated by the DRE, not the UID. The UID has no authority to require disclosure.
- **Old Business**
- **Other Business**
 - Construction money rule / Reed
 - *Timestamp 50:02*
 - The UID proposed a statutory change to eliminate the prohibition on title agencies holding construction money.
 - Reed discusses the UID's reasoning: 1) The current statute is widely violated. 2) No one can agree on its interpretation. 3) It has consumer protection issues. 4) It's difficult to enforce, especially with DFI-licensed escrow companies owned by title principals, which the UID cannot audit.
 - Matt Sager notes that removing the prohibition would create massive, open-ended liability for underwriters. Underwriters are not comfortable with this, as they cannot oversee post-closing construction disbursements. The industry prefers to keep the statute and use a rule to clarify what "holding" means. The industry's view is that disbursing funds at closing (e.g., paying a mechanic's lien) should be permitted, while holding funds after closing for future draws is what the statute is intended to prohibit.
 - Matt Sager, Cort Ashton, and Joseph McPhie will revise a draft rule to define "holding construction money" and submit it to the department before the next meeting.
 - Subcommittee report on amending capitalization requirements / Reed
 - *Timestamp 01:35:20*
 - Reed reported that this effort has been abandoned.
 - The subcommittee realized any new capitalization requirements would not affect ABAs, as their requirements are set by the DRE, and having different standards was not feasible.

- Report on hiring of title insurance regulator / Tracy
 - *Timestamp 01:37:13*
 - Tracy announced that a new title insurance regulator has been hired from within the industry.
 - The new hire outscored DFI auditors on a financial and marketing test and will start on November 10.
- Report on recommendations for Insurance Amendments bill / Reed
 - *Timestamp 01:38:24*
 - Reed briefly reviewed proposed legislative changes, deferring a full discussion. Key items include:
 - Requiring agencies to have a wind-down plan for surrendering a license to protect escrow accounts.
 - Requiring the reporting of wire fraud (specifically fraud by the title agency, not other parties) to the UID and the underwriter for consumer protection.
 - Increasing minimums for bonds and professional liability insurance.
 - Clarifying UID authority to act if an agent is operating without an appointment.
- **Hot Topics**

Executive Session (None)

- **Adjourn** (10:53 AM)
 - **Motion by Kevin to adjourn. Seconded by Kim. Motion passed 5-0.**
 - YEA: Nate, Kevin, Kim, Doug, Warren
 - NAY: None
- **Next Meeting: November 10, 2025** — Flaming Gorge Room, Taylorsville State Office Building

2025 Meeting Schedule

Jan 13** ONLINE	Feb 10** ONLINE	Mar 10 Flaming Gorge	Apr 14 Flaming Gorge	May 12* Flaming Gorge	Jun 9 Flaming Gorge
Jul 14 Flaming Gorge	Aug 18 Flaming Gorge	Sep 8 Flaming Gorge	Oct 20* Flaming Gorge	Nov 10 Flaming Gorge	Dec 8** ONLINE

*Proposed TEC/REC meeting immediately following

**Online only

*These minutes were prepared with the assistance of Google Gemini AI.
They have been reviewed and improved by a human person and are accurate.*