Title and Escrow Commission 2026 Report

Prepared and Submitted by the Title and Escrow Commission pursuant to Utah Code Section 67-1-2.5(5)

I. The Purpose of the Title and Escrow Commission

The Title and Escrow Commission (TEC) serves as a liaison between the Utah Insurance Department (UID) and the title industry. Its role includes:

- **Rulemaking**: The TEC makes rules related to title insurance matters, including rules related to rating standards and rating methods for a title licensee, licensing for a title licensee, the licensing requirements, examination for a license, continuing education requirements and standards for conduct.
- **Licensing:** The TEC reviews and votes to issue concurrence with the UID's monthly licensing report for the issuance and renewal of agency and individual licenses. In addition, the TEC participates in the annual license testing evaluation conducted by the commissioner's test administrator.
- **Fees and Assessments:** The TEC establishes, with the concurrence of the Insurance Commissioner, the fees imposed on a title licensee and, after consulting with the Commissioner, the assessment on a title insurer.
- **Education:** The TEC approves, with the concurrence of the Commissioner, continuing education programs.
- **Addressing Industry Concerns**: The TEC advises the Commissioner on critical matters affecting the title industry and requests the Commissioner to direct the UID's investigative resources to investigate and enforce those matters.
- **Ensuring Compliance**: The TEC, in conjunction with the UID, works to uphold ethical standards and compliance with state statutes and related rules within the industry.

This report was prepared with assistance from Google Gemini AI and ChatGPT.

II. Actions Taken by the Title and Escrow Commission Between Aug. 1, 2024, and July 1, 2026

The TEC meets on the second Monday of each month. Below is a list of actions taken during TEC meetings between August 2024 and July 2026. The list does not include actions such as approving minutes, concurrence with UID reports and penalties, or scheduling meetings.

The TEC took the following actions during its meetings:

- **August 2024**
  - Formed a subcommittee to focus on a homebuyer education and advertising effort
- **September 2024**
  - Issued determinations on industry marketing questions regarding social media/cobranding, promotional items, and CE classes
- **October 2024**
  - Voted to approve proposed changes to rule R592-11
- **November 2024**
  - Voted to approve further revisions to R592-11 to remove references to individual title insurance producers due to statutory changes
  - Authorized an expenditure of approximately $34,000 from the Title Insurance Recovery, Education, and Research Fund to retain an advertising agency for a public education campaign
  - Voted to continue rule R592-16 with updated references
- **December 2024**
  - Reviewed title insurance FAQs for consumers and discussed the statutory requirement for agencies to maintain a physical office
- **January 2025**
  - None
- **February 2025**
  - Voted to initiate the rulemaking process to formally address title agencies holding "construction money" under 31A-23a-406(2)(h)
- **March 2025**
  - Reviewed processes for agencies failing to meet statutory capital and net worth requirements
- **April 2025**
  - Voted to repeal rule R592-5, which was deemed unnecessary after the legislature removed the possibility for dual licensing
- **May 2025**

    - Issued a determination on a marketing question concerning volunteering for a company that requires title insurance
- **June 2025**
    - Answered marketing questions related to volunteering, Parade of Homes booths, and CE classes
- **July 2025**
    - Inducted two commission members (Kim Cruz and Doug Newell)
    - Elected Chair and Vice Chair
- **August 2025**
    - Answered multiple marketing questions
    - Formed a new subcommittee to explore capitalization requirements for new title agencies
    - Voted to continue rule R592-1
- **September 2025**
    - Modified the deadline for the Title Insurance Recovery and Education Fund assessment to August 31
- **October 2025**
    - Inducted one new commission member (Warren Lignell)
    - Voted to repeal rule R592-1, noting that it contradicted a state statute that gave the commissioner final authority over licensing decisions
- **November 2025**
    - Voted to strike R592-6-4(13) as it was overly broad and prohibited affiliated companies from doing things not permitted in the Insurance Code
- **January 2026**
    - Discussed and approved 2026 goals
- **February 2026**
    - Voted to continue rule R592-17
    - Voted to formally move forward with filing proposed rule R592-18 regarding construction money
- **March 2026**
    - Discussed public comments on proposed rule R592-18
- **April 2026**
    - Voted to amend R592-6-4(5) by striking the phrase "or its trade association," to clarify that trade associations are not subject to the same fair market value facility rental restrictions as clients
- **May 2026**
    - None
- **June 2026**
    - None

III. Recommendation on Statutory, Rule, or Other Changes to Improve Effectiveness

The TEC does not recommend specific statutory language in this report. However, the TEC believes that appropriately tailored statutory changes would better protect Utah consumers, improve regulatory responsiveness in matters unique to the title insurance industry, and reduce administrative burdens on the UID by more fully utilizing the TEC's subject-matter expertise.

Historically, the TEC was created to provide specialized title-insurance expertise and to serve as a meaningful regulatory partner in matters affecting title licensees, escrow practices, continuing education, and consumer protection. The TEC continues to believe that its effectiveness would be improved by statutory amendments that more clearly define the TEC's role in reviewing and addressing title-licensee conduct, licensing issues, continuing education approvals, enforcement priorities, and other matters uniquely affecting the title insurance industry.

The TEC also recommends that the Legislature consider whether the TEC's authority should be more closely aligned with comparable real estate-related regulatory bodies, including the Real Estate Commission (REC), while preserving appropriate oversight and coordination with the UID and the Insurance Commissioner. A statutory framework that more fully utilizes the TEC's subject-matter expertise would improve regulatory efficiency, assist the UID in addressing industry-specific issues, and strengthen consumer protection in Utah real estate transactions.

Because the appropriate scope and structure of any statutory change should be developed through collaboration with the UID, the Governor's office, legislators, industry stakeholders, and consumer representatives, the TEC does not propose specific statutory language at this time. The TEC recommends continued discussion and study of statutory changes that would better empower the TEC to fulfill its advisory, regulatory, and consumer-protection functions.

IV. Should the Title and Escrow Commission Continue to Exist?

Yes. The TEC is an essential resource to the UID, the REC, and consumers regarding real estate closings and title insurance which is provided on almost all real estate transactions in Utah. The TEC serves an important role in the communication between industry, the public and the government. In fact, the statutorily imposed composition of the TEC's members is reflective of its legislative mandate to serve a cross section of title insurance industry professionals and the public. The TEC provides current information gleaned from every region of Utah and brings matters related to real estate fraud and other industry specific issues to the attention of the UID as together we work to protect consumers across the state.

The TEC's role is also significant because title insurance is different from other lines of property and casualty insurance. The TEC's expertise in title insurance-related matters assists the UID, REC, and county recorders with enacting and/or promoting laws, rules, bulletins, and public notices for the good of the consumer. For example, title insurance is a one-time charge versus monthly premiums and provides coverage to consumers and their heirs as long as the consumer owns the property. Title insurance provides coverage for matters affecting title to real property generally up to the date of coverage, and typically when the consumer acquires the property, unlike other property and casualty insurance products that provide coverage and charge premiums for future occurrences. As a result of the uniqueness of title insurance among other insurance products, the TEC has been charged to assist the UID on statutory and rule making matters. Specifically, from August 2024 through July 2026, the TEC has assisted consultatively with rules and legislation related to consumer protection and rules related to the unfair inducement of title insurance business.

In addition to consulting, the TEC has historically worked alongside the REC to better educate consumers. Fraud continues to plague the industry. The TEC has promoted legislation and public education to better inform consumers and help prevent real estate-related fraud.

Lastly, the TEC has remained non-partisan in all approaches and is not considered a political body. The benefit and protection of the public always has been and always will remain the focus of TEC members. The role the TEC plays in the process of reviewing laws and rules affecting the practices surrounding the purchase of real estate and the issuance of title policies is paramount. The TEC performs the crucial roles of advocate, liaison, intermediary, and gatekeeper for title insurance-related matters impacting the public. Having a combination of knowledgeable industry and non-industry members with an avenue to make recommended changes to the UID as the real estate market and practices evolve over time, is vital to good governance and oversight by the State of Utah. This body has the granular knowledge and practical experience the UID and Legislators rely on when considering rule or statutory changes or rule creation or new legislation. For the good of the individual consumer and for the health and vitality of an industry that ultimately impacts most every Utahn, we strongly recommend the TEC's continued existence.

This report was circulated among and approved by all members of the Title & Escrow Commission: Nate Sprague, Kevin Parke, Kim Cruz, Doug Newell, and Warren Lignell.

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