State of Utah

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor
TODD E. KISER
Commissioner

Insurance Department

State of Utah
Title & Escrow Commission Meeting
Meeting Information

Date: **July 13**, 2015 **Time:** **9AM** **Place:** East Building, Copper Room

MEMBERS

COMMISSION MEMBERS

Chair, Bob Rice *(Insurer, Ada County, ID)*
xCo-Chair, Jeff Wiener *(Insurer, Salt Lake County)*
Sylvia Andersen *(Public Member, Salt Lake County)*
xKirk Smith *(Agency, Weber County)*
xLarry Blake *(Agency, Washington County)*

DEPARTMENT STAFF

xTodd Kiser, *Ins. Commissioner*
xMark Kleinfield, *ALJ*
xReed Stringham, *AG Counsel*
xPerri Babalis, *AG Counsel*
xSuzette Green-Wright, *MC Dir.*
Adam Martin, *Examiner*
xBrett Barratt, *Deputy Comm.*
xTammy Greening, *Examiner*
xSteve Gooch, *PIO Recorder*

PUBLIC

Matt Sager
James Seaman
Chase Phillips
Jeff Poulton
Mark Chandler
Pete Stevens
Frank Medina

MINUTES

General Session: *(Open to the Public)*

- **Welcome** / Mark Kleinfield (9:16 AM)
  - Purpose of meeting is to receive public comment on R592-6: Unfair Inducements and Marketing Practices in Obtaining Title Insurance Business
  - Filed May 29, 2015. Published in the Utah State Bulletin June 15, 2015.
  - Comment may be received until 5:00 PM on July 22, 2015. Earliest effective date is July 29, 2015, or as late as October 13, 2015.
- **Discussion of Proposed Changes to R592-6** / Jeff
  - The incorporated changes update the rule to fit the times and to provide clarity for recent interpretations and business practices.
- **Accept Comment from Industry**
  - Matt Sager, Operations Counsel, First American Title Insurance Company
    - Matt believes the rule is being pushed to immediately address social media and continuing education. He is concerned that other areas are being pushed through too quickly, and is not adequately clear.
    - R592-6-20 prohibits providing access to software that is used to access real property information. The current draft says the same thing, so based on the way the rule has been written and interpreted, nothing should have changed. He questions the intent and language, and his concern is with the change, will there be any change in the industry?
    - The language in 592-6-5(10-13) should be clarified. Matt will provide written comments that will provide that clarification. He also says it's not clear why there's a prohibition on certain types of information on a property profile. If the rule is passed, the cost of a property profile will remain the same. There are also some items that aren't defined, such as "last vesting deed of public record."

        - He proposes that the rule should not restrict the type information that is provided in a property profile.
        - In R592-6-5(11), the language is unclear in saying that you can "provide access to" water, beverages and edible treats. He suggests that it should be "furnish" water, beverages and edible treats.
        - In R592-6-5(12), the documents provided pertaining to a title commitment is limited to the documents used to produce a title commitment. He thinks there will be an odd factual determination of whether or not documents were used to produce, or whether they just pertain to the property.
        - He will submit other comments in writing.
        - He suggests that if a rule isn't right, it shouldn't be passed. His opinion is that the rule isn't right yet, but he understands the need to immediately address CE. He urges the commission to clarify rule to proceed with the CE and social media provisions, but allow the industry to further clarify the other provisions of the rule.
    - Jeff Poulton, Keystone Title Insurance Agency
        - Jeff is commenting about the cost of a business meal or activity being reduced to $50 per person per day. His company markets by taking people to lunch, golfing, or to other sporting events. They have already purchased Utah Jazz tickets for next year, specifically to stay under the $100 amount, but it will be above the $50 amount.
        - He thinks reducing it to $50 won't save any money, because their clients will want to be taken to lunch more often. It just reduces the options available for marketing activities. He proposes that it either be dropped further — to $15 or $20 — to restrict marketing activities to only lunches, or to keep it at $100.
    - Pete Stevens
        - Pete supports Matt's statements. He believes the rule is not clear and should not be passed. He commends the commission's and subcommittee's efforts, but the rule still has problems.
        - He also says the Real Estate Commission was never notified pursuant to statute 31A-2-404(4)(a)(iii). The commission must file the proposed rule and rule analysis with the same information that is provided to the Department of Administrative Rules.
    - Mark Chandler, SVP and General Counsel, Stewart Title (formerly Bonneville Superior Title)
        - Mark agrees with most of what Matt said. He thinks the two most important changes in the rule are social media and CE. He thinks there is too much ambiguity in the information that can be provided. He doesn't understand the reason for excluding certain demographic information because ultimately that information is pro-consumer.
        - He proposes dropping the $100 per meal/activity to $75 as a compromise, and to make it so people will violate the law less frequently.
    - Frank Medina, Operations Manager, Magellan Title
        - Frank is opposed to the $50 reduction. He says you cannot play golf for less than $50 in Northern Utah. He thinks it is uncalled for at this point, and says it is important that those business activities continue.
    - Chase Phillips, American Secure Title
        - Chase is against the $50 reduction as well. He notes that in R592-6-5(9), you can spend $75 on flowers for someone who is deceased, but only $50 for a business meal or sporting event. He says that historically this is the way business is done in Utah, and thinks it is important that it continue to be allowed. He doesn't understand the rule for limiting the cost, but thinks it should be increased.
        - He is also concerned about what "providing information" means in the rule, and would like clarification about what it means.
- **Accept Comment from Public**
    - Steve Gooch, PIO/Recorder, Utah Insurance Department

        - Regarding Pete's comment, Steve clarifies that the Real Estate Commission was notified according to the method given to him by his predecessor. It was sent on June 9 to two people. He doesn't know if the commission didn't recognize his name as being with the Insurance Department, but he will check with the Real Estate Commission to ensure that it doesn't happen again.
- **Adjourn** (9:52 AM)
    - No further comment from industry or public.
    - Comment will be accepted until at least 10:16 AM.