

R592. Insurance, Title and Escrow Commission.

R592-11. Title Insurance Producer Annual and Controlled Business Reports.

R592-11-1. Authority.

This rule is promulgated pursuant to:

(1) Section 31A-2-404(2)(a), which requires the Title and Escrow Commission (Commission) to make rules related to title insurance;

(2) Section 31A-23a-413, which requires the annual filing of a report by each agency title insurance producer, individual title insurance producer who is not designated to a title insurance agency, and attorneys licensed to practice law in Utah, who is also an individual title insurance producer not designated to a title insurance agency, containing a verified statement of the producer's financial condition, transactions, and affairs;

(3) Subsection 31A-23a-503(8), which requires the annual filing of a controlled business report; and

(4) Subsection 31A-23a-406(1)(g), which requires the maintenance of a physical address in Utah.

R592-11-2. Purpose and Scope.

(1) The purpose of this rule is to establish the form and filing deadline for the Title Insurance Producer Annual Report and Controlled Business Report required by Section 31A-23a-413 and Subsection 31A-23a-503(8)(a).

(2) This rule applies to all agency title insurance producers, individual title insurance producers not designated to a title insurance agency, and attorneys licensed to practice law in Utah, who are also individual title insurance producers not designated to a title insurance agency.

R592-11-3. Title Insurance Producer Annual Report.

(1) The following shall file a Title Insurance Producer Annual Report containing the information shown in Subsection R592-11-3(2):

(a) an agency title insurance producer;

(b) an individual title insurance producer not designated to an agency title insurance producer; and

(c) an attorney licensed to practice law in Utah, who is also an individual title insurance producer not designated to a title insurance agency.

(2) A Title Insurance Producer Annual Report shall consist of:

(a) a balance sheet and an income and expense statement prepared and presented in conformity with generally accepted accounting principles;

(i) title premium, including endorsement income and expenses, shall be reported separately from the escrow income and expenses;

(b) the name and address of each financial institution where a title or escrow trust account is maintained;

(c) proof of financial protection that complies with Subsection 31A-23a-204(2) shall consist of one or more of the following:

(i) a copy of the declarations page of a fidelity bond;

(ii) a copy of the declarations page of a professional liability insurance policy; or

(iii) a copy of the commissioner's approval of equivalent

financial protection approved by the commissioner;

(d) the name of the individual title insurance producer designated as the "qualifying licensee," as provided in 31A-23a-204; and

(e) the physical address in Utah maintained by the agency title insurance producer or individual title insurance producer, pursuant to 31A-23a-406(1)(g).

(3) Subsection R592-11-3-(2)(c) does not apply to an attorney exempted under 31A-23a-204(8).

(4) Agency title insurance producers, individual title insurance producers not designated to an agency title insurance producer and an attorney licensed to practice law in Utah, who is also an individual title insurance producer, not designated to a title insurance agency, shall file a Title Insurance Producer Annual Report not later than April 30 of each year.

(5) The Title Insurance Producer Annual Report period shall be the preceding calendar year.

(6) A Title Insurance Producer Annual Report will be considered protected data if the producer submitting the report requests classification as a protected record in accordance with Sections 63G-2-305 and 63G-2-309.

R592-11-4. Controlled Business Report.

(1) The following shall file an annual Controlled Business Report not later than April 30 of each year:

(a) an agency title insurance producer;

(b) an individual title insurance producer not designated to an agency title insurance producer; and

(c) an attorney licensed to practice law in Utah, who is also an individual title insurance producer not designated to a title insurance agency.

(2)(a) The Controlled Business Report period shall be the preceding calendar year and shall contain the information required in Subsection 31A-23a-503(8)(a); and

(b) contain the name, address, and percentage of ownership of each owner.

(3) A Controlled Business Report is a public record upon filing.

R592-11-5. Electronic Filing of Title Insurance Producer Annual Report and Controlled Business Report.

(1) The Title Insurance Producer Annual Report and the Controlled Business Report shall be submitted together electronically [~~via email to market.uid@utah.gov~~] using the Department of Insurance's secure file upload site located at the following site <https://forms.uid.utah.gov/insurance/fileUploads/>.

(a) Registration may be required.

(2) The Title Insurance Producer Annual Report and the Controlled Business Report shall be submitted not later than April 30 of each year as attachments to the Title Insurance Agency Annual Reports Transmittal Form.

(3) The following report forms, which are available on the department's website, shall be used to submit the Title Insurance Producer Annual Report and the Controlled Business Report:

(a) Title Insurance Producer Annual and Controlled Business

Reports Transmittal form; and

(b) Controlled Business Report form.

(4) Actual copies of the forms may be used or may be adapted to a particular word processing system, however, if adapted, the content, size, and font~~[, and format]~~ shall be similar and shall be:

(a) converted to a portable document format or PDF prior to submission, and

(b) submitted in order as listed on the Annual Report Checklist.

R592-11-6. Penalties.

A person found to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.

R592-11-7. Enforcement Date.

The commissioner will begin enforcing this rule 5 days from the rule's effective date.

R592-11-8. Severability.

If any provision or clause of this rule or its application to any person or situation is held invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

KEY: title insurance

Date of Enactment or Last Substantive Amendment: March 10, 2014

Notice of Continuation: June 15, 2011

Authorizing, and Implemented or Interpreted Law: 31A-2-404(2)(a); 31A-23a-406(1)(g); 31A-23a-413; 31A-23a-503(8)