



## 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/licensee/title/tec>)

**Date:** **May 9, 2022**

**Time:** **9:00 AM**

**Place:** **In Person**

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

**Virtual**

Google Meet

### ATTENDEES

#### TITLE & ESCROW COMMISSION

xChair, Kim Holbrook (*Insurer, Davis County*)

xDarla Milovich (*Agency, Salt Lake County*)

Vice Chair, Chase Phillips (*Agency, Weber County*)

xCal Robinson (*Agency, Iron County*)

xJeff Mathews (*Public Member, Morgan County*)

xPerri Babalis, *AG Counsel - TEC*

#### DEPARTMENT STAFF

xJon Pike, *Insurance Commissioner*

xReed Stringham, *Deputy Comm.*

xTracy Klausmeier, *P&C Dir.*

xRandy Overstreet, *Licensing Dir.*

Patrick Lee, *Finance Dir.*

xAdam Martin, *MC Examiner*

Michael Covington, *CE Specialist*

xSteve Gooch, *PIO Recorder*

xShelley Coudreaux, *AG Counsel*

#### PUBLIC

Matt Sager

Blake Heiner

Carol Yamamoto

Matt Ryden

Wade Taylor

Bob Rice

Branda Hansen

Joseph McPhie

Jonathan Ivins

David

### MINUTES — Not Approved

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

- **Welcome** / Kim Holbrook, Chair (9:05 AM)
- **Telephone Roll Call**
- **Board Duties & Responsibilities** / Perri
  - Perri introduces the UID's new AG representative, Shelley Coudreaux.
- **Update on 2022 Goals**
  - ULTA report / Kim
    - Kim is on the ULTA board, so she will do the monthly update going forward instead of Chase.
    - The ULTA convention is scheduled from June 30 to July 1. They are currently organizing CE classes, with wire fraud as a main topic, as well as retaining good employees and cryptocurrency.
    - The ULTA will continue to collaborate with the Division of Real Estate. Wire fraud is a hot topic, and Kim has some items to follow up on with the ULTA.
    - Kim will make sure title industry folks get a copy of the Real Estate Commission (REC) disclosure.
    - The annual report's due date was mentioned in the ULTA's latest newsletter.

- **Other Business**
  - In-person meeting schedule / Steve
    - HB31, the UID's bill, passed during the session and became effective on May 4. One of its changes was to require the TEC to have one annual in-person meeting rather than quarterly in-person meetings. It also allows a TEC member to attend a meeting electronically upon notice to the commissioner.
    - It is suggested that the in-person meeting be held on June 13, which is the next TEC meeting.
    - [Discussion continued after Concurrence Reports.]
- **Adopt Minutes of Previous Meeting**
  - April 11 TEC Meeting
    - **Motion by Kim to adopt minutes. Seconded by Jeff. Motion passes 4-0.**
  - April 11 TEC/REC Meeting
    - **Motion by Kim to adopt minutes. Seconded by Jeff. Motion passes 4-0.**
- **Concurrence Reports**
  - Licenses
    - **Motion by Kim to concur. Seconded by Darla. Motion passes 4-0.**
  - Penalties
    - Paradise Settlement Services LLC (Docket #2022-4387)
      - Adam received a complaint that turned into an investigation. Adam sent numerous contacts to Paradise requesting a response. After several attempts by mail and phone, Paradise has not responded.
      - The penalty is \$500 for failing to respond to a request of the commissioner.
      - Perri asks if the UID took action based on the complaint, or was it just Paradise failing to respond to the inquiry. Adam says as part of due process, he was trying to get Paradise's side of the story, but they have not responded. This penalty is just for failure to respond; the complaint was resolved through the insurer.
      - Kim asks how the \$500 amount was derived. Adam says the amount is based on all lines of insurance for a failure to respond. Normally title agencies respond to Adam. In this case, they did not respond and still have not responded even after Adam had a conversation with them. The \$500 is the normal penalty for failure to respond.
      - Randy asks about the process. It looks like an order was already signed by the judge for \$500 and sent on April 13. Can the TEC concur after the order is issued? Perri says the order isn't final until the TEC concurs. This is an informal action, so the respondent still has 15 days to respond. The TEC signs a concurrence document after concurring and it will be sent to the respondent.
      - **Motion by Kim to concur. Seconded by Cal. Motion passes 4-0.**
  - Continuing education
    - **Motion by Kim to concur. Seconded by Darla. Motion passes 4-0.**
- **New Business**
- **Old Business**
- **Other Business**
  - In-person meeting schedule / Steve
    - [Discussion continued from earlier.]
    - The June 13 meeting will be the in-person meeting for 2022.
    - The June meeting of every year will be the annual required in-person meeting.
    - Perri will do the annual board training during the June meeting.
    - Voting on the new chair and vice chair will happen during the June meeting.
- **Hot Topics**
  - Escrow service charges and 31A-19a-209 / Kim
    - Kim turns the time over to Reed to discuss proposed rule R592-18.

- Proposed rule R592-18 / Reed
  - The rule is intended to mirror the substance of the statute the UID proposed during the legislative session. It is consistent with the discussions held by the UID, TEC, and industry that generated the proposed statute. Reed is hoping to get approval from the TEC to move forward with the rulemaking process. It will be important for the UID and TEC to notify the REC about the rule ahead of time.
  - Kim reached out to the ULTA, which will be engaging with the Realtors to make them aware that the TEC is working on the rule.
  - Kim says the proposed rule accomplishes what the TEC tried to do in statute, but in the rule.
  - Cal notes that it would go into effect next year on the annual report. Reed says that's correct; he didn't know how to get it started earlier and determined that the annual report is the best option.
  - Matt Sager asks if the rule on minimum filing needs to be addressed as well. Currently there's a rule requiring the filing of minimum escrow — will this replace that rule? Filing the average escrow would conflict with filing the minimum escrow. Reed says Matt is correct, the minimum filing rule will need to be repealed.
  - Reed says if the TEC will vote to approve the proposed rule and repeal the minimum filing rule, the UID can make the appropriate filings with the Office of Administrative Rules (OAR) and get the process going. There's a long time before it needs to be in effect, but we might as well get it done.
  - Blake Heiner asks to have someone walk through the rulemaking process. Steve says once the rule is filed, it will be published on the 1st or 15th of the month, after which there is a 30-day comment period. If 10 individuals or a group made up of 10 individuals request a hearing, a hearing will be held. Otherwise, written comments are accepted through the 30-day period. After the comment period is over, there is a 7-day period to respond to any comments. Perri asks when the REC is notified about the rulemaking. Steve says he files the rule with the OAR, then sends notice to the REC at the same time he sends it to the TEC, industry, and public. It's within about 30 minutes of the rule being filed. Matt confirms that it's the TEC that adopts the rule once the comment period is over. Steve says that, in the past, there haven't been any comments, so the UID just puts it into effect as part of the direction to undertake rulemaking. If there are any comments, they will be presented to the TEC for review. Steve says when the UID gets a comment, it has to respond to it, and the same will apply to the TEC. Matt says the comment period allows the rulemaking entity to adopt language that may be beneficial, and may better the rule by considering alternative language.
  - **Motion by Kim to start the rulemaking process for R592-18 and to repeal the rule that requires filing of a minimum escrow fee. Seconded by Darla. Motion passes 4-0.**
  - Cal notes that the repeal should not be repealed until the new rule goes into effect. Steve says the new rule and repeal use the same process, and take the same amount of time. They will be made effective simultaneously.

**Executive Session** (None)

- **Adjourn** (9:48 AM)
  - **Motion by Cal to adjourn. Seconded by Darla. Motion passes 4-0.**
- **Next Meeting: June 13, 2022** — Big Cottonwood Room, Taylorsville State Office Building

**2022 Meeting Schedule**

<del>Jan 10</del>	<del>Feb 14</del>	<del>Mar 14</del>	<del>Apr 11</del>	<del>May 9</del>	<b>Jun 13</b>
Jul 11	Aug 15	Sept 12	Oct 17*	Nov 14	Dec 19

\*Proposed TEC/REC meeting immediately following