

5-Year Reviews of Title Insurance Rules

- **R592-5:** Title Insurance Product or Service Approval for a Dual Licensed Title Licensee.

Utah statute requires all state agencies to do 5-year reviews of their rules to ensure they continue to make sense in a changing world.

What must be done at the August 22 Title & Escrow Commission meeting is to make a yes-or-no determination of whether the above rules should stay on the books.

Rules cannot be amended as part of a 5-year review, but the need for future amendments can be discussed for inclusion on a future agenda.

State of Utah
Administrative Rule Analysis
Revised June 2022

FIVE-YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION

Title No. - Rule No.

Rule Number:	R592-5	Filing ID: Office Use Only
Effective Date:	Office Use Only	

Agency Information

1. Department:	Insurance	
Agency:	Title and Escrow Commission	
Room number:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
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Please address questions regarding information on this notice to the agency.

General Information

2. Rule catchline:
R592-5. Title Insurance Product or Service Approval for a Dual Licensed Title Licensee
3. A concise explanation of the particular statutory provisions under which the rule is enacted and how these provisions authorize or require this rule:
Section 31A-2-404 authorizes the Title and Escrow Commission to make rules regarding title insurance matters in accordance with the Utah Administrative Act, with the concurrence of the insurance commissioner, and with proper notice being given to the Office of Administrative rules and the Real Estate Commission. Section 31A-2-405 authorizes the Title and Escrow Commission to make rules to implement the filing requirements under 31A-2-405(2).
4. A summary of written comments received during and since the last five-year review of this rule from interested persons supporting or opposing this rule:
The Department has received no written comments regarding this rule during the past five years.
5. A reasoned justification for continuation of this rule, including reasons why the agency disagrees with comments in opposition to this rule, if any:
The rule sets requirements for a dual licensed title licensee to obtain approval from the Title and Escrow Commission to sell a title insurance product.

Agency Authorization Information

To the agency: Information requested on this form is required by Section 63G-3-305. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the <i>Utah State Bulletin</i> .			
Agency head or designee and title:	Steve Gooch, Public Information Officer	Date:	mm/dd/yyyy
Reminder: Text changes cannot be made with this type of rule filing. To change any text, please file an amendment or a nonsubstantive change.			

R592. Insurance, Title and Escrow Commission.

R592-5. Title Insurance Product or Service Approval for a Dual Licensed Title Licensee.

R592-5-1. Authority.

This rule is promulgated by the Title and Escrow Commission pursuant to Sections 31A-2-404 and 31A-2-405.

R592-5-2. Purpose and Scope.

- (1) The purpose of this rule is to set forth requirements for a dual licensed title licensee to obtain:
 - (a) approval from the commissioner pursuant to Subsection 31A-2-405(2); or
 - (b) expedited approval from the Commission pursuant to Subsection 31A-2-405(3).
- (2) This rule applies to a dual licensed title licensee and an applicant for a title insurance license or renewal of a title insurance license.

R592-5-3. Definitions.

Terms used in this rule are defined in Sections 31A-1-301 and 31A-2-402. Additional terms are defined as follows:

- (1) "Dual licensed title licensee", as defined in Section 31A-2-402, does not mean:
 - (a) a title licensee who holds an inactive license under Subsections 31A-2-402(3)(b)(i), (ii) or (iii); or
 - (b) a title licensee who holds an education provider certificate.
- (2) "Need for expedited approval" means a significant hardship to the buyer or seller in the transaction.
- (3) "Principal" means a person from whom a dual licensee has received compensation for submitting a transaction under one or more of the licensee's dual licenses. Examples include a mortgage company, a real estate broker, an agency title insurance producer, a builder, or a developer.
- (4) "Title insurance product" means the insuring, guaranteeing, or indemnifying of owners of real or personal property or the holders of liens or encumbrances on that property, or others interested in the property against loss or damage suffered by reason of liens or encumbrances upon, defects in, or the unmarketability of the title to the property, or invalidity or unenforceability of any liens or encumbrances on the property.
- (5) "Title insurance service" has the same meaning as the definition of "escrow" found in Subsection 31A-1-301(61).

R592-5-4. Filing Requirements, Processes and Procedures.

- (1) Only a dual licensed title licensee may file a request for approval for the provision of a title insurance product or service.
- (2) A complete filing consists of a filing fee pursuant to Section 31A-3-103 and:
 - (a) a "Dual Licensee Request for Approval for the Provision of a Title Insurance Product or Service" form; or
 - (b) a "Dual Licensee Request for Expedited Approval for the Provision of a Title Insurance Product or Service" form.
- (3) A filing to request approval of a "Dual Licensee Request for Approval for the Provision of a Title Insurance Product or Service" form must:
 - (a) be sent electronically to the commissioner via email to pcforms.uid@utah.gov; and
 - (b) include credit card information in the payment section of the form.
- (4) An expedited filing to request approval of a "Dual Licensee Request for Expedited Approval for the Provision of a Title Insurance Product or Service" form must:
 - (a) include a completed section 6, explaining the significant hardship to the buyer or seller, on the "Dual Licensee Request for Expedited Approval for the Provision of a Title Insurance Product or Service" form;
 - (b) be sent electronically to the Chair of the Commission via email to pcforms.uid@utah.gov; and
 - (c) include credit card information in the payment section of the form.
- (5) Approval or disapproval will be sent to the filer via return email.

R592-5-5. Severability.

If any provision of this rule, Rule R592-5, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: title dual licensees

Date of Enactment or Last Substantive Amendment: August 23, 2021

Notice of Continuation: September 13, 2017

Authorizing, and Implemented or Interpreted Law: 31A-2-404