



**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:** **November 14, 2022**

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

**Virtual**

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

Google Meet

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

**ATTENDEES**

*TITLE & ESCROW COMMISSION*

- |   |   |
|---|---|
| xChair, Kim Holbrook ( <i>Insurer, Davis County</i> )       | xDarla Milovich ( <i>Agency, Salt Lake County</i> ) |
| xVice Chair, Chase Phillips ( <i>Agency, Weber County</i> ) | xCal Robinson ( <i>Agency, Iron County</i> )        |
| xJeff Mathews ( <i>Public Member, Morgan County</i> )       | xPerri Babalis, <i>AG Counsel - TEC</i>             |

*DEPARTMENT STAFF*

- |   |  |                                       |
|---|--|---------------------------------------|
| xJon Pike, <i>Insurance Commissioner</i>    | xReed Stringham, <i>Deputy Comm.</i>     | Tracy Klausmeier, <i>P&amp;C Dir.</i> |
| xShelley Coudreaut, <i>AG Counsel - UID</i> | Patrick Lee, <i>Finance Dir.</i>         | xAdam Martin, <i>MC Examiner</i>      |
| xMichael Covington, <i>CE Specialist</i>    | xRandy Overstreet, <i>Licensing Dir.</i> | xSteve Gooch, <i>PIO Recorder</i>     |

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- |                |               |                |
|----------------|---------------|----------------|
| Kim Cruz       | Sam Bell      | William Fry    |
| Matt Sager     | Bob Rice      | Blake Heiner   |
| Matt Ryden     | Wade Taylor   | Nancy Frandsen |
| Nathan Sprague | Branda Hansen | Cort Ashton    |

**MINUTES — Not Approved**

*General Session: (Open to the Public)*

- **Welcome** / Kim Holbrook, Chair (9:00 AM)
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
  - October 17 TEC meeting
    - **Motion by Chase to adopt minutes. Seconded by Darla. Motion passes 5-0.**
      - YEA: Kim, Chase, Darla, Cal, Jeff
      - NAY: None
  - October 17 TEC/REC meeting
    - **Motion by Chase to adopt minutes. Seconded by Cal. Motion passes 4-0.**
      - YEA: Kim, Chase, Cal, Jeff
      - NAY: None
      - ABSTAIN: Darla
- **Concurrence Reports**
  - Licenses



- The meeting also gave an education update, noting that CE webinars happen on the second Friday of each month, plus lunch-and-learns, prelicensing courses, and an education day.
- The roundtable also includes a TEC update, a legislative update, and a Q&A.
- Kim says the TEC/REC meeting in October was good and it's nice to have the lines of communication open.
- **New Business**
- **Old Business**
  - R592-18 update / Reed
    - Reed notes that this rule implements the statutory prohibition on below-cost escrow services. For the time being, the UID will not continue its efforts to enact the rule.
    - About 18 months ago, the UID proposed repealing the statute on below-cost escrow. The law is difficult to enforce and isn't really doing anything. There was strong opposition from industry about proceeding, saying the industry needs the statute to preserve the financial health of the industry. Since that time, the UID has supported that prohibition. The UID has a directive from the legislature to prohibit below-cost escrow, and the industry saying they need the prohibition for the financial health of the industry. In the past few months, the UAR has expressed problems with the rule, and the ULTA is now negotiating with the UAR about what a repeal would look like. The UID also did a survey about whether to repeal the rule: 55% support the rule, 45% don't support the rule, and 2/3 didn't respond. Basically, 1/6 of the industry supports the rule, 1/6 doesn't support the rule, and 2/3 didn't care enough to complete the 3-question survey. Comparing this result to the ULTA's numbers from earlier in the year that said roughly all of its members supported the rule, it's quite a contrast. The UID now has to ask itself 1) whether the prohibition on below-cost escrow is really necessary to preserve the financial health of the industry and 2) is the legislature going to repeal the prohibition. With those two questions, it makes sense to press pause on the rule at least until the next legislative session is over.
    - Chase doesn't have a problem with pausing. He says there are a lot of people who may have changed their opinion from how they originally felt. Pausing is wise.
    - Commissioner Pike says he, Reed, and Tracy have spent considerable time reviewing the recent happenings and the survey. He thanks everyone involved to date for their time and effort. It makes sense to pause for now, and we'll take it back up after the 2023 session.
    - Kim thanks everyone who has participated in the process, and says we're all looking forward to a solution that works for the industry.
- **Other Business**
  - **22:00** — Cort Ashton asks for clarification regarding the penalty guidelines. If First Integrity was turned in by a competitor, would the fine have been different? Adam says the UID's standard policy was that all problems found in an audit would fall under a \$5,000 cap. The removal of the cap was discussed at the last meeting, because all agencies have now been through an audit. Going forward, if any violations are discovered in an audit, they will fall under the normal penalties in the statute. First Integrity was the last company under the old audit structure, and if the same violations would have resulted from an investigation, the penalties would have been different.
- **Hot Topics**

*Executive Session* (None)

- **Adjourn** (9:35 AM)
  - **Motion by Chase to adjourn. Seconded by Cal. Motion passes 5-0.**
    - YEA: Kim, Chase, Darla, Cal, Jeff
    - NAY: None
- **Next Meeting: December 19, 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>	<del>Jun 13</del>
<del>Jul 11</del>	<del>Aug 22</del>	<del>Sept 12</del>	<del>Oct 17*</del>	Nov 14	Dec 19

\*Proposed TEC/REC meeting immediately following

**Proposed 2023 Meeting Schedule**

Jan 9	Feb 13	Mar 13	Apr 10*	May 8	<b>Jun 12</b>
Jul 10	Aug 14	Sept 18	Oct 16*	Nov 13	Dec 11

\*Proposed TEC/REC meeting immediately following