



**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 8, 2023**

**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 ( <i>Insurer, Davis County</i> )       | xDarla Milovich ( <i>Agency, Salt Lake County</i> ) |
| xVice Chair, Chase Phillips ( <i>Agency, Weber County</i> ) | VACANT ( <i>Agency</i> )                            |
| xJeff Mathews ( <i>Public Member, Morgan County</i> )       |   |

*DEPARTMENT STAFF*

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

*PUBLIC*

- |                |                |               |
|----------------|----------------|---------------|
| Joseph McPhie  | Nate Sprague   | Matt Sager    |
| Trevor Moody   | Cort Ashton    | Frank Medina  |
| Jane Ikegami   | Matt Ryden     | Rachael Ortiz |
| Wade Taylor    | Nancy Frandsen | James Seaman  |
| Carol Yamamoto | Blake Heiner   |               |

**MINUTES — Not Approved**

*General Session: (Open to the Public)*

- **Welcome** / Kim Holbrook, Chair (9:04 AM)
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
  - **Motion by Darla to adopt March 13 minutes. Seconded by Jeff. Motion passes 4-0.**
    - YEA: Kim, Darla, Jeff, Chase
    - NAY: None
  - **Motion by Chase to adopt April 3 special meeting minutes. Seconded by Darla. Motion passes 4-0.**
    - YEA: Kim, Darla, Chase, Jeff
    - NAY: None
- **Concurrence Reports**
  - Licenses
    - **Motion by Darla to concur with March & April licensing reports. Seconded by Jeff. Motion passes 4-0.**

- YEA: Kim, Chase, Darla, Jeff
  - NAY: None
- Continuing education
  - **Motion by Chase to concur. Seconded by Darla. Motion passes 4-0.**
    - YEA: Kim, Darla, Chase, Jeff
    - NAY: None
- **Update on 2023 Goals**
  - ULTA report / Kim
    - *Timestamp 06:30*
    - The ULTA's annual convention is in Logan on July 13-14.
    - The last board meeting had discussions about attorney opinion letters, the Recorders Standards Committee, remote online notary (RON) standards, and rule R592-6.
- **New Business**
  - Proposal to require underwriters to monitor appointed agencies / Reed
    - *Timestamp 08:00*
    - The UID has been invited to appear before the Administrative Rules Review Committee to discuss possible changes to statute or rules to prevent something like what happened with Synergy Title from happening again.
    - Reed suggests that underwriters should monitor the agencies they work with, if they don't already. Adam found that some other states have a statutory requirement to that effect.
    - Discussion about the pros and cons of audits, and what they may or may not catch. Also, some suggestions about what type of audit would most likely catch fraud.
    - Matt says he's noticed that more fraud happens with smaller, newer agents with less internal oversight. He would like to see a higher barrier to enter the industry. Discussion about what barriers could help limit fraud in the industry, including additional capital requirements.
    - Chase asks about how the UID is notified when an agent or agency is dropped by their underwriters. Discussion about how the process works.
  - Contacting the UID about pending inquiries or investigations / Reed
    - *Timestamp 35:15*
    - Adam cannot talk about ongoing investigations and certain UID actions. People should not call and ask Adam about investigations or confidential things he's working on.
  - GeoTrust Title Insurance Co. / Reed
    - *Timestamp 36:15*
    - The UID has a new domestic title insurer whose license became active on May 1.
- **Old Business**
- **Other Business**
- **Hot Topics**
  - Affiliated business arrangements (ABA) / Joseph McPhie
    - *Timestamp 40:00*
    - Joseph McPhie is concerned that ABAs aren't being tracked by anyone — the Department of Real Estate has regulatory control over them, but he is aware of ABA agencies that aren't registered with the DRE.
    - Discussion about how the DRE is supposed to track ABAs, whether the UID or TEC may have authority to ask if agencies are ABAs, and other possible methods. There's also discussion about why it's important to know what agencies are ABAs.
    - Joseph requests that the UID, TEC, and ULTA look into legislation to at least require identification of those agencies that are ABAs. He says ABAs are required to disclose their ABA status to the DRE, but there's no trigger to make that happen. And the UID isn't notified at any point, so they don't know either. There's a gap that needs to be fixed.

- Cort Ashton suggests adding a question about changes in ownership structure to the agency annual report to the UID. Reed says the UID would need to coordinate with the DRE to make sure they're OK with the UID asking that question.
- Discussion about the capitalization requirements for ABAs and existing agencies in the statute.

*Executive Session* (None)

- **Adjourn** (10:07 AM)
  - **Motion by Jeff to adjourn. Seconded by Chase. Motion passes 4-0.**
    - YEA: Kim, Chase, Darla, Jeff
    - NAY: None
- **Next Meeting: June 12, 2023** — Big Cottonwood Room, Taylorsville State Office Building

**2023 Meeting Schedule**

<del>Jan 9</del> <del>Canceled</del>	<del>Feb 13</del> Big Cottonwood	<del>Mar 13</del> Big Cottonwood	<del>Apr 10*</del> <del>Canceled</del>	May 8 Big Cottonwood	<b>Jun 12</b> Big Cottonwood
Jul 10 Flaming Gorge	Aug 21 Flaming Gorge	Sep 18 Flaming Gorge	Oct 16* Flaming Gorge	Nov 13 TBD	Dec 11 TBD

\*Proposed TEC/REC meeting immediately following