



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: June 12, 2023

Place: In Person

Virtual

Time: 10:00 AM

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

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>)	
Jon Pike, <i>Insurance Commissioner</i>	xReed Stringham, <i>Deputy Commissioner</i>
xTracy Klausmeier, <i>P&C Division Director</i>	Adam Martin, <i>Market Conduct Examiner</i>
xSteve Gooch, <i>PIO Recorder</i>	

REAL ESTATE COMMISSION

Randy Smith (<i>Chair</i>)	Rick Southwick (<i>Commissioner</i>)
xMarie McClelland (<i>Vice Chair</i>)	xAndrea Wilson (<i>Commissioner</i>)
Jim Bringhurst (<i>Commissioner</i>)	
xJonathan Stewart, <i>Real Estate Division Director</i>	xMaelynn Valentine, <i>Board Secretary</i>

PUBLIC

Kadee Wright	Laurel North	Tina Williams
Nate Sprague	Matt Sager	Cort Ashton
Kim Cruz	Tejay Rasband	Mike Sumner
Dan Orullian	David Buddingh	David Moore
James Seaman	Jessica Goodman	Justin Sutherland
Michael Smith	Wade Taylor	Nancy Frandsen

MINUTES — Not Approved

General Session: (Open to the Public)

- **Welcome** / Kim Holbrook, Chair (10:05 AM)
- **Telephone Roll Call**
- **New Business**
 - TEC 2023 goal to increase awareness of cyber and wire fraud on consumers and agencies; and
 - Vacant land property schemes
 - *Timestamp 05:30*

- Discussion about the TEC's fraud goals and how vacant land property schemes (or "seller impersonation fraud") work.
- Kim presents a fraud handout from the American Land Title Association that Steve will pass along to Maelynn for the REC.
- Director Stewart says the DRE is aware of the issue and did a lot of PR at the end of 2022. They received many phone calls from people who caught a fraudulent transaction before it went through.
- Post-policy fraud and forgery coverage — the value of a title insurance policy
 - *Timestamp 10:15*
 - Homeowners have protection against post-policy fraud and forgery if they have a homeowners policy, which is the default policy in the real estate contract.
- The value of a CPL
 - *Timestamp 10:40*
 - Discussion of what a closing protection letter (CPL) is, who can get one, and how they may be valuable in a transaction.
- Earnest money options and legislative changes to allow new funds transfer technologies
 - *Timestamp 17:00*
 - Discussion of legislative changes that allow for real-time settling of funds and 24/7 money movement. These sorts of technologies may decrease wire fraud because of how the money is requested.
- Rule R592-6: Unfair Inducements and Marketing Practices in Obtaining Title Insurance Business
 - *Timestamp 19:15*
 - The TEC voted unanimously to open a discussion on this rule and to form a subcommittee to work on it. The TEC invites a member of the REC or industry to be included.
 - There is a letter from the ULTA and a very early draft of proposed changes that Kim will send to Director Stewart.

Executive Session (None)

- **Adjourn** (10:31 AM)
- **Next Meeting: TBD** — October 16 proposed

TEC 2023 Goals

1. Continue making sure testing is relevant
2. Continue working with the Real Estate Commission
3. Continue working with the ULTA as a liaison
4. Increase awareness of cyber and wire fraud's effect on consumers and agencies
5. Increase awareness of affiliated business arrangements (ABA)