

**ASSESSMENT ON TITLE INSURERS AND TITLE INSURANCE
AGENCIES**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

This act modifies the Insurance Code to modify the assessment on title insurers and title insurance agencies and to make technical changes. This act has a July 1, 2002 effective date.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

31A-23-315, as enacted by Chapter 130, Laws of Utah 1998

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-23-315** is amended to read:

31A-23-315. Assessment on title insurance agencies or title insurers.

(1) For purposes of this section:

(a) "Premium" is as defined in Subsection 59-9-101(3).

(b) "Title insurer" means a person:

(i) making any contract or policy of title insurance as:

(A) insurer;

(B) guarantor; or

(C) surety;

(ii) proposing to make [as insurer, guarantor, or surety,] any contract or policy of title insurance as:

(A) insurer;

(B) guarantor; or

(C) surety; or

[(ii)] (iii) transacting or proposing to transact any phase of title insurance, including:

(A) soliciting;

(B) negotiating preliminary to execution;

(C) executing of a contract of title insurance;

(D) insuring; and

(E) transacting matters subsequent to the execution of the contract and arising out of the contract.

(c) "Utah risks" means insuring, guaranteeing, or indemnifying with regard to real or personal property located in Utah, an owner of real or personal property, the holders of liens or encumbrances on that property, or others interested in the property against loss or damage suffered by reason of:

(i) liens or encumbrances upon, defects in, or the unmarketability of the title to the property;

or

(ii) invalidity or unenforceability of any liens or encumbrances on the property.

(2) (a) Beginning on July 1, 1998, the insurance commissioner may assess each title insurer and each title insurance agency an annual assessment determined in accordance with this Subsection (2) to be used for the purposes described in Subsection (3).

(b) A title insurance agency shall be assessed [~~\$150~~] up to:

(i) \$200 for the first office in each county in which the title insurance agency maintains an office[-]; and

(ii) \$100 for each additional office the title insurance agency maintains in the county described in Subsection (2)(b)(i).

(c) A title insurer shall be assessed up to:

(i) [~~\$150~~] \$200 for the first office in each county in which the title insurer maintains an office; [and]

(ii) \$100 for each additional office the title insurer maintains in the county described in Subsection (2)(c)(i); and

~~(ii)~~ (iii) an amount calculated by:

(A) aggregating the assessments imposed on:

(I) title insurance agencies under Subsection (2)(b); and [on]

(II) title insurers under [Subsection] Subsections (2)(c)(i) and (2)(c)(ii);

(B) subtracting the amount determined under Subsection (2)(c)[~~(i)~~](iii)(A) from the total

costs and expenses determined under Subsection (2)(d); and

(C) multiplying:

(I) the amount calculated under Subsection (2)(c)~~(ii)~~(iii)(B); and

(II) the percentage of total premiums for title insurance on Utah risk that are premiums of the title insurer.

(d) Notwithstanding Section 31A-3-103 and in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the department by rule shall establish the amount of costs and expenses described under Subsection (3) that will be covered by the assessment, except the costs or expenses to be covered by the assessment may not exceed [~~\$50,000~~] \$75,000 annually.

(3) ~~(a)~~ All money received by the state under this section:

(a) shall be deposited in the General Fund as a dedicated credit of the department~~[-]; and~~

(b) [~~The money~~] may be expended by the department only to pay for any cost or expense incurred by the department in the administration, investigation, and enforcement of [~~the provisions of Title 31A,~~] Chapter 23, Parts III and IV, related to:

(i) the marketing of title insurance~~[-]; and~~

(ii) audits of agencies.

(4) The assessment imposed by this section shall be in addition to any premium assessment imposed under Subsection 59-9-101(3).

Section 2. **Effective date.**

This act takes effect on July 1, 2002.