



State of Utah

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Governor

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Lieutenant Governor

Insurance Department

JONATHAN T. PIKE
Insurance Commissioner

BULLETIN 2023-6

To: Title insurers and agency title insurance producers
From: Jonathan T. Pike, Insurance Commissioner
Date: July 6, 2023
Subject: **Duty to Give Notice of Termination for Cause**

Over the last few years, the Insurance Department has noted reduced compliance with the statutory duty to notify the Department when an agency title insurance producer or an individual title insurance producer is terminated for cause. To fulfill this duty, title insurers and agency title insurance producers must follow these steps:

Step 1: When an agency appointment or individual designation is terminated, the insurer or agency must determine whether the reason for termination is listed in Utah Code § [31A-23a-111\(5\)\(b\)](#). If it is listed, the insurer or agency must follow Steps 2 through 4. The Department encourages insurers and agencies to refer to the attached summary in determining whether the reason for termination is listed in § [31A-23a-111\(5\)\(b\)](#).

Step 2: If the reason for termination is listed in § [31A-23a-111\(5\)\(b\)](#), the insurer or agency must give the Department notice of the termination within 15 days of the date on which the agency or individual is notified of the termination.

Step 3: In preparing the notice to the Department, the insurer or agency must compile the following materials:

- A statement that quotes the applicable reason(s) for termination under § [31A-23a-111\(5\)\(b\)](#);
- The facts and reasoning that support the termination;
- Documents, photographs, or recordings that support the termination;
- A copy of any court, agency, or organization's decision that is relevant to the termination;
- A copy of the notice of termination that was sent to the agency or individual.

Step 4: The insurer or agency must send the notice of termination for cause with the accompanying materials to the Department at licensing.uid@utah.gov.

See, Utah Code §§ [31A-23a-115\(3\)\(b\)](#) and [31A-23a-302\(4\)\(a\)](#); Utah Admin Code [R590-244-11\(3\)](#) and [R590-244-12\(3\)](#).

Of the notices that the Department has received, many do not comply with legal requirements. For instance, some have reported terminations that are unrelated to the items listed in § [31A-23a-111\(5\)\(b\)](#). In others, only a conclusory statement about the termination is given. After conducting investigations, the Department has become aware of agencies that terminated individuals for cause but did not notify the Department. It is necessary to raise the level of compliance in this area and the Department will be taking enforcement action against those who do not report terminations for cause.

DATED this 6th day of July 2023.

A handwritten signature in blue ink that reads "Jonathan T. Pike". The signature is written in a cursive style and is positioned above a horizontal line.

Jonathan T. Pike
Insurance Commissioner