



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (October 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: November 19, 2021

TIME: 12:07 PM

WSR 21-24-021

Agency: Office of the Insurance Commissioner

Effective date of rule:

Permanent Rules

- 31 days after filing.
 Other (specify) January 1, 2022 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: The purposes of these regulations are to require title agents to submit a declaration to the Office of the Insurance Commissioner, which identify their insurance business as operating in certain counties and provide proof of the ownership or leasing rights for the applicable tract indexes, as required by RCW 48.29.160. These rules enhance the reporting requirements for title agents, specifically in regard to their county declarations and ownership or leasing of tract indexes. An entity applying for a title agent license is required to submit the Declaration of Title Insurance Agent form as part of the application process. The purposes of the form are for the title agent to identify which counties will they be doing business in and verify that the title agent either owns or leases a complete set of tract indexes for those counties, as required per RCW 48.29.160. Unfortunately, the licensing records do not reflect the original documents which define what counties these title agents own or lease the required tract indexes in, nor is there a regulation or statute which requires them to report any expansion of business into additional counties. There likewise is no current requirement for title agents to verify that they own or lease the proper tract indexes for their counties of operations, as required per RCW 48.29.160. The proposed regulations will require title agents to submit a declaration to the Office of the Insurance Commissioner, which will identify their exact counties of operations, and provide proof of ownership or leasing rights for the applicable tract indexes.

Citation of rules affected by this order:

New:

Repealed:

Amended: WAC 284-29-130

Suspended:

Statutory authority for adoption: RCW 48.02.060(3) and RCW 48.29.005

Other authority: -

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 21-20-092 on October 1, 2021 (date).

Describe any changes other than editing from proposed to adopted version: The proposed rules stated that Title Insurance Agents must submit a declaration to the Commissioner indicating their county or counties of operation, *prior to doing business* (WAC 284-29-130(4)). A rulemaking comment was received that requested revisions for clarity, such as adding the terms *title insurance* to the phrase *prior to doing business*. The commenter believed that since title agents provide ancillary services, such as escrow business or contract collections, the Commissioner should make it clear that the only business considered in the rule is *title insurance business*.

The Commissioner drafted the rule to apply to title Insurance business, being located in Chapter 284-29 WAC, in the section for Title Agent Insurance Reports Required (WAC 284-29-130), and having a definition in law that states selling, soliciting, or negotiating insurance is the business of a title insurance agent (RCW 48.17.010(16)).

However, the commenter identified the goal the Commissioner is attempting to achieve with this rulemaking, preventing title insurance business from occurring with undeclared title insurance agents who are not meeting statutory duties.

Additionally, the revision requested did not make the rule substantially different from that proposed (RCW 34.05.340(1)); the general subject matter of the adopted rule will remain the same as the proposed rule (applying to title insurance business) (RCW 34.05.340(3)); and the issues determined in the proposed rule or the anticipated effects of the adopted rule would not differ from those of the proposed rule (RCW 34.05.340(3)).

Therefore, the proposed rule was revised to include the terms 'title insurance' in front of the word business.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

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Other: -

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

The number of sections adopted at the request of a nongovernmental entity:

New	___	Amended	___	Repealed	___
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The number of sections adopted on the agency's own initiative:

New	___	Amended	<u>1</u>	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	___	Amended	1	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date Adopted: November 19, 2021

Name: Mike Kreidler

Title: Insurance Commissioner

Signature:



AMENDATORY SECTION (Amending WSR 09-20-070, filed 10/5/09, effective 11/5/09)

WAC 284-29-130 ((Report)) Reporting required. (1) The title insurance agent report of affiliated business ownership must be filed with the commissioner annually by March 15th.

(2) If there is any change or addition to the ownership information contained in the annual report, then the title insurance agent must file an amended report with the commissioner within fifteen days after the end of the month in which the title insurance agent learns of the change or addition.

(3) Changes to the information regarding the percent of title orders originating from each of the producers do not need to be filed with the commissioner except with the annual filing. If the title insurance agent discovers or reasonably should have discovered that the information contained in the annual filing was not correct, then the title insurance agent must file an amended report within fifteen days after the end of the month in which the title insurance agent discovered the incorrect information.

(4) Before conducting title insurance business in any counties, title insurance agents must report to the commissioner, declaring the county or counties the business will operate in and providing proof of ownership or leasing rights for the applicable tract indexes. If title insurance business is to be conducted in an additional county not included on previous declarations, then the title insurance agent must submit an updated declaration listing the added business areas and including proof of ownership or leasing rights to the applicable tract indexes, in accordance with RCW 48.29.160.

Proof shall come in the form of real property ownership documents, copies of leases, or other documentation verifying ownership or rights to the applicable tract indexes.