



# PROPOSED RULE MAKING

**CR-102 (October 2017)**  
**(Implements RCW 34.05.320)**  
Do **NOT** use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: October 01, 2021

TIME: 10:23 AM

WSR 21-20-092

**Agency:** Office of the Insurance Commissioner

**Original Notice**

**Supplemental Notice to WSR** \_\_\_\_\_

**Continuance of WSR** \_\_\_\_\_

**Preproposal Statement of Inquiry was filed as WSR** 21-14-064 ; or

**Expedited Rule Making--Proposed notice was filed as WSR** \_\_\_\_\_; or

**Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**

**Proposal is exempt under RCW** \_\_\_\_\_.

**Title of rule and other identifying information:** (describe subject) Title Agent County Declarations

**Insurance Commissioner Matter R 2021-10**

**Hearing location(s):**

Date:	Time:	Location: (be specific)	Comment:
November 15, 2021	9:00 AM	Virtual Format – Zoom Meeting: Detailed information for attending the Zoom Meeting Posted on the OIC Website here: <a href="https://www.insurance.wa.gov/title-agent-county-declarations-r-2021-10">https://www.insurance.wa.gov/title-agent-county-declarations-r-2021-10</a>	Due to the COVID-19 public health emergency, this hearing will be held via Zoom. Comments can be emailed to <a href="mailto:RulesCoordinator@OIC.WA.GOV">RulesCoordinator@OIC.WA.GOV</a>

**Date of intended adoption:** November 19, 2021\_ (Note: This is **NOT** the **effective** date)

**Submit written comments to:**

Name: Michael Walker

Address: PO Box 40260, Olympia, WA 98504-0260

Email: [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov)

Fax: 360-586-3109

Other:

By (date) October 27, 2021

**Assistance for persons with disabilities:**

Contact Melanie Watness

Phone: 360-725-7013

Fax: 360-586-2023

TTY: 360-586-0241

Email: [MelanieW@oic.wa.gov](mailto:MelanieW@oic.wa.gov)

Other:

By (date)

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** 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.

**Reasons supporting proposal:** The Commissioner is considering rulemaking to 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 counties of operations, and provide proof of ownership or leasing rights for the applicable tract indexes.

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

**Statute being implemented:** -

**Is rule necessary because of a:**

Federal Law?  Yes  No  
Federal Court Decision?  Yes  No  
State Court Decision?  Yes  No

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** None.

**Name of proponent:** (person or organization) Mike Kreidler, Insurance Commissioner  Private  Public  Governmental

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Michael Walker	PO Box 40260, Olympia, WA 98504-0260	(360) 725-7036
Implementation:	Todd Dixon	PO Box 40260, Olympia, WA 98504-0260	(360) 725-7000
Enforcement:	Todd Dixon	PO Box 40260, Olympia, WA 98504-0260	(360) 725-7000

**Is a school district fiscal impact statement required under RCW 28A.305.135?**  Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:  
Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

No: Please explain: This rulemaking is exempt from the cost-benefit analysis under RCW 34.05.328(5)(b)(iii). Under RCW 34.05.328(5)(b)(iii), rulemaking is exempt from a cost-benefit analysis if the proposed rules are adopting or incorporating by reference without material change Washington state statutes, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rules. Here, the Washington State Office of the Insurance Commissioner is adopting by reference without material change RCW 48.29.160 into WAC 284-29-130, which will regulate the same subject matter and conduct as the adopting rules, including license requirements for title agents and county tract indexes. No additional costs are required for Title Agents to comply with these regulations. Title Agents already submit the Title Insurance Agent Declaration Form, with an attestation for applicable tract indexes. The proposed rules verify a current statutory requirement in RCW 48.29.160 as a regulation for licensure and compliance.

**Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW 34.05.310(4)(c) and 34.05.310(4)(g)(ii).

Explanation of exemptions, if necessary: Under [RCW 34.05.310\(4\)\(g\)\(ii\)](#) rulemaking is exempt from the Small Business Economic Impact Statement requirement ([Chapter 19.85 RCW](#)) if the rules adopt a filing or related process requirement for applying to an agency for a license or permit. This rulemaking will provide process requirements for agents of a title insurer applying to the Washington State Office of the Insurance Commissioner for licensure and qualifies for the Small Business Economic Impact Statement exemption contained in [RCW 34.05.310\(4\)\(g\)\(ii\)](#). Currently, 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 with the Washington State Office of the Insurance Commissioner. Additionally, to be licensed as an agent of a title insurer, the applicant must own or lease and maintain a complete set of tract indexes of the county or counties in which such agent will do business ([RCW 48.29.160](#)). This rulemaking will require title agents to verify that they own or lease and maintain rights to the applicable tract indexes (as required by [RCW 48.29.160](#)) during their license application process with the Washington State Office of the Insurance Commissioner.

Under [RCW 34.05.310\(4\)\(c\)](#) rulemaking is exempt from the Small Business Economic Impact Statement requirement ([Chapter 19.85 RCW](#)) if the rules adopt or incorporate by reference without material change Washington state statutes, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule. This rulemaking is incorporating a statutory requirement ([RCW 48.29.160](#)) by reference, without material change, and regulates the same subject matter as the adopting rule, title agent ownership of applicable tract indexes. [RCW 48.29.160](#) requires that title agents own or lease and maintain a complete set of tract indexes of the county or counties in which such agent will do business. No additional costs are required for Title Agents to comply with the proposed regulations. Title Agents already submit the [Title Insurance Agent Declaration Form](#), with an attestation for applicable tract indexes, as part of the application process with the Washington State Office of the Insurance Commissioner. Therefore, this rulemaking qualifies for an exemption from the Small Business Economic Impact Statement under [RCW 34.05.310\(4\)\(c\)](#).

**COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES**

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency’s analysis showing how costs were calculated. \_\_\_\_\_
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:  
Address:

Phone:  
Fax:  
TTY:  
Email:  
Other:

**Date:** October 1, 2021

**Name:** Mike Kreidler

**Title:** Insurance Commissioner

**Signature:**

A handwritten signature in black ink that reads "Mike Kreidler". The signature is written in a cursive style with a prominent initial "M".

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 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 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.