

By Senator Posey

24-668-03

1 A bill to be entitled
2 An act relating to insurance; amending s.
3 624.608, F.S.; revising the definition of the
4 term "title insurance;" amending s. 627.784,
5 F.S.; conforming provisions; amending s.
6 627.786, F.S.; authorizing title insurers to
7 issue certain casualty policies to lending
8 institutions; providing an effective date.

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10 Be It Enacted by the Legislature of the State of Florida:

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12 Section 1. Section 624.608, Florida Statutes, is
13 amended to read:

14 624.608 "Title insurance" defined.--"Title insurance"
15 is insurance of owners of real property or others having an
16 interest in real property or contractual interest derived
17 therefrom, or liens or encumbrances on real property, against
18 loss by encumbrance, or defective titles, or invalidity, or
19 adverse claim to title. However, it does not include casualty
20 insurance that is issued to and the premiums paid by a lending
21 institution to insure its lien interest that secures a home
22 equity loan or junior mortgage.

23 Section 2. Section 627.784, Florida Statutes, is
24 amended to read:

25 627.784 Casualty title insurance prohibited.--A title
26 insurance policy ~~or guarantee of title~~ may not be issued
27 without regard to the possible existence of adverse matters or
28 defects of title.

29 Section 3. Section 627.786, Florida Statutes, is
30 amended to read:

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1 627.786 Transaction of title insurance and any other
2 kind of insurance prohibited.--

3 (1) An insurer may not transact title insurance and
4 any other kind of insurance in this state.

5 (2) Subsection (1) does not apply to any insurer
6 actively transacting title insurance and any other kind of
7 insurance in this state on January 1, 1965.

8 (3) Subsection (1) does not preclude a title insurer
9 from providing instruments to any prospective insured, in the
10 form and content approved by the department, under which the
11 title insurer assumes liability for loss due to the fraud of,
12 dishonesty of, misappropriation of funds by, or failure to
13 comply with written closing instructions by, its contract
14 agents, agencies, or approved attorneys in connection with a
15 real property transaction for which the title insurer is to
16 issue a title insurance policy.

17 (4) Subsection (1) does not preclude a title insurer
18 from issuing to a lending institution a casualty insurance
19 policy or certificate insuring its lien interest in real
20 property that secures a home equity loan or junior mortgage if
21 the lending institution pays for the insurance.

22 Section 4. This act shall take effect July 1, 2003.

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25 SENATE SUMMARY

26 Provides an exception to allow lending institutions to
27 purchase casualty insurance protecting its lien interest
28 in real property that secures home equity loans or junior
29 mortgages.
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