

Bill No. SB 638

Barcode 465792

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Campbell) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

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

624.608 "Title insurance" defined.--"Title insurance" is:

(1) Insurance of owners of real property or others having an interest in real property or contractual interest derived therefrom, or liens or encumbrances on real property, against loss by encumbrance, or defective titles, or invalidity, or adverse claim to title; or

(2) Insurance of owners and secured parties of the existence, attachment, perfection and priority of security interests in personal property under Article 9 of the Uniform Commercial Code.

Section 2. Paragraphs (a) and (b) of subsection (1) of

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1 section 627.7711, Florida Statutes, are amended to read:

2 627.7711 Definitions.--As used in this part, the term:

3 (1)(a) "Related title services" means services
 4 performed by a title insurer or title insurance agent or
 5 agency, in the agent's or agency's capacity as such,
 6 including, but not limited to, preparing or obtaining a title
 7 search, examining title, examining searches of the records of
 8 a Uniform Commercial Code filing office and such other
 9 information as may be necessary, preparing documents necessary
 10 to close the transaction, conducting the closing, or handling
 11 the disbursing of funds related to the closing in a real
 12 estate closing transaction in which a title insurance
 13 commitment or policy is to be issued. The premium, together
 14 with the charge for related title services, constitutes the
 15 regular title insurance premium.

16 (b) "Primary title services" means determining
 17 insurability in accordance with sound underwriting practices
 18 based upon evaluation of a reasonable search and examination
 19 of the title or the records of a Uniform Commercial Code
 20 filing office and such other information as may be necessary,
 21 determination and clearance of underwriting objections and
 22 requirements to eliminate risk, preparation and issuance of a
 23 title insurance commitment setting forth the requirements to
 24 insure, and preparation and issuance of the policy.

25 Section 3. Subsections (1) and (2) of section
 26 627.7845, Florida Statutes, are amended to read:

27 627.7845 Determination of insurability required;
 28 preservation of evidence of title search and examination.--

29 (1) A title insurer may not issue a title insurance
 30 commitment, endorsement, or title insurance policy until the
 31 title insurer has caused to be conducted a reasonable search

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1 and examination of the title or the records of a Uniform
 2 Commercial Code filing office, as applicable, and has examined
 3 ~~of~~ such other information as may be necessary, and has caused
 4 to be made a determination of insurability of title or the
 5 existence, attachments, perfection, and priority of the
 6 Uniform Commercial Code security interest, including
 7 endorsement coverages, in accordance with sound underwriting
 8 practices.

9 (2) The title insurer shall cause the evidence of the
 10 reasonable search and examination of the title or the records
 11 of a Uniform Commercial Code filing office to be preserved and
 12 retained in its files or in the files of its title insurance
 13 agent or agency for a period of not less than 7 years after
 14 the title insurance commitment, title insurance policy, or
 15 guarantee of title was issued. The title insurer or agent or
 16 agency must produce the evidence required to be maintained by
 17 this subsection at its offices upon the demand of the office.
 18 Instead of retaining the original evidence, the title insurer
 19 or the title insurance agent or agency may, in the regular
 20 course of business, establish a system under which all or part
 21 of the evidence is recorded, copied, or reproduced by any
 22 photographic, photostatic, microfilm, microcard, miniature
 23 photographic, or other process which accurately reproduces or
 24 forms a durable medium for reproducing the original.

25 Section 4. On July 1, 2005, any policy form for
 26 insurance that qualifies as title insurance under section
 27 624.608(2), Florida Statutes, and for which a substantially
 28 similar policy form has been previously approved by the Office
 29 of Insurance Regulation as property and casualty insurance,
 30 may continue to be sold by that property and casualty insurer
 31 until the Office of Insurance Regulation approves the title

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1 insurance form provided for in section 624.608(2), Florida
 2 Statutes, and the commission approves a corresponding rule for
 3 rates for the form, after which point the property and
 4 casualty insurance form may no longer be sold.

5 Section 5. This act shall take effect July 1, 2005.

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8 ===== T I T L E A M E N D M E N T =====

9 And the title is amended as follows:

10 Delete everything before the enacting clause

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12 and insert:

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A bill to be entitled

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An act relating to title insurance; amending s.

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624.608, F.S.; redefining the term "title

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insurance" to include insurance for security

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interests in personal property; amending s.

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627.7711, F.S.; redefining the term "related

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title services" to include the examination of

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searches of certain records; redefining the

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term "primary title services" to include search

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and examination of certain records; amending s.

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627.7845, F.S.; prohibiting a title insurer

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from issuing a title insurance commitment,

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endorsement, or policy until there has been an

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examination of certain records; requiring the

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title insurer to preserve and retain evidence

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of certain records; providing that certain

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policy forms may continue to be sold by

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property and casualty insurers until the Office

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of Insurance Regulation approves a title

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1 insurance form; providing an effective date.
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