

ENROLLED
 HB 75, Engrossed 1

2005 Legislature

1 A bill to be entitled
 2 An act relating to title insurance; amending ss. 624.608
 3 and 627.7711, F.S.; revising the definitions of title
 4 insurance and related and primary title services; amending
 5 s. 627.7845, F.S.; revising requirements for title
 6 insurers to issue title insurance; revising requirements
 7 for title insurers to preserve and retain certain evidence
 8 of searches and examinations; requiring the Office of
 9 Insurance Regulation to approve title insurance forms and
 10 rates for certain title insurance; providing effective
 11 dates.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14
 15 Section 1. Section 624.608, Florida Statutes, is amended
 16 to read:

17 624.608 "Title insurance" defined.--"Title insurance" is:

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

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

27 Section 2. Subsection (1) of section 627.7711, Florida
 28 Statutes, is amended to read:

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29 | 627.7711 Definitions.--As used in this part, the term:
 30 | (1) (a) "Related title services" means services performed
 31 | by a title insurer or title insurance agent or agency, in the
 32 | agent's or agency's capacity as such, including, but not limited
 33 | to, preparing or obtaining a title search, examining title,
 34 | examining searches of the records of a Uniform Commercial Code
 35 | filing office and such other information as may be necessary,
 36 | preparing documents necessary to close the transaction,
 37 | conducting the closing, or handling the disbursing of funds
 38 | related to the closing in a real estate closing transaction in
 39 | which a title insurance commitment or policy is to be issued.
 40 | The premium, together with the charge for related title
 41 | services, constitutes the regular title insurance premium.

42 | (b) "Primary title services" means determining
 43 | insurability in accordance with sound underwriting practices
 44 | based upon evaluation of a reasonable search and examination of
 45 | the title or the records of a Uniform Commercial Code filing
 46 | office and such other information as may be necessary,
 47 | determination and clearance of underwriting objections and
 48 | requirements to eliminate risk, preparation and issuance of a
 49 | title insurance commitment setting forth the requirements to
 50 | insure, and preparation and issuance of the policy.

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

53 | 627.7845 Determination of insurability required;
 54 | preservation of evidence of title search and examination.--

55 | (1) A title insurer may not issue a title insurance
 56 | commitment, endorsement, or title insurance policy until the

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57 | title insurer has caused to be conducted a reasonable search and
58 | examination of the title or the records of a Uniform Commercial
59 | Code filing office, as applicable, has examined ~~and of~~ such
60 | other information as may be necessary, and has caused to be made
61 | a determination of insurability of title or the existence,
62 | attachments, perfection, and priority of a Uniform Commercial
63 | Code security interest, including endorsement coverages, in
64 | accordance with sound underwriting practices.

65 | (2) The title insurer shall cause the evidence of the
66 | reasonable search and examination of the title or the records of
67 | a Uniform Commercial Code filing office to be preserved and
68 | retained in its files or in the files of its title insurance
69 | agent or agency for a period of not less than 7 years after the
70 | title insurance commitment, title insurance policy, or guarantee
71 | of title was issued. The title insurer or agent or agency must
72 | produce the evidence required to be maintained by this
73 | subsection at its offices upon the demand of the office. Instead
74 | of retaining the original evidence, the title insurer or the
75 | title insurance agent or agency may, in the regular course of
76 | business, establish a system under which all or part of the
77 | evidence is recorded, copied, or reproduced by any photographic,
78 | photostatic, microfilm, microcard, miniature photographic, or
79 | other process which accurately reproduces or forms a durable
80 | medium for reproducing the original.

81 | Section 4. The Office of Insurance Regulation shall
82 | approve the title insurance form and corresponding rate for the
83 | insurance described in s. 624.608(2), Florida Statutes, not
84 | later than January 1, 2006.

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85 Section 5. This section and section 4 shall take effect
86 upon this act becoming a law. Sections 1, 2, and 3 shall take
87 effect upon the date the Office of Insurance Regulation approves
88 the title insurance form and corresponding rate for the
89 insurance provided in s. 624.608(2), Florida Statutes as amended
90 by this act.