

By Senator Baker

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1 A bill to be entitled

2 An act relating to title insurance; creating the Florida
3 2008 Title Insurance Study Advisory Council; providing for
4 membership; providing for administrative support for the
5 council; providing responsibilities of the council;
6 authorizing the council to invite independent actuaries to
7 provide certain information; providing council meeting
8 requirements; requiring the council to file a report with
9 the Governor and Legislature; providing for termination of
10 the council; providing an effective date.

11
12 WHEREAS, the Legislature finds that a stable and efficient
13 title insurance delivery system is necessary to promote the
14 economic well-being of the residents of Florida, and

15 WHEREAS, Florida consumers have a right to effective and
16 affordable title insurance, and

17 WHEREAS, title insurance is essential to ensure homeowners
18 and landowners of the safety of real estate transfers in Florida,
19 and

20 WHEREAS, investors and lienholders require the security
21 accorded their business interests by a financially stable and
22 regulated title insurance industry, and

23 WHEREAS, a viable title insurance delivery system requires
24 efficient and comprehensive state oversight to regulate insurer
25 and agent solvency, education, licensing, and discipline and the
26 establishment of nondiscriminatory title insurance rates and
27 forms, and

28 WHEREAS, it is the express intent of the Legislature to
29 conduct a comprehensive review of the title insurance industry

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30 prior to authorizing any substantive alterations to the
31 regulatory scheme, delivery of the product, or rules affecting
32 the conduct of the industry, NOW, THEREFORE,

33
34 Be It Enacted by the Legislature of the State of Florida:

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36 Section 1. (1) This act may be cited as the "Florida 2008
37 Title Insurance Study Advisory Council Act."

38 (2) The purpose of this act is to create an advisory
39 council to undertake a comprehensive examination of the title
40 insurance delivery system of this state with the ultimate goal of
41 making recommendations for legislation to promote a sound and
42 stable system to promote the safety of real property transfers in
43 this state.

44 (3) The Florida 2008 Title Insurance Study Advisory Council
45 is created. The council shall consist of the following 23
46 members:

47 (a) The Lieutenant Governor or the Lieutenant Governor's
48 designee. The Lieutenant Governor shall serve as chair of the
49 council.

50 (b) The Chief Financial Officer or the Chief Financial
51 Officer's designee. The Chief Financial Officer shall serve as
52 vice chair of the council.

53 (c) One member of the Senate appointed by the President of
54 Senate.

55 (d) One member of the House of Representatives appointed by
56 the Speaker of the House of Representatives.

57 (e) The Insurance Consumer Advocate appointed pursuant to
58 s. 627.0613, Florida Statutes.

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59 (f) The Commissioner of Insurance Regulation.

60 (g) The Secretary of Business and Professional Regulation.

61 (h) Four representatives of title insurers doing business
62 in the state from four different title insurers appointed by the
63 President of the Senate. No more than one representative may be
64 named from each affiliated group of corporations as defined in s.
65 624.509(5)(a)2., Florida Statutes. Such appointments shall not
66 overlap with those insurer appointments made under paragraph (i).

67 (i) Four representatives of title insurers doing business
68 in the state from four different title insurers appointed by the
69 Speaker of the House of Representatives. No more than one
70 representative may be named from each affiliated group of
71 corporations as defined in s. 624.509(5)(a)2., Florida Statutes.
72 Such appointments shall not overlap with those insurer
73 appointments made under paragraph (h).

74 (j) Three independent licensed title insurance agents
75 appointed by the President of the Senate.

76 (k) Three independent licensed title insurance agents
77 appointed by the Speaker of the House of Representatives.

78 (l) Two members of the Real Property, Probate and Trust Law
79 Section of The Florida Bar who are practicing real estate
80 attorneys not employed by a title insurer. The designation of
81 such members shall be made by the Real Property, Probate and
82 Trust Law Section of The Florida Bar.

83 (4) The council shall be administratively supported by the
84 staff of the Office of the Lieutenant Governor. The Department of
85 Financial Services, the Office of Insurance Regulation, and other
86 agencies of the state, as well as staff of the applicable
87 legislative committees, shall supply any information, assistance,

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88 and facilities that are deemed necessary by the council to carry
89 out its duties.

90 (5) The council shall undertake a comprehensive examination
91 of the title insurance delivery system in this state and shall
92 include in its study consideration of:

93 (a) The historical development of the title insurance
94 industry in this state and its uniqueness among other lines of
95 insurance.

96 (b) The current regulatory structure under which oversight
97 responsibility is shared between different state agencies.

98 (c) The adequacy of funds and agency personnel to exercise
99 regulatory oversight.

100 (d) The adequacy of current mechanisms and expertise to
101 gather meaningful data to properly evaluate and adopt title
102 insurance rates.

103 (e) Such other topics as the council deems necessary to
104 conduct a thorough examination of the title insurance industry.

105 (6) The council, at the direction of the chair, may invite
106 independent actuaries with title insurance expertise to provide
107 information and appear before the council to aid in performing
108 its duties.

109 (7) The council shall hold its initial meeting no later
110 than August 1, 2008, in Tallahassee. Staff for the council chair
111 shall schedule and organize the initial meeting. Subsequent
112 meetings of the council must be held in Tallahassee according to
113 a schedule developed by the chair.

114 (8) The council shall submit a final report, setting forth
115 findings and specific legislative recommendations, to the
116 Governor, the President of the Senate, and the Speaker of the

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117 House of Representatives on or before December 31, 2009. The
118 council shall terminate after submitting its final report but not
119 later than December 31, 2009.

120 Section 2. This act shall take effect July 1, 2008.