

By the Committee on Banking and Insurance; and Senator Baker

597-05246A-08

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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:

35  
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 Governor or the Governor's designee. The Governor  
48 shall serve as chair of the council.

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

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

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

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

58 (f) The Commissioner of Insurance Regulation or the

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59 commissioner's designee.

60 (g) The Secretary of Business and Professional Regulation  
61 or the secretary's designee.

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

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

75 (j) Three independent licensed title insurance agents  
76 appointed by the President of the Senate from a list of five  
77 agents submitted by the Florida Land Title Association.

78 (k) Three independent licensed title insurance agents  
79 appointed by the Speaker of the House of Representatives from a  
80 list of five agents submitted by the Florida Land Title  
81 Association.

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

87 (4) The council shall be administratively supported by the

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88 staff of the Office of the Governor. The Department of Financial  
89 Services, the Office of Insurance Regulation, and other agencies  
90 of the state, as well as staff of the applicable legislative  
91 committees, shall supply any information, assistance, and  
92 facilities that are deemed necessary by the council to carry out  
93 its duties.

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

97 (a) The historical development of the title insurance  
98 industry in this state and its uniqueness among other lines of  
99 insurance.

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

102 (c) The adequacy of funds and agency personnel to exercise  
103 regulatory oversight.

104 (d) The adequacy of current mechanisms and expertise to  
105 gather meaningful data to properly evaluate and adopt title  
106 insurance rates.

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

109 (6) The council, at the direction of the chair, may invite  
110 independent actuaries with title insurance expertise to provide  
111 information and appear before the council to aid in performing  
112 its duties.

113 (7) The council shall hold its initial meeting no later  
114 than August 1, 2008, in Tallahassee. Staff for the council chair  
115 shall schedule and organize the initial meeting. Subsequent  
116 meetings of the council must be held in Tallahassee according to

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117 | a schedule developed by the chair.

118 |       (8) The council shall submit a final report, setting forth  
119 | findings and specific legislative recommendations, to the  
120 | Governor, the President of the Senate, and the Speaker of the  
121 | House of Representatives on or before December 31, 2009. The  
122 | council shall terminate after submitting its final report but not  
123 | later than December 31, 2009.

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