

By the Committees on Governmental Operations; Banking and Insurance; and Senators Baker and Gaetz

585-07984-08

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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; requiring the Office of
8 Program Policy Analysis and Government Accountability to
9 conduct a review and report to the council; requiring that
10 the report be submitted to the council by a certain date;
11 providing council meeting requirements; requiring the
12 council to file a report with the Governor and the
13 Legislature; providing for termination of the council;
14 providing an effective date.

15
16 WHEREAS, the Legislature finds that a stable and efficient
17 title insurance delivery system is necessary to promote the
18 economic well-being of the residents of Florida, and

19 WHEREAS, Florida consumers have a right to effective and
20 affordable title insurance, and

21 WHEREAS, title insurance is essential to ensure homeowners
22 and landowners of the safety of real estate transfers in Florida,
23 and

24 WHEREAS, investors and lienholders require the security
25 accorded their business interests by a financially stable and
26 regulated title insurance industry, and

27 WHEREAS, a viable title insurance delivery system requires
28 efficient and comprehensive state oversight to regulate insurer
29 and agent solvency, education, licensing, and discipline and the

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30 establishment of nondiscriminatory title insurance rates and
31 forms, and

32 WHEREAS, it is the express intent of the Legislature to
33 conduct a comprehensive review of the title insurance industry,
34 the current regulatory scheme, and the rules affecting the
35 conduct of the industry, NOW, THEREFORE,

36

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

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

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

47 (3) The Florida 2008 Title Insurance Study Advisory Council
48 is created. The council shall consist of the following 19
49 members:

50 (a) The Governor or the Governor's designee, who shall
51 serve as chair of the council.

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

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

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

58 (e) The Insurance Consumer Advocate appointed pursuant to

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59 s. 627.0613, Florida Statutes.

60 (f) The Commissioner of Insurance Regulation or the
61 commissioner's designee.

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

64 (h) Three representatives of title insurers doing business
65 in the state from four different title insurers, appointed by the
66 President of the Senate. No more than one representative may be
67 named from each affiliated group of corporations as defined in s.
68 624.509(5)(a)2., Florida Statutes. Such appointments may not
69 overlap with those insurer appointments made under paragraph (i).

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

77 (j) Two independent licensed title insurance agents
78 appointed by the President of the Senate from a list of three
79 agents submitted by the Florida Land Title Association.

80 (k) One independent licensed title insurance agent
81 appointed by the Speaker of the House of Representatives from a
82 list of three agents submitted by the Florida Land Title
83 Association.

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

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88 Trust Law Section of The Florida Bar.

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

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

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

102 (b) The current regulatory structure under which oversight
103 responsibility is shared among different state agencies.

104 (c) The adequacy of funds and agency personnel to exercise
105 regulatory oversight.

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

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

111 (6) The council, at the direction of the chair, may invite
112 independent actuaries who have expertise in title insurance to
113 provide information and appear before the council to aid in
114 performing its duties. In order to assist the council, the Office
115 of Program Policy Analysis and Government Accountability shall
116 conduct an independent review of the historical development of

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117 the title insurance industry in this state and the current
118 fragmented regulatory framework and shall report its findings to
119 the council. Such report shall be submitted to the council by
120 September 30, 2008.

121 (7) The council shall hold its initial meeting no later
122 than August 1, 2008, in Tallahassee. Staff for the council chair
123 shall schedule and organize the initial meeting. Subsequent
124 meetings of the council must be held in Tallahassee according to
125 a schedule developed by the chair.

126 (8) The council shall submit a final report, setting forth
127 findings and specific legislative recommendations, to the
128 Governor, the President of the Senate, and the Speaker of the
129 House of Representatives on or before December 31, 2009. The
130 council shall terminate after submitting its final report but not
131 later than December 31, 2009.

132 Section 2. This act shall take effect upon becoming a law.