

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

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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 appropriations and authorizing additional
15 positions; providing an effective date.

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

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

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

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

28 WHEREAS, a viable title insurance delivery system requires
29 efficient and comprehensive state oversight to regulate insurer

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30 and agent solvency, education, licensing, and discipline and the
31 establishment of nondiscriminatory title insurance rates and
32 forms, and

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

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

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

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

48 (3) The Florida 2008 Title Insurance Study Advisory Council
49 is created. The council shall consist of the following 21
50 members:

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

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

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

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

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

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

63 (g) The Commissioner of the Office of Financial Regulation
64 or the commissioner's designee.

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

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

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

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

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

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88 such members shall be made by the Real Property, Probate and
89 Trust Law Section of The Florida Bar.

90 (m) One member of the banking industry from a bank
91 performing home and commercial mortgage lending, appointed by the
92 Commissioner of Financial Regulation.

93 (n) One member of the real estate industry, either an
94 independent realtor or one representing a company handling home
95 and commercial real estate transactions, including closings,
96 appointed by the Chief Financial Officer.

97 (4) The council shall be administratively supported by the
98 staff of the Executive Office of the Governor. The Department of
99 Financial Services, the Office of Insurance Regulation, and other
100 agencies of the state, as well as staff of the applicable
101 legislative committees, shall supply any information, assistance,
102 and facilities that are deemed necessary by the council to carry
103 out its duties.

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

107 (a) The historical development of the title insurance
108 industry in this state and its uniqueness among other lines of
109 insurance.

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

112 (c) The adequacy of funds and agency personnel to exercise
113 regulatory oversight.

114 (d) The adequacy of current mechanisms and expertise to
115 gather meaningful data to properly evaluate and adopt title
116 insurance rates.

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117 (e) Such other topics as the chair, in consultation with
118 the council, deems necessary to conduct a thorough examination of
119 the title insurance industry.

120 (6) The council, at the direction of the chair, may invite
121 independent actuaries who have expertise in title insurance to
122 provide information and appear before the council to aid in
123 performing its duties. In order to assist the council, the Office
124 of Program Policy Analysis and Government Accountability shall
125 conduct an independent review of the historical development of
126 the title insurance industry in this state and the current
127 fragmented regulatory framework and shall report its findings to
128 the council. Such report shall be submitted to the council by
129 September 30, 2008.

130 (7) The council shall hold its initial meeting no later
131 than August 1, 2008, in Tallahassee. Staff for the council chair
132 shall schedule and organize the initial meeting. Subsequent
133 meetings of the council must be held in Tallahassee according to
134 a schedule developed by the chair.

135 (8) The council shall submit a final report, setting forth
136 findings and specific legislative recommendations, to the
137 Governor, the President of the Senate, and the Speaker of the
138 House of Representatives on or before December 31, 2009. The
139 council's final report shall be approved by at least two-thirds
140 of the council's membership and the chair must be in the
141 prevailing majority. The council shall terminate after submitting
142 its final report but not later than December 31, 2009.

143 Section 2. The sum of \$242,003 in nonrecurring funds is
144 appropriated from the Insurance Regulatory Trust Fund in the
145 Department of Financial Services for transfer to the Executive

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146 Office of the Governor for the 2008-2009 fiscal year for the
147 purpose of implementing the Florida 2008 Title Insurance Study
148 Advisory Council.

149 Section 3. The sum of \$242,003 is appropriated from the
150 Grants and Donations Trust Fund in the Executive Office of the
151 Governor for the 2008-2009 fiscal year, and two full-time
152 equivalent positions are authorized for the duration of the
153 Florida 2008 Title Insurance Study Advisory Council.

154 Section 4. This act shall take effect upon becoming a law.