

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.

16  
 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  
 24          Florida, 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  
 30 and agent solvency, education, licensing, and discipline and  
 31 the establishment of nondiscriminatory title insurance rates  
 32 and forms, and

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

37

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

39

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  
 45 of making recommendations for legislation to promote a sound and  
 46 stable system to promote the safety of real property transfers  
 47 in this state.

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

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

57 the Senate.

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

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

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

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

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

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

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

83 (k) One independent licensed title insurance agent  
84 appointed by the Speaker of the House of Representatives from a

85 list of three agents submitted by the Florida Land Title  
86 Association.

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

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

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

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

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

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

112 (b) The current regulatory structure under which oversight

113 responsibility is shared among different state agencies.

114 (c) The adequacy of funds and agency personnel to exercise  
115 regulatory oversight.

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

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

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

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

137 (8) The council shall submit a final report, setting forth  
138 findings and specific legislative recommendations, to the  
139 Governor, the President of the Senate, and the Speaker of the  
140 House of Representatives on or before December 31, 2009. The

141 council's final report shall be approved by at least two-thirds  
142 of the council's membership and the chair must be in the  
143 prevailing majority. The council shall terminate after  
144 submitting its final report but not later than December 31,  
145 2009.

146 Section 2. The sum of \$242,003 in nonrecurring funds is  
147 appropriated from the Insurance Regulatory Trust Fund in the  
148 Department of Financial Services for transfer to the Executive  
149 Office of the Governor for the 2008-2009 fiscal year for the  
150 purpose of implementing the Florida 2008 Title Insurance Study  
151 Advisory Council.

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

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