

By the Committee on Banking and Insurance; and Senator Altman

597-02426-12

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1 A bill to be entitled
2 An act relating to title insurance; amending s.
3 626.2815, F.S.; specifying continuing education
4 requirements for title insurance agents; amending s.
5 626.8437, F.S.; specifying additional grounds to deny,
6 suspend, revoke, or refuse to renew or continue the
7 license or appointment of a title insurance agent or
8 agency; amending s. 626.8473, F.S.; requiring an
9 attorney serving as a title or real estate settlement
10 agent to deposit and maintain certain funds in a
11 separate trust account and permit the account to be
12 audited by the applicable title insurer, unless
13 prohibited by the rules of The Florida Bar; amending
14 s. 627.777, F.S.; providing procedures and
15 requirements relating to the approval or disapproval
16 of title insurance forms by the Office of Insurance
17 Regulation; amending s. 627.782, F.S.; requiring title
18 insurance agencies and certain insurers to submit
19 specified information to the office to assist in the
20 analysis of title insurance premium rates, title
21 search costs, and the condition of the title insurance
22 industry; requiring the Financial Services Commission
23 to adopt rules; providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

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27 Section 1. Paragraph (d) of subsection (3) of section
28 626.2815, Florida Statutes, is amended, and paragraph (1) is
29 added to that subsection, to read:

597-02426-12

20121404c1

30 626.2815 Continuing education required; application;
31 exceptions; requirements; penalties.-

32 (3)

33 (d) Any person who holds a license as a customer
34 representative, limited customer representative, ~~title agent,~~
35 motor vehicle physical damage and mechanical breakdown insurance
36 agent, crop or hail and multiple-peril crop insurance agent, or
37 as an industrial fire insurance or burglary insurance agent and
38 who is not a licensed life or health insurance agent, must ~~shall~~
39 ~~be required to~~ complete 10 hours of continuing education courses
40 every 2 years.

41 (1) Any person who holds a license as a title insurance
42 agent must complete a minimum of 10 hours of continuing
43 education courses every 2 years in title insurance and escrow
44 management specific to this state and approved by the
45 department, which shall include at least 1.5 hours of continuing
46 education on the subject matter of ethics, rules, or compliance
47 with state and federal regulations relating to title insurance
48 and closing services.

49 Section 2. Subsection (11) is added to section 626.8437,
50 Florida Statutes, to read:

51 626.8437 Grounds for denial, suspension, revocation, or
52 refusal to renew license or appointment.-The department shall
53 deny, suspend, revoke, or refuse to renew or continue the
54 license or appointment of any title insurance agent or agency,
55 and it shall suspend or revoke the eligibility to hold a license
56 or appointment of such person, if it finds that as to the
57 applicant, licensee, appointee, or any principal thereof, any
58 one or more of the following grounds exist:

597-02426-12

20121404c1

59 (11) Failure to timely submit data as required by s.
60 627.782, unless a rule challenge has been filed pursuant to s.
61 120.56 as to the form or substance of data to be provided.

62 Section 3. Subsection (8) is added to section 626.8473,
63 Florida Statutes, to read:

64 626.8473 Escrow; trust fund.—

65 (8) An attorney shall deposit and maintain all funds
66 received in connection with transactions in which the attorney
67 is serving as a title or real estate settlement agent into a
68 separate trust account that is maintained exclusively for funds
69 received in connection with such transactions and permit the
70 account to be audited by its title insurers, unless maintaining
71 funds in the separate account for a particular client would
72 violate applicable rules of The Florida Bar.

73 Section 4. Section 627.777, Florida Statutes, is amended to
74 read:

75 627.777 Approval of forms.—

76 (1) A title insurer may not issue or agree to issue any
77 form of title insurance commitment, title insurance policy,
78 other contract of title insurance, or related form until it is
79 filed with and approved by the office. The office may not
80 disapprove a title guarantee or policy form on the ground that
81 it has on it a blank form for an attorney's opinion on the
82 title.

83 (2) The office shall approve or disapprove a form filed for
84 approval within 180 days after receipt.

85 (3) When the office approves any form, it shall determine
86 if the current rate in effect applies or if the coverages
87 require the adoption of a rule pursuant to s. 627.782.

597-02426-12

20121404c1

88 (4) The office may revoke approval of any form after
89 providing 180 days' notice to the title insurer.

90 (5) An insurer may not achieve a competitive advantage over
91 any other insurer, agency, or agent as to rates or forms. If a
92 form or rate is approved for an insurer, the office shall
93 expeditiously approve the forms of other insurers who apply for
94 approval if those forms contain identical coverages, rates, and
95 deviations which have been approved under s. 627.783.

96 Section 5. Subsection (8) of section 627.782, Florida
97 Statutes, is amended to read:

98 627.782 Adoption of rates.—

99 (8) Each title insurance agency and insurer licensed to do
100 business in this state and each insurer's direct or retail
101 business in this state shall maintain and submit information,
102 including revenue, loss, and expense data, as the office
103 determines necessary to assist in the analysis of title
104 insurance premium rates, title search costs, and the condition
105 of the title insurance industry in this state. This information
106 must be transmitted to the office annually by March 31 of the
107 year after the reporting year. The commission shall adopt rules
108 to assist in the collection and analysis of the data from the
109 title insurance industry. ~~The commission may, by rule, require~~
110 ~~licensees under this part to annually submit statistical~~
111 ~~information, including loss and expense data, as the department~~
112 ~~determines to be necessary to analyze premium rates, retention~~
113 ~~rates, and the condition of the title insurance industry.~~

114 Section 6. This act shall take effect July 1, 2012.