

By Senator Hays

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1 A bill to be entitled
2 An act relating to title insurance agency licensure;
3 amending s. 626.8418, F.S.; deleting a requirement
4 that an applicant for licensure as a title insurance
5 agency deposit with the Department of Financial
6 Services a specified amount or post a surety bond of
7 like amount payable to the department for the benefit
8 of appointing title insurers damaged by the title
9 insurance agency's failure to meet contractual
10 obligations; providing an effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

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14 Section 1. Section 626.8418, Florida Statutes, is amended
15 to read:

16 626.8418 Application for title insurance agency license.—
17 Prior to doing business in this state as a title insurance
18 agency, a title insurance agency ~~must meet all of the following~~
19 ~~requirements:~~

20 ~~(1) The applicant~~ must file with the department an
21 application for a license as a title insurance agency, on
22 printed forms furnished by the department, that includes all of
23 the following:

24 (1)(a) The name of each majority owner, partner, officer,
25 and director of the agency.

26 (2)(b) The residence address of each person required to be
27 listed under subsection (1) paragraph (a).

28 (3)(c) The name of the agency and its principal business
29 address.

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30 (4)~~(d)~~ The location of each agency office and the name
31 under which each agency office conducts or will conduct
32 business.

33 (5)~~(e)~~ The name of each agent to be in full-time charge of
34 an agency office and specification of which office.

35 (6)~~(f)~~ Such additional information as the department
36 requires by rule to ascertain the trustworthiness and competence
37 of persons required to be listed on the application and to
38 ascertain that such persons meet the requirements of this code.

39 ~~(2) The applicant must have deposited with the department
40 securities of the type eligible for deposit under s. 625.52 and
41 having at all times a market value of not less than \$35,000. In
42 place of such deposit, the title insurance agency may post a
43 surety bond of like amount payable to the department for the
44 benefit of any appointing insurer damaged by a violation by the
45 title insurance agency of its contract with the appointing
46 insurer. If a properly documented claim is timely filed with the
47 department by a damaged title insurer, the department may remit
48 an appropriate amount of the deposit or the proceeds that are
49 received from the surety in payment of the claim. The required
50 deposit or bond must be made by the title insurance agency, and
51 a title insurer may not provide the deposit or bond directly or
52 indirectly on behalf of the title insurance agency. The deposit
53 or bond must secure the performance by the title insurance
54 agency of its duties and responsibilities under the issuing
55 agency contracts with each title insurer for which it is
56 appointed. The agency may exchange or substitute other
57 securities of like quality and value for securities on deposit,
58 may receive the interest and other income accruing on such~~

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59 ~~securities, and may inspect the deposit at all reasonable times.~~
60 ~~Such deposit or bond must remain unimpaired as long as the title~~
61 ~~insurance agency continues in business in this state and until 1~~
62 ~~year after termination of all title insurance agency~~
63 ~~appointments held by the title insurance agency. The title~~
64 ~~insurance agency is entitled to the return of the deposit or~~
65 ~~bond together with accrued interest after such year has passed,~~
66 ~~if no claim has been made against the deposit or bond. If a~~
67 ~~surety bond is unavailable generally, the department may adopt~~
68 ~~rules for alternative methods to comply with this subsection.~~
69 ~~With respect to such alternative methods for compliance, the~~
70 ~~department must be guided by the past business performance and~~
71 ~~good reputation and character of the proposed title insurance~~
72 ~~agency. A surety bond is deemed to be unavailable generally if~~
73 ~~the prevailing annual premium exceeds 25 percent of the~~
74 ~~principal amount of the bond.~~

75 Section 2. This act shall take effect July 1, 2012.