



233862

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
01/26/2012	.	
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The Committee on Banking and Insurance (Bennett) recommended the following:

Senate Amendment (with title amendment)

Delete lines 12 - 18

and insert:

627.7832 Claims payment.-

(1) A title insurer has the right to cure each claim made.

However, after 90 days without a cure the insurer must tender payment of full policy limits to the insured or pay up to an additional 25 percent above the initial amount insured to reimburse the insured for the payment of any attorney fees, moving expenses, property taxes, architect fees, engineering fees, permitting fees, or mortgage interest until the cure is



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13 finalized.

14 (2) The additional 25 percent applies only if the insurer's
15 failure to establish title directly impacts the payments listed
16 in subsection (1).

17 (3) If a complete loss of title occurs, full policy limits
18 must be paid regardless of market values.

19
20 This section does not apply to additional policy limits issued
21 pursuant to s. 627.7844.

22 Section 2. Section 627.7844, Florida Statutes, is created
23 to read:

24 627.7844 Supplemental coverage.-

25 (1) If the current owner of real property borrows money
26 secured by an interest in such real property and a loan title
27 insurance policy is issued at original title insurance rates
28 established pursuant to s. 627.782, less any agreed rebates in
29 connection therewith, the title agency, title insurer, or
30 attorney-agent providing the loan title insurance policy must
31 simultaneously issue an owner's title insurance policy in the
32 amount of the loan title insurance policy, or such greater
33 amount as may be requested by the property owner.

34 (2) (a) If the property owner provides a copy of one or more
35 owner's title insurance policies currently insuring the owner's
36 interest in the real property, the coverage of the new owner's
37 policy to be issued shall be supplemental to the existing owners
38 policy, and the policy limits of the new owner's policy must be
39 fully available if the aggregate insured losses suffered by the
40 insured exceed the amount insured collectively by the prior
41 policy. Actual payment or recovery from the prior insurer is not



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42 a condition precedent for recovery under the new owner's policy.

43 (b) This supplemental coverage may be accomplished through
44 an endorsement of the existing owner's policy or the issuance of
45 a new owner's policy containing language establishing coverage
46 as being supplemental to the prior policies.

47 (c) The new owner's and loan policies shall reflect policy
48 exceptions and limitations based on the current state of title
49 to the property, and may include exceptions that did not appear
50 in the prior owner's policy.

51 (3) The premium for the simultaneous issuance of the new
52 owner's policy must be the minimum simultaneous issue rate
53 established pursuant to s. 627.782.

54 (4) The owner of the real property shall waive in writing
55 the right to purchase any additional owner's coverage.

56 Section 3. Subsection (1) of section 627.7845, Florida
57 Statutes, is amended to read:

58 627.7845 Determination of insurability required;
59 preservation of evidence of title search and examination.-

60 (1) A title insurer may not issue a title insurance
61 commitment, endorsement, or title insurance policy until the
62 title insurer has caused to be made a determination of
63 insurability based upon the evaluation of a reasonable title
64 search beginning with a root of title, as defined in s.
65 712.01(2) or a search of the records of a Uniform Commercial
66 Code filing office, as applicable, has examined such other
67 information as may be necessary, and has caused to be made a
68 determination of insurability of title or the existence,
69 attachments, perfection, and priority of a Uniform Commercial
70 Code security interest, including endorsement coverages, in



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71 ~~accordance with sound underwriting practices.~~

72

73 ===== T I T L E A M E N D M E N T =====

74 And the title is amended as follows:

75 Delete lines 4 - 6

76 and insert:

77 a title insurer must pay the claim or pay an
78 additional percentage above the initial amount insured
79 to reimburse the policyholder for certain expenses
80 until the claim is cured; providing conditions for
81 certain payments; providing an exception for
82 additional policy limits; creating s. 627.7844, F.S.;
83 providing conditions and amounts for the simultaneous
84 issue of an owner's title insurance policy in
85 additional to the loan title insurance policy;
86 providing criteria for the supplemental coverage;
87 establishing the premium for such coverage and
88 providing for a waiver of coverage; amending s.
89 627.7845, F.S.; specifying that a title insurer's
90 determination of insurability must be based on the
91 evaluation of a reasonable title search beginning with
92 a root of title; providing an effective date.