

Committee on Banking and Insurance

CS/CS/HB 643 — Title Insurance

by Economic Affairs Committee; Insurance and Banking Subcommittee and Rep. Moraitis (CS/CS/SB 1404 by Judiciary; Banking and Insurance and Senator Altman)

The bill requires any person who holds a license as a title insurance agent to complete a minimum of 10 hours of continuing education credit every 2 years in title insurance and escrow management specific to this state and approved by the department, which shall include at least 3 hours of continuing education on the subject matter of ethics, rules, or compliance with state and federal regulations relating specifically to title insurance and closing services.

The bill allows the department to deny, suspend, revoke, or refuse to renew or continue the license or appointment of any title insurance agent or agency for failure to timely submit data as required by s. 627.782, F.S.

The bill requires an attorney to deposit and maintain all funds received in connection with transactions in which the attorney is serving as a title or real estate settlement agent into a separate trust account that is maintained exclusively for funds received in connection with such transactions and permit the account to be audited by its title insurers, unless maintaining funds in the separate account for a particular client would violate applicable rules of the Florida Bar.

The bill requires the Office of Insurance Regulation to approve or disapprove a form filed for approval within 180 days after receipt. When the office approves any form, it shall determine if the current rate in effect applies or if the coverages require the adoption of a rule pursuant to s. 627.782, F.S. The office may revoke approval of any form after providing 180 days' notice to the title insurer. An insurer may not achieve a competitive advantage over any other insurer, agency, or agent as to rates or forms. If a form or rate is approved for an insurer, the office shall expeditiously approve the forms of other insurers who apply for approval if those forms contain identical coverages, rates, and deviations which have been approved under s. 627.783, F.S.

The bill requires each title insurance agency and insurer licensed to do business in this state and each insurer's direct or retail business in this state to maintain and submit information, including revenue, loss, and expense data, as the office determines necessary to assist in the analysis of title insurance premium rates, title search costs, and the condition of the title insurance industry in this state. This information must be transmitted to the office annually by March 31 of the year after the reporting year. The commission shall adopt rules regarding the collection and analysis of the data from the title insurance industry.

If approved by the Governor, these provisions take effect July 1, 2012.

Vote: Senate 40-0; House 118-0