

By the Committees on Judiciary; and Banking and Insurance; and
Senator Altman

590-03217-12

20121404c2

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:

590-03217-12

20121404c2

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) For compliance periods beginning on or after October 1,
42 2014, any person who holds a license as a title insurance agent
43 must complete a minimum of 10 hours of continuing education
44 courses every 2 years in title insurance and escrow management
45 specific to this state and approved by the department, which
46 must include at least 3 hours on the subject matter of ethics,
47 rules, or compliance with state and federal regulations relating
48 specifically to title insurance 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:

590-03217-12

20121404c2

59 (11) Failure to timely submit data as required by s.
60 627.782.

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

63 626.8473 Escrow; trust fund.—

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

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

74 627.777 Approval of forms.—

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

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

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

87 (4) The office may revoke approval of any form after

590-03217-12

20121404c2

88 providing 180 days' notice to the title insurer.

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

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

97 627.782 Adoption of rates.—

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

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