

Council Substitute for House Bill No. 937

An act relating to title insurance; creating the Florida 2008 Title Insurance Study Advisory Council; providing for membership; providing for administrative support for the council; providing responsibilities of the council; authorizing the council to invite independent actuaries to provide certain information; requiring the Office of Program Policy Analysis and Government Accountability to conduct a review and report to the council; requiring that the report be submitted to the council by a certain date; providing council meeting requirements; requiring the council to file a report with the Governor and the Legislature; providing for termination of the council; providing appropriations and authorizing additional positions; providing an effective date.

WHEREAS, the Legislature finds that a stable and efficient title insurance delivery system is necessary to promote the economic well-being of the residents of Florida, and

WHEREAS, Florida consumers have a right to effective and affordable title insurance, and

WHEREAS, title insurance is essential to ensure homeowners and landowners of the safety of real estate transfers in Florida, and

WHEREAS, investors and lienholders require the security accorded their business interests by a financially stable and regulated title insurance industry, and

WHEREAS, a viable title insurance delivery system requires efficient and comprehensive state oversight to regulate insurer and agent solvency, education, licensing, and discipline and the establishment of nondiscriminatory title insurance rates and forms, and

WHEREAS, it is the express intent of the Legislature to conduct a comprehensive review of the title insurance industry, the current regulatory scheme, and the rules affecting the conduct of the industry, NOW, THEREFORE,

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

Section 1. (1) This act may be cited as the "Florida 2008 Title Insurance Study Advisory Council Act."

(2) The purpose of this act is to create an advisory council to undertake a comprehensive examination of the title insurance delivery system of this state with the ultimate goal of making recommendations for legislation to promote a sound and stable system to promote the safety of real property transfers in this state.

(3) The Florida 2008 Title Insurance Study Advisory Council is created. The council shall consist of the following 21 members:

(a) The Governor or the Governor's designee, who shall serve as chair of the council.

(b) The Chief Financial Officer or the Chief Financial Officer's designee, who shall serve as vice chair of the council.

(c) One member of the Senate appointed by the President of the Senate.

(d) One member of the House of Representatives appointed by the Speaker of the House of Representatives.

(e) The Insurance Consumer Advocate appointed pursuant to s. 627.0613, Florida Statutes.

(f) The Commissioner of Insurance Regulation or the commissioner's designee.

(g) The Commissioner of the Office of Financial Regulation or the commissioner's designee.

(h) Three representatives of title insurers doing business in the state from three different title insurers, appointed by the President of the Senate. No more than one representative may be named from each affiliated group of corporations as defined in s. 624.509(5)(a)2., Florida Statutes. Such appointments may not overlap with those insurer appointments made under paragraph (i).

(i) Four representatives of title insurers doing business in the state from four different title insurers, appointed by the Speaker of the House of Representatives. No more than one representative may be named from each affiliated group of corporations as defined in s. 624.509(5)(a)2., Florida Statutes. Such appointments may not overlap with those insurer appointments made under paragraph (h).

(j) Two independent licensed title insurance agents appointed by the President of the Senate from a list of three agents submitted by the Florida Land Title Association.

(k) One independent licensed title insurance agent appointed by the Speaker of the House of Representatives from a list of three agents submitted by the Florida Land Title Association.

(l) Two members of the Real Property, Probate and Trust Law Section of The Florida Bar who are practicing real estate attorneys not employed by a title insurer. The designation of such members shall be made by the Real Property, Probate and Trust Law Section of The Florida Bar.

(m) One member of the banking industry from a bank performing home and commercial mortgage lending, appointed by the Commissioner of Financial Regulation.

(n) One member of the real estate industry, either an independent realtor or one representing a company handling home and commercial real

estate transactions, including closings, appointed by the Chief Financial Officer.

(4) The council shall be administratively supported by the staff of the Executive Office of the Governor. The Department of Financial Services, the Office of Insurance Regulation, and other agencies of the state, as well as staff of the applicable legislative committees, shall supply any information, assistance, and facilities that are deemed necessary by the council to carry out its duties.

(5) The council shall undertake a comprehensive examination of the title insurance delivery system in this state and shall include in its study consideration of:

(a) The historical development of the title insurance industry in this state and its uniqueness among other lines of insurance.

(b) The current regulatory structure under which oversight responsibility is shared among different state agencies.

(c) The adequacy of funds and agency personnel to exercise regulatory oversight.

(d) The adequacy of current mechanisms and expertise to gather meaningful data to properly evaluate and adopt title insurance rates.

(e) Such other topics as the chair, in consultation with the council, deems necessary to conduct a thorough examination of the title insurance industry.

(6) The council, at the direction of the chair, may invite independent actuaries who have expertise in title insurance to provide information and appear before the council to aid in performing its duties. In order to assist the council, the Office of Program Policy Analysis and Government Accountability shall conduct an independent review of the historical development of the title insurance industry in this state and the current fragmented regulatory framework and shall report its findings to the council. Such report shall be submitted to the council by September 30, 2008.

(7) The council shall hold its initial meeting no later than August 1, 2008, in Tallahassee. Staff for the council chair shall schedule and organize the initial meeting. Subsequent meetings of the council must be held in Tallahassee according to a schedule developed by the chair.

(8) The council shall submit a final report, setting forth findings and specific legislative recommendations, to the Governor, the President of the Senate, and the Speaker of the House of Representatives on or before December 31, 2009. The council's final report shall be approved by at least two-thirds of the council's membership and the chair must be in the prevailing majority. The council shall terminate after submitting its final report but not later than December 31, 2009.

Section 2. The sum of \$242,003 in nonrecurring funds is appropriated from the Insurance Regulatory Trust Fund in the Department of Financial

Services for transfer to the Executive Office of the Governor for the 2008-2009 fiscal year for the purpose of implementing the Florida 2008 Title Insurance Study Advisory Council.

Section 3. The sum of \$242,003 is appropriated from the Grants and Donations Trust Fund in the Executive Office of the Governor for the 2008-2009 fiscal year, and two full-time equivalent positions are authorized for the duration of the Florida 2008 Title Insurance Study Advisory Council.

Section 4. This act shall take effect upon becoming a law.

Approved by the Governor June 17, 2008.

Filed in Office Secretary of State June 17, 2008.