

CHAPTER 2012-206

Committee Substitute for Committee Substitute for House Bill No. 643

An act relating to title insurance; amending s. 626.2815, F.S.; specifying continuing education requirements for title insurance agents; amending s. 626.8437, F.S.; specifying additional grounds to deny, suspend, revoke, or refuse to renew or continue the license or appointment of a title insurance agent or agency; amending s. 626.8473, F.S.; requiring an attorney serving as a title or real estate settlement agent to deposit and maintain certain funds in a separate trust account and permit the account to be audited by the applicable title insurer, unless prohibited by the rules of The Florida Bar; amending s. 627.777, F.S.; providing procedures and requirements relating to the approval or disapproval of title insurance forms by the Office of Insurance Regulation; amending s. 627.782, F.S.; requiring title insurance agencies and certain insurers to submit specified information to the office to assist in the analysis of title insurance premium rates, title search costs, and the condition of the title insurance industry; requiring the Financial Services Commission to adopt rules; providing effective dates.

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

Section 1. Effective October 1, 2014, and applicable to compliance periods beginning on or after that date, paragraph (d) of subsection (3) of section 626.2815, Florida Statutes, is amended, and paragraph (l) is added to that subsection, to read:

626.2815 Continuing education required; application; exceptions; requirements; penalties.—

(3)

(d) Any person who holds a license as a customer representative, limited customer representative, ~~title agent~~, motor vehicle physical damage and mechanical breakdown insurance agent, crop or hail and multiple-peril crop insurance agent, or as an industrial fire insurance or burglary insurance agent and who is not a licensed life or health insurance agent, ~~must~~ shall be required to complete 10 hours of continuing education courses every 2 years.

(l) Any person who holds a license as a title insurance agent must 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.

Section 2. Subsection (11) is added to section 626.8437, Florida Statutes, to read:

626.8437 Grounds for denial, suspension, revocation, or refusal to renew license or appointment.—The department shall deny, suspend, revoke, or refuse to renew or continue the license or appointment of any title insurance agent or agency, and it shall suspend or revoke the eligibility to hold a license or appointment of such person, if it finds that as to the applicant, licensee, appointee, or any principal thereof, any one or more of the following grounds exist:

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

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

626.8473 Escrow; trust fund.—

(8) An attorney shall 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.

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

627.777 Approval of forms.—

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

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

(3) 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.

(4) The office may revoke approval of any form after providing 180 days' notice to the title insurer.

(5) 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.

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

627.782 Adoption of rates.—

(8) Each title insurance agency and insurer licensed to do business in this state and each insurer’s direct or retail business in this state shall 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. ~~The commission may, by rule, require licensees under this part to annually submit statistical information, including loss and expense data, as the department determines to be necessary to analyze premium rates, retention rates, and the condition of the title insurance industry.~~

Section 6. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2012.

Approved by the Governor May 4, 2012.

Filed in Office Secretary of State May 4, 2012.