A bill to be entitled

An act relating to title insurance agency licensure; amending s. 626.8418, F.S.; deleting a requirement that an applicant for licensure as a title insurance agency deposit with the Department of Financial Services a specified amount or post a surety bond of like amount payable to the department for the benefit of appointing title insurers damaged by the title insurance agency's failure to meet contractual obligations; providing an effective date.

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

Section 1. Section 626.8418, Florida Statutes, is amended to read:

626.8418 Application for title insurance agency license.—Prior to doing business in this state as a title insurance agency, a title insurance agency ~~must meet all of the following requirements:~~

~~(1) The applicant~~ must file with the department an application for a license as a title insurance agency, on printed forms furnished by the department, that includes all of the following:

(1)~~(a)~~ The name of each majority owner, partner, officer, and director of the agency.

(2)~~(b)~~ The residence address of each person required to be listed under subsection (1) ~~paragraph (a)~~.

(3)~~(c)~~ The name of the agency and its principal business address.

(4) ~~(d)~~ The location of each agency office and the name under which each agency office conducts or will conduct business.

(5) ~~(e)~~ The name of each agent to be in full-time charge of an agency office and specification of which office.

(6) ~~(f)~~ Such additional information as the department requires by rule to ascertain the trustworthiness and competence of persons required to be listed on the application and to ascertain that such persons meet the requirements of this code.

~~(2) The applicant must have deposited with the department securities of the type eligible for deposit under s. 625.52 and having at all times a market value of not less than $35,000. In place of such deposit, the title insurance agency may post a surety bond of like amount payable to the department for the benefit of any appointing insurer damaged by a violation by the title insurance agency of its contract with the appointing insurer. If a properly documented claim is timely filed with the department by a damaged title insurer, the department may remit an appropriate amount of the deposit or the proceeds that are received from the surety in payment of the claim. The required deposit or bond must be made by the title insurance agency, and a title insurer may not provide the deposit or bond directly or indirectly on behalf of the title insurance agency. The deposit or bond must secure the performance by the title insurance agency of its duties and responsibilities under the issuing agency contracts with each title insurer for which it is appointed. The agency may exchange or substitute other~~

~~securities of like quality and value for securities on deposit, may receive the interest and other income accruing on such securities, and may inspect the deposit at all reasonable times. Such deposit or bond must remain unimpaired as long as the title insurance agency continues in business in this state and until 1 year after termination of all title insurance agency appointments held by the title insurance agency. The title insurance agency is entitled to the return of the deposit or bond together with accrued interest after such year has passed, if no claim has been made against the deposit or bond. If a surety bond is unavailable generally, the department may adopt rules for alternative methods to comply with this subsection. With respect to such alternative methods for compliance, the department must be guided by the past business performance and good reputation and character of the proposed title insurance agency. A surety bond is deemed to be unavailable generally if the prevailing annual premium exceeds 25 percent of the principal amount of the bond.~~

Section 2. This act shall take effect July 1, 2012.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.