SLS 22RS-484 ENGROSSED

2022 Regular Session

SENATE BILL NO. 230

BY SENATOR MORRIS

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INSURERS. Provides for qualifications of title insurance producers. (8/1/22)

1	AN ACT
2	To amend and reenact R.S. 22:512(11)(b) and the introductory paragraph R.S. 22:513 (C)
3	and R.S. 22:513 (C)(2), to enact R.S. 22:512(1.1), (9.1), and (12.1), relative to title
4	insurance producers; to provide for definitions; to provide for qualifications of
5	individual title insurance producers; to provide for the qualifications of agency title
6	insurance products; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 22:512(11)(b) and the introductory paragraph R.S. 22:513 (C) and
9	R.S. 22:513 (C)(2) are hereby amended and reenacted and R.S. 22:512(1.1), (9.1), and (12.1)
10	are hereby enacted to read as follows:
11	§512. Definitions
12	As used only in this Subpart, the following words are defined as:
13	* * *
14	(1.1) "Affiliated Business(es)" means a company or business in the same
15	corporate system by virtue of common ownership, control, operation and
16	management.

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1	(9.1) "Full-time Employee" shall mean an individual with an
2	employment or independent contractor relationship with an agency producer
3	in which the individual provides full-time availability to the agency producer
4	with whom the relationship exists and whose employment or contract
5	relationship is exclusive to the agency producer and the agency producer's
6	affiliated businesses.
7	* * *
8	(11)(a) * * *
9	(b) "Agency title insurance producer" or "agency producer" shall mean a
10	business entity appointed to represent a title insurer, whose principal place of
11	business is physically located in this state, or and who has designated a resident
12	<del>licensed</del> individual producer <u>licensed for the line of title</u> employed by the business
13	entity as responsible for complying with the requirements of this Section. insurance
14	laws, rules and regulations of this state.
15	* * *
16	(12.1) "Principal place of business" means the place from which the
17	officers or other principals of an agency title insurance producer direct, control,
18	and coordinate the entity's business activities.
19	* * *
20	§513. Title insurers and producers; qualifications
21	* * *
22	C. The qualifications for $\frac{\mathbf{each}}{\mathbf{an}}$ agency title insurance producer shall be as
23	follows:
24	* * *
25	(2) Shall employ designate at least one licensed resident individual producer
26	licensed for the line of title designated with responsibility for ensuring compliance
27	with the requirements of this Section. The designated resident producer shall have
28	a degree of affiliation with the entity, such as an ownership interest or a role as

an officer, director, employee, or other relationship sufficient to cause or

influence the entity's compliance with the applicable insurance laws, rules, and

2 regulations of this state.

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The original instrument was prepared by Beth O'Quin. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

## DIGEST

SB 230 Engrossed

2022 Regular Session

Morris

Present law provides definitions for title insurance.

Proposed law retains present law but adds a "full-time employee" is an individual with an employment or independent contractor relationship with an agency producer in which the individual provides full-time availability to the agency producer with whom the relationship exists and whose employment or contract relationship is exclusive to the agency producer and the agency producer's affiliated businesses.

Proposed law defines "affiliated business" as a company or business in the same corporate system by virtue of common ownership, control, operation and management.

<u>Present law</u> provides a definition of "agency title insurance producer" or "agency producer" is a business entity that is appointed to represent a title insurer that has a principal place of business located in this state, or is a licensed producer that is employed by the business entity and is responsible to comply with the requirements of present law.

Proposed law changes the provision from a designated licensed individual producer employed in state and is a designated licensed producer employed by the business that must comply with this section to a designated resident producer that has a license and must comply with present law.

Proposed law provides a "principal place of business" is the place the officers or other principals of the agency title insurance producer direct, control, and coordinate business activities.

Present law requires qualifications for a title insurance producer to include a high school diploma, a diploma for completion of a home study program, or a high school equivalency diploma after passing the test.

Proposed law retains present law but adds a college or post graduate degree.

Present law requires qualifications for an agency title insurance producer that requires the producer to be licensed and to comply with present law.

Proposed law changes a title insurance producer is licensed to a title insurance producer is a resident with a license. Requires the resident producer have an affiliation with the business, like an ownership interest or a role that is sufficient to cause or to influence the business to comply with the laws of this state.

Effective August 1, 2022.

(Amends R.S. 22:512(11)(b), and (C)(intro para),(C)(2); adds R.S. 22:512(1.1), (9.1) and (12.1)

## Summary of Amendments Adopted by Senate

 $\frac{Committee\ Amendments\ Proposed\ by\ Senate\ Committee\ on\ Insurance\ to\ the\ original}{bill}$ 

- 1. Adds definition for "affiliated business".
- 2. Redefines "full-time employee".