
DIGEST

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SB 180 Reengrossed

2020 Regular Session

Morris

Present law defines a title insurance producer as a person authorized on behalf of a title insurer to issue title insurance reports or policies.

Proposed law distinguishes between individual title insurance producers and agency producers. Defines "individual title insurance producer" or "individual producer" as a licensed natural person who is either a resident of Louisiana or a nonresident employed by a resident licensee authorized to issue title insurance reports or policies.

Defines "agency title insurance producer" or "agency producer" as a business entity appointed to represent a title insurer, whose principal place of business is physically located in Louisiana, or who has designated a resident licensed individual producer employed by the business entity as responsible for complying with the requirements of present law.

Proposed law retains provisions in present law requiring that only persons authorized as title insurers or producers under the Louisiana Insurance Code are qualified to issue title insurance policies, reports, or to otherwise transact the business of title insurance. Retains the requirement that all title insurance policies and reports covering an insurable interest in title to an immovable located in Louisiana be signed by a producer licensed as a title insurer in Louisiana under the Code or by an employee of a title insurer issuing policies and reports when the employee is a producer licensed under the Code as to title insurers.

Proposed law provides the following qualifications for an individual title insurance producer:

- (1) Shall be a natural person at least 18 years old.
- (2) Shall be a resident of Louisiana, or be a full-time employee of a licensed agent producer whose principal place of business is physically located in Louisiana.
- (3) Shall hold a high school diploma, a diploma for completion of a home study program approved by the State Board of Elementary and Secondary Education, or a high school equivalency diploma issued after successfully completing the test of general educational development.
- (4) Shall be able to read, write, speak, and be sufficiently knowledgeable of the English language.
- (5) Shall receive a passing score on the title insurance examination administered by the Department of Insurance.
- (6) Shall complete the required hours of prelicensing education as required in the Louisiana Insurance Code related to Louisiana property law and title insurance, within the one year period prior to application.

Proposed law provides the following qualifications for an agency title insurance producer:

- (1) Shall be a Louisiana entity whose principal place of business is physically located in Louisiana, or a foreign entity registered to do business in this state whose principal place of business within Louisiana is suitable for conducting the business of title insurance and real estate closing.
- (2) Shall employ at least one licensed individual producer designated with responsibility for ensuring compliance with the requirements in present law.

- (3) Shall maintain its appointment to represent a title insurer, along with affiliation of the individual producer designated in Paragraph (2) above.
- (4) The entity and its designated individual producer shall not have had an agent producer license, or its equivalent or an individual producer license, or its equivalent, suspended, revoked, or refused in any other state, province, district, or territory.

Present law authorizes the Department of Insurance or a title insurer, during normal business hours, to examine, audit, and inspect any and all books, records, files, and escrow and operating accounts related to the title insurance business maintained by the insurance producer or its successor in interest, transferee, or receiver as provided in present law.

Proposed law retains present law and requires all producers to maintain these records in a legible format, readily accessible to the Department of Insurance in a location fully accessible from or physically existing in Louisiana.

Present law requires that individual applicants for licensure by the Department of Insurance pass an examination with a passing score of at least 70% for each line of insurance in which that applicant seeks to transact business in Louisiana unless otherwise exempt in the Code. Requires that the exam test the individual's knowledge in the lines of authority for which application is made, the duties and responsibilities of an insurance producer, and the insurance laws and regulations of Louisiana. Present law does not apply to applicants seeking to write industrial fire, limited life, health and accident, surety, title, surplus lines, or credit insurance business only.

Proposed law retains these provisions but also excludes applicants seeking to write title insurance.

Present law requires each registered insurance producer prelicensing program to provide instruction by a qualified instructor in a structured setting or by verifiable approved self-study with a minimum of 20 hours of supervised instruction or self-study, including instruction in applicable insurance principles, state laws and regulations, and ethical practices, for each of the following lines of authority a license is sought: life, health and accident, property, casualty, and personal lines.

Proposed law retains these provisions and specifically includes title insurance in the lines of authority.

Effective January 1, 2021.

(Amends R.S. 22:512(16), 513, 519, 1545(C)(2), and 1571(E)(1); adds R.S. 22:1545(C)(7))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Remove from the list of required qualifications of a title insurance producer in proposed law a provision that excludes individuals who have committed any act that is grounds for probation or suspension of an insurance license.
2. Remove from the list of required qualifications of a title insurance producer in proposed law a provision that excludes individuals who have been convicted of a felony, including individuals who have been pardoned.
3. Remove from the list of qualifications of a title insurance producer in proposed law a provision that requires individuals to represent a title insurer.
4. Remove a provision from proposed law which exempts applicants for a license as an title insurance producer, who currently have a license in good standing to practice law, from the requirement to complete fourteen hours of prelicensing

education in subject areas that were included in the applicant's education through the their legal degree program.

5. Add a provision establishing an effective date of Jan. 1, 2021.
6. Make technical changes.