

## RÉSUMÉ DIGEST

ACT 310 (SB 180)

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Morris

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

New 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.

New law retains provisions in prior law requiring that only persons authorized as title insurers or producers under the La. 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.

New 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 La. Insurance Code related to Louisiana property law and title insurance, within the one-year period prior to application.

New 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 prior 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.

Prior law authorized 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.

New law retains prior 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.

Prior law required 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. Required 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. Prior law did not apply to applicants seeking to write industrial fire, limited life, health and accident, surety, title, surplus lines, or credit insurance business only.

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

Prior law required 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.

New 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))