

2021 Regular Session

HOUSE BILL NO. 65

BY REPRESENTATIVE ECHOLS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE: Provides relative to mandatory audits of title insurance producers by title insurers

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AN ACT

To amend and reenact R.S. 22:526, relative to mandatory audits of title insurance producers by title insurers; to provide for periodic audits; to provide for audit requirements; to make technical changes; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:526 is hereby amended and reenacted to read as follows:

§526. Title insurer; audit

A. The title insurer shall, at least once every three years, conduct an ~~on-site~~ audit of the escrow and settlement practices, escrow accounts, security arrangements, files, underwriting and claims practices, and policy inventory of the producer. If the title insurance producer fails to maintain separate escrow or trust accounts for each title insurer it represents, the title insurer shall verify that the funds related to closings in which the title insurer's policies are issued are reasonably ascertainable from the books of account and records of the title insurance producer.

B. The ~~department~~ commissioner may promulgate regulations setting forth the standards of audit and the form of audit required. The ~~department~~ commissioner may also require the title insurer to provide a copy of its audit reports to the department.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 65 Original

2021 Regular Session

Echols

**Abstract:** Provides relative to mandatory audits of title insurance producers by title insurers.

Present law provides that title insurers shall, at least once every three years, conduct an on-site audit of the escrow and settlement practices, escrow accounts, security arrangements, files, underwriting and claims practices, and policy inventory of the producer.

Proposed law retains present law except the requirement that such audits be conducted on-site.

Present law provides that the department may set forth the standards and the form of periodic title insurer audits.

Proposed law specifies that authority to set forth the standards and the form of periodic title insurer audits rests with the commissioner of insurance.

Present law provides that the department may require title insurers to provide a copy of their audit reports to the department.

Proposed law specifies that authority to require title insurers to provide a copy of their audit reports to the department rests with the commissioner of insurance.

(Amends R.S. 22:526)