

2022 Regular Session

SENATE BILL NO. 230

BY SENATOR MORRIS

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

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AN ACT

To amend and reenact R.S. 22:512(11)(b) and 513(B)(3), and the introductory paragraph R.S. 22:513 (C) and R.S. 22:513 (C)(2), to enact R.S. 22:512(9.1) and (12.1), relative to title insurance producers; to provide for definitions; to provide for qualifications of individual title insurance producers; to provide for the qualifications of agency title insurance products; and provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:512(11)(b) and 513(B)(3), and the introductory paragraph R.S. 22:513 (C) and R.S. 22:513 (C)(2) are hereby amended and reenacted and R.S. 22:512(9.1) and (12.1) are hereby enacted to read as follows:

§512. Definitions

As used only in this Subpart, the following words are defined as:

* * *

(9.1) "Full-time employee" means an individual with an employment or independent contractor relationship with an agency producer that provides the individual full-time availability to the agency producer that has an existing relationship and has an employment or contract relationship that is exclusive

1 **to the agency producer and the agency producer's affiliated businesses.**

2 * * *

3 (11)(a) * * *

4 (b) "Agency title insurance producer" or "agency producer" shall mean a
5 business entity appointed to represent a title insurer, whose principal place of
6 business is physically located in this state, ~~or~~ **and** who has designated a resident
7 ~~licensed individual producer employed by the business entity~~ as responsible for
8 complying with the requirements of this Section. **insurance laws, rules and**
9 **regulations of this state.**

10 * * *

11 **(12.1) "Principal place of business" means the place that the officers or**
12 **other principals of an agency title insurance producer direct, control, and**
13 **coordinate the business activities of the entity.**

14 * * *

15 §513. Title insurers and producers; qualifications

16 * * *

17 B. The qualifications for each individual title insurance producer shall be as
18 follows:

19 * * *

20 (3) Shall hold a high school diploma, a diploma for completion of a home
21 study program approved by the State Board of Elementary and Secondary Education,
22 or a high school equivalency diploma issued after successfully completing the test
23 of general educational development, **or a college or post graduate degree.**

24 C. The qualifications for ~~each~~ **an** agency title insurance producer shall be as
25 follows:

26 * * *

27 (2) Shall ~~employ~~ designate at least one ~~licensed~~ **resident** individual producer
28 **licensed for the line** ~~designated~~ with responsibility for ensuring compliance with the
29 requirements of this Section. **The designated resident producer shall have a**

1 **degree of affiliation with the entity, like an ownership interest or a role as an**
 2 **officer, director, employee, or other relationship sufficient to cause or influence**
 3 **the entity's compliance with the applicable insurance laws, rules, and**
 4 **regulations of this state.**

5 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 230 Original

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 who has employment or independent contractor with an agency that provides full-time availability to the agency producer and has an existing relationship by employment or by a contractual relationship that is exclusive to the agency producer and its affiliated businesses.

Present law 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), 513(B)(3), and (C)(intro para),(C)(2); adds R.S. 22:512(9.1) and (12.1))