

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 the introductory paragraph of R.S. 22:513(C) and R.S. 22:513(C)(2) and to enact R.S. 22:512(1.1), (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 to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:512(11)(b) and the introductory paragraph of R.S. 22:513(C) and R.S. 22:513(C)(2) are hereby amended and reenacted and R.S. 22:512(1.1), (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:

\* \* \*

**(1.1) "Affiliated Business(es)" means a company or business in the same corporate system by virtue of common ownership, control, operation and management.**

\* \* \*

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                   licensed individual producer **licensed for the line of title** 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 ~~each~~ **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 individual producer**  
28                   **shall have a degree of affiliation with the entity, such as an ownership interest**  
29                   **or a role as an officer, director, employee, or other relationship sufficient to**

1 cause or influence the entity's compliance with the applicable insurance laws,

2 rules, and regulations of this state.

3 \* \* \*

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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 Cheryl Serrett.

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DIGEST  
SB 230 Reengrossed 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.

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 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 individual 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 513(C)(intro para) and (2); adds R.S. 22:512(1.1), (9.1) and (12.1))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

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

Senate Floor Amendments to engrossed bill

1. Makes technical changes.