

Regular Session, 2010

HOUSE BILL NO. 807

BY REPRESENTATIVE TIM BURNS

INSURANCE: Requires that a title opinion contain a search of the mortgage or public records for a specified period of time for federal judgments or if the transaction being insured is a sale or a mortgage

1 AN ACT

2 To amend and reenact R.S. 22:512(17)(b)(introductory paragraph), (vi)(bb) and (gg), and
3 513, relative to title insurance; to require that a title opinion contain a search of the
4 mortgage records for a period of twenty years for federal judgments; to require the
5 length of the examiner's search for a transaction involving a sale be a minimum
6 period of thirty years or longer in order to reach a third-party transfer; to require the
7 examiner's search be a minimum of ten years or two links in the chain of title,
8 whichever is greater, if only the mortgage is being insured; to require a title
9 insurance agent be licensed and domiciled in this state in order to issue title
10 insurance policies or transact title insurance business in the state; and to provide for
11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 22:512(17)(b)(introductory paragraph), (vi)(bb) and (gg), and 513
14 are hereby amended and reenacted to read as follows:

15 §512. Definitions

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

17 * * *

18 (17) "Title insurance business" or "business of title insurance" shall mean:

19 * * *

1 (b) Transacting or proposing to transact by a title insurer or a title insurance
2 ~~producer~~ agent any of the following activities when conducted or performed in
3 contemplation of or in conjunction with the issuance of a title insurance report or
4 policy:

5 * * *

6 (vi) Examining titles; however, any title insurance report or title insurance
7 policy relating to immovable property shall be based upon an examination of title
8 which shall be conducted only by attorneys duly licensed and authorized to practice
9 law in Louisiana. The examination and resulting opinion, if it furnishes the basis of
10 a title insurance report or title insurance policy relating to immovable property, shall
11 be reduced to writing by the attorney. The title opinion shall contain the following:

12 * * *

13 (bb) Complete list of all encumbrances, mortgages, judgments, liens, and
14 privileges. This list shall contain the name of secured creditors, date filed, amounts,
15 and recordation information. For federal judgments, a search of the mortgage
16 records shall be made for a period of twenty years.

17 * * *

18 (gg) Length of examiner's search and date of earliest recorded instrument
19 reviewed by the examiner. If the transaction being insured is a sale, the minimum
20 search period shall be thirty years, or longer, if necessary, in order to reach an arms-
21 length sale between unrelated, third parties. If only a mortgage is being insured, then
22 the search shall be for a minimum of ten years or two links in the chain of title,
23 whichever is greater.

24 * * *

25 §513. Title insurers and ~~producers~~ agents; qualifications

26 Only those persons authorized pursuant to this Title as a title insurer or
27 ~~producer~~ a title insurance agent who is pursuant to this Title domiciled in this state
28 shall be qualified to issue a title insurance policy or report or otherwise transact the
29 business of title insurance. Notwithstanding any other law to the contrary, all title

1 insurance policies and reports covering any insurable interest in title to immovable
 2 property located in this state shall be signed by a ~~producer~~ title insurance agent under
 3 this Subpart licensed and domiciled in this state ~~under this Subpart~~ or by an
 4 employee of a title insurer issuing the title insurance policies and reports when such
 5 employee is a ~~producer~~ title insurance agent under this Subpart licensed and
 6 domiciled in this state ~~under this Subpart~~.

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)]

Tim Burns

HB No. 807

Abstract: Provides that a title opinion must contain a search of the mortgage or public records for a specified period of time for federal judgments and sales or mortgages that are being insured.

Present law (R.S. 22:512(17)(b)(vi)(bb)) provides that a title opinion must contain a complete list of all encumbrances, mortgages, judgments, liens, and privileges. Also, requires the list contain the names of secured creditors, date filed, amounts, and recordation information.

Proposed law retains present law and adds a provision that requires a title opinion contain a search of the mortgage records for a period of 20 years for federal judgments.

Present law (R.S. 22:512(17)(b)(vi)(gg)) provides that a title opinion must contain the length of examiner's search and date of earliest recorded instrument reviewed by the examiner.

Proposed law retains present law and adds a provision that specifies if the transaction is a sale, the minimum search period must be 30 years, or longer, in order to reach an arms-length sale between unrelated, third parties. Proposed law further provides if only a mortgage is being insured, then the search must be for a minimum of 10 years or two links in the chain of title, whichever is greater.

Present law (R.S. 22:513) provides that only a licensed title insurer or producer is qualified to issue title insurance or report or transact the business of title insurance. Further, requires all title insurance policies and reports covering an insurable interest in title to immovable property located in this state be signed by a producer licensed in this state or by an employee of a title insurer issuing the title insurance policies and reports when the employee is a producer licensed in this state.

Proposed law modifies present law by changing "producer" to "title insurance agent". Also, adds a further condition that a title insurer, agent, or an employee of a title insurer issuing title insurance policies or reports, who is also a title insurance agent, must be domiciled in this state.

(Amends R.S. 22:512(17)(b)(intro. para.), (vi)(bb) and (gg), and 513)