



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company

From: WFG Florida Agency Department

Date: May 21, 2014

Bulletin No.: FL 2014-6

Re: HB 633 - Insurance Agents and Agencies

Almost every year, the Department of Financial Services proposes some changes to Florida Statutes relating to the regulation of Insurance Agents and Agencies. This year's bill, HB 633, was passed unanimously by both the House and Senate, but has not yet been signed into law by Governor Scott. Along with provisions applicable to other lines of insurance, the bill included provisions applicable to title agents and agencies.

The main change applicable to title agents and agencies is that, effective January 1, 2015 (assuming it is signed into law), this bill will require each place of business established by an agent or agency to be "in the active full-time charge of a licensed and appointed [title insurance agent]." New §626.0428(4)(a).

The bill goes on to provide that the licensed agent in charge of the agency "may also be the agent in charge of additional branch office locations" so long as no activities requiring licensure goes on unless a licensed agent (as phrased, this is not necessarily the agent in charge) is present. New §626.0428(4)(b). For a number of years, the Department has declined to approve a branch location without naming a unique agent in charge, so it is unclear if this policy will change.

We want to stress that our interpretation, about business being conducted with a licensed agent other than the agent in charge on premises, is one with which the Department may disagree. The interpretation is based on the reference to "an agent" not "the agent" and to "unlicensed persons" in new §626.0428(4)(b).^[1]

Attorneys in good standing with the Florida Bar are exempt from the licensing and appointment requirements, so may presumably qualify as the agent in charge of a branch office, and will otherwise be subject to those rules.

A different section of the bill, which will take effect July 1, 2014, requires the Department to immediately and automatically suspend a license or appointment when a licensee is charged with a felony of the first degree; a capital felony; a felony involving money laundering, fraud, or embezzlement; or a felony directly related to the financial services business. The suspension continues if they are found guilty, or plead guilty or nolo contendere to the crime, regardless of whether a judgment or conviction is entered, and during any appeals.

This bill includes many other provisions applicable to other lines of insurance and the operation of the Department.

As always, if you have questions about any of this, please feel free to reach out to your WFG underwriter.

NOTE: This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity and is for the sole purpose of establishing underwriting positions reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company and its agents. Disclosures to any party not described above are prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

[1] The pertinent language of the bill reads:

(b) Notwithstanding paragraph (a), the licensed agent in charge of an insurance agency may also be the agent in charge of additional branch office locations of the agency if insurance activities requiring licensure as an insurance agent do not occur at any location when an agent is not physically present and unlicensed employees at the location do not engage in insurance activities requiring licensure



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