

## MINUTES OF AGENT SECTION CALL

OCTOBER 5, 2011 9:30AM

I am happy to report that we had a good turnout for the call with many long time members of the Section present as well as some new members.

In the interest of Norwood Gay's time constraints, we began by addressing his proposed legislation. We reviewed first the less controversial points of the bill, most of which are recommendations from the Department of Financial Services and/or the Study Advisory Council. Norwood then explained the purpose and language of the portion of the bill addressing Butler. There followed some discussion where some expressed concerns as to how this would play out in the marketplace. While intended to bring an end to rebating, some felt it could have the opposite effect. Others expressed concern with any type of title legislation this year because of the Governor's comments in his signing letter of last year's HB1007 addressing the insolvency matter. It was decided that everyone should go to our Website where the actual proposed bill is posted to review it in its entirety and form an opinion. Comments should be sent to [bmcreynolds@nat.com](mailto:bmcreynolds@nat.com). (For informational purposes, this bill was reviewed later that day by the FLTA Board of Directors and voted down.)

We also discussed the latest version of the Use of Designations Rule. While the Department has listened to our concerns and attempted to respond to them, we still do not think that they have addressed them appropriately. We will continue to work with them to further improve the language so that we cannot not only use our CLC and CLS designations without concern but also other titles that we may give to our associates that infer expertise. Alan is sending another letter with our comments.

Pat Hancock and Beverly McReynolds have written a short article entitled, "Title Insurance in Florida Just Got Better". The article explains the additional insurance that the Florida consumer receives in the new 2006 policies at no additional cost. It also reminds people to close with a member of the Florida Land Title Association. Agents can feel free to use this letter in their advertising. A copy is attached. We cannot expect others to talk about us in a positive light if we do not do so ourselves.

We discussed the progress of the Title Insurance Working Group. This group was brought together by the OIR. Much focus has been on creating a workable data call fashioned after the new NAIC form that hopefully someday will be used nationally. However, there is still a threat of the OIR filing a bill similar to what has been filed the last few years by Senator Bennett calling

for the deregulation of title insurance rates in Florida and creating a system of File and Use. David Lanaux suggested that we might offer up some sort of reduction in the current rate structure in order to avoid such a filing. Beverly McReynolds reminded the group that if we were to propose a piece of legislation with a percentage of reduction that we felt we could absorb, there is no guarantee that the bill would get passed with the same percentage that we recommended. Additionally, any suggestion of a reduction would only prove the Governor's point that our rates are too high. We briefly discussed the "Refinance Rate" that had been suggested by the OIR. This rate would be used for all residential refinances whether or not there was a prior policy available. The Department's intention was to make this rate revenue neutral. They wanted to use a limited data call from the underwriters to determine what that rate should be. It would eliminate the current reissue and substitution rates. The Agent Section is not opposed to the concept of a refinance rate, but we believe that a complete data call needs to be performed and analyzed to calculate the new rate and determine what, in fact, is revenue neutral for the entire industry not just the underwriters.

We hope that everyone is planning on attending the Convention on November 2-4 at the PGA Resort in Palm Beach Gardens and that you will bring a friend. There are six hours of CE/CLE credits being offered and it is possible to obtain a day pass for just those courses. Some concern was expressed that there will not be a joint meeting of the Agent and Underwriter Sections at the Convention. Alan explained that this meeting was eliminated because others felt it did not accomplish enough. Everyone was reminded that the Governmental Affairs Committee Meeting is the most important meeting of the Convention and that it is open to all attendees.

Some members of the Association are working with other groups in an attempt to lower the high cost of obtaining Homeowner Association Estoppel Letters. The fees are consistently increasing and title agents must front the fees. The worst part is that the Associations do not stand behind the information provided. We are not the only group concerned with this and we will be pursuing this going forward in an attempt to make this better for our members.

We reminded agents that some lenders are wording the Short Sale Arms Length Affidavits in such a way that if signed, you would be giving additional insurance that is not approved by the Department of Insurance. If the lender insists that the closing agent join in the Affidavit, please be sure that it contains qualifying language that you are only making statements "to the best of your knowledge".

The meeting was adjourned at 10:25 AM.