



FLTA Tallahassee Report

Serving Title Professionals Throughout Florida

Beverly McReynolds, CLC, President

Alan Fields, Executive Director

249 East Virginia St., Tallahassee, FL 32301

(850) 681.6422

Spring 2012

In this Issue:

- Insurer Section Report -2
- Agent Section Report - Mike Glass Interview - 3
- Getting the Most Out of Your Membership - 5
- 2012 Florida Legislation Affecting Title Insurers and Title Agents - 7
- It's Scholarship Time - 8
- Meet the Title Industry Lobby Team - 9
- The Title Forum Works! - 11
- Membership Drive Update - 11
- "Promulgated Title Rates Eliminated In Florida" "Agent to get NO share of Premium" - 14
- FLTA Comes into the 21st Century - 15

A Message from the President

Beverly McReynolds, CLC

North American Title



Earlier this month, a number of current and previous Board members flew to Washington, DC to participate in ALTA's Federal Conference. Being in Washington brings home the fact that our lives and businesses are controlled in so many ways by the decisions made by our legislators and regulators. Our day-to-day duties as owners or managers include considering what changes we will make internally to improve our organizations. Some-

times, we forget that many of the significant changes in our businesses will not come from our ideas but rather from changes in the laws and regulations that guide the real estate lending and closing process.

This year at the ALTA Conference, we heard a lot about the pressure coming from lenders to have the title insurance underwriters handle the disbursement of closing funds. What was different in the presentations in DC, from others I have heard locally, was the emphasis that this idea did not originate with the lenders but rather with their regulators.

These regulators want to know what the lenders are doing to protect their funds. They want to know that there are sound practices in place to determine the ability of the borrower to repay, as well as an analysis of the quality of the collateral that is being taken to secure the loan. Also, they want assurances that the loan proceeds are safe from the time they

leave the lender until they reach the seller or existing lender in the transaction. Ultimately, Congress wants to know that the public will not again be asked to bail out another bank because the lending process went awry. At this moment, we do know if this movement will become a reality or if our industry will be able to deliver an acceptable alternative.

Simultaneously, here at home, title agents are planning for the upcoming Data Call. It is unclear exactly what format it will take and how we will go about gathering the required data. This will require another change in our business processes. This also grew out of the concerns of regulators. If you have not already done so, please read the article in this publication where Alan walks us through the historical facts of how and why your Association came to support this concept. Like our lender friends, we have regulators that are interested in knowing that the con-

sumer is being protected and treated fairly. They want proof that the consumer is not being overcharged. This can only be determined through the collection of sound data.

My point is that our world is changing. If ever there was time to embrace change, this is it. The idea that we should have just left things alone will no longer work. It will be the nimble that thrive in our new environment. Of course, there will be time for us to adjust. And we will work together as an industry to prepare and to mitigate the burden of these changes. The important thing is

that we have the mindset that we can adjust and move forward.

In the meantime, as an industry need to continue to work closely with our regulators and legislators. We need to stay in tune with what they are thinking, and provide accurate information to inform their decisions. You need to take the time to get to know your local and national representatives. To whatever extent possible, you need to make sure they know who you are, what you do for a living and the service that you provide to the consumer. Lastly, you need to raise your voice in a united manner by making your industry as-

sociation stronger. Get involved and bring your friendly competitors with you. We are a small but strong industry. Let's make ourselves heard.

PARTICIPATE LIKE YOUR LIVELIHOOD DEPENDS ON IT!

HOLD THE DATE!

**The 2012 FLTA Convention
will be held November 12-14
at the Renaissance Hotel,
International Mall, Tampa**

More Details Soon!

Insurer Section Report

James C Russick, Esq, Chair
Old Republic National Title Insurance Co.



The Insurer's Section of the FLTA recently met by conference call to discuss some recent changes in the Florida Department of Financial Services (DFS) computer system and workflows.

In the past, insurers would receive a letter advising that one of their agents had a pending licensing or appointment issue. These usually were the result of a shortfall in required Continuing Ed, missing or out of date addresses in the DFS system, missed renewal or surcharge payments and the like. The notice allowed the insurer to work with their agent to promptly rectify the problem before the agent's appointment was cancelled.

Under the revised system, the insurers no longer get advance notification. All communications are now by email directly to the affected agent. If those email notices happen to be to an old address, the first the insurer hears about it is after DFS has terminated the agent's appointment. The insurer is then under an obligation to retrieve all policy forms and basically shut down the agent until the underlying defect has been cured, and a re-appointment processed through DFS.

This makes it difficult for insurers to assist agents or DFS. We have asked our Executive Director to engage DFS in discussions about how the workflow can be adjusted to provide advance notice of issues. Our goal is to enable the insurers to assist DFS (and our agents) in satisfying the requirements and avoiding such unpleasant results. I want to stress that the insurers are NOT suggesting they be given advance notice of emergency suspensions resulting from fraud, escrow theft and the like. In those cases, immediate action is necessary to protect the public and the title industry.

There is an important message here for agents. Each and every licensee should mark their calendars to periodically confirm that their email address and all of the other information DFS has about your agency, and each licensed agent who works with you, is current. Simply log into your [MyProfile](#) account at DFS.

Separately, the Forms Committee has been working with the Office of Insurance Regulation (OIR) to update the ALTA 14 series endorsements. We anticipate that the revamped 14 series will be available in Florida effective August 1, 2012. Questions on forms issues may be directed to [Karla Staker](#), our Forms Committee chair.



As I speak with other Agents throughout the state, the feedback I have been hearing is that things "feel a little bit better" or "the skies aren't as cloudy." I am not sure if we are a little gun shy to say business is improving, or we really don't want to jinx the market. Maybe Andy Grove, former CEO and Chairman of Intel, had it right when he said "only the paranoid survive." I hope all of us are just a little bit paranoid, but ultimately successful.

There are five things the Agent Section is focused on as we enter the second half of the year:

- Preparing for the impact of the Data Call on agencies. This will involve re-tooling by the software providers whom we depend on -- even with software designed to facilitate the data call, there will be an impact to our Agencies. The outcome of the data call could impact our rate structure. Stay tuned as FLTA keeps members informed and offers tips on preparing for this major change.
- Getting engaged in the discussion on a national level with Lenders who have requested the Title Industry to change how disbursements are handled. Lenders no longer want exposure to escrow theft and they want Underwriters to assume more responsibility. This issue has huge implica-

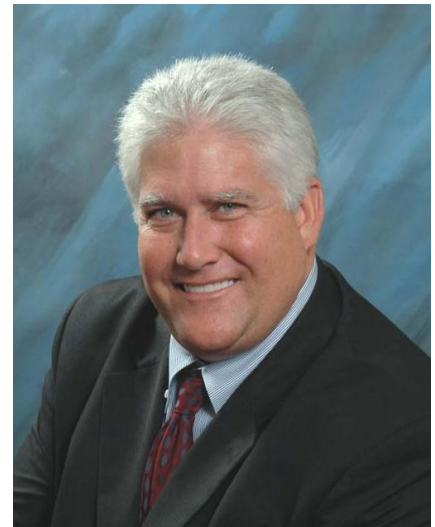
tions on the structure of the title industry and ultimately our livelihoods.

- Addressing the requirements to be a title agency in Florida. This past year, the Agent Section opposed eliminating the Surety Bond, feeling that the industry should maintain some minimum financial investment to be an agency in Florida. This year, a focus group is asking what should be the "minimum standards" to be an agency, as those minimum standards can be used to raise the level of professionalism, protect the consumer and insure the solvency of the agency component of our industry.
- Raising more Lobbyist funding. Ten agents in Florida contributed to the Lobbyist fund last year, and in total we raised \$16,000. That is not enough. When you think of what we have coming our way with the Data Call, and the potential that has on our income, we will need all the help we can get.
- Finally, as always, trying to impress on the 1500 licensed Agencies in Florida that are not members of FLTA to join our association. I am preaching to the choir about the value of our organization. 94% of the agents in this state are not members. We need to reach out to them and explain the value of a membership and the upcoming risks we have to manage. If you know another agency, the chances are good they are not a member. Tell them why you are a member and tell them what is coming up. Tell them if they value their agency, they may want to join us to help fight these issues. More agents, means more clout, which I think means a better chance of a better outcome when we think about the above issues.

I mentioned last quarter that our newsletter will highlight title agents that not only have realized the importance of FLTA and have become active, but have also accomplished an incredible feat the

past several years; they have expanded and gained market share in their respective region.

This issue we are highlighting Mike Glass from Universal Land Title www.universallandtitle.com. Mike has been leading Universal Land Title since 1984. Congratulations to Mike and his team for the successes you have achieved. I hope you enjoy his story.



Vince: When did you start in title, and why?

Mike: In this industry it seems we all have a similar story as to how we stumbled into the title business. I don't think many of us grew up saying "I want to be a title agent." My route to the title industry was through the mortgage business, when I began my financial services career back in 1979. With interest rates at 20%, I decided to join First American Title as a local sales representative in 1981. In 1984, I established Universal Title, later to become Universal Land Title. It's been a great industry in which to spend 31 years!

Vince: When did you realize this was a business you wanted to develop and grow?

Mike: I guess shortly after entering the title business I knew I had found the industry in which I could grow. It is a business that allows for continual inter-

action with other real estate professionals on all levels -- Realtors, lenders, appraisers, surveyors, and other title professionals -- all working towards the same goal of getting the transaction closed on time. There is a great sense of accomplishment and satisfaction in helping a new homebuyer achieve their dreams.

Vince: You have grown to be one of the largest Agencies in the markets you compete - what was your strategy, how did you do it?

Mike: Our strategy is simple; we aim to be the best we can be in every market we enter. We reinvest heavily in technology, professionally appointed offices, and most importantly our people. We try to provide our employees with the best tools and processes to allow them to service our customers in the best possible way. When you take care of your people and your customers, everything else falls into place.

Did You Know?

That language like "Subject to restrictions and reservations of record" in a deed is not enough to prevent the Marketable Record Title Act (Ch. 712, Fla. Stat) from eventually eliminating those interests. To be preserved under MRTA, the reference must be specific -- which generally means to the O.R. Book and Page or to the plat by name, with recording information.

Vince: What mistakes did you make along the way?

Mike: I think we all look back on certain things and say "Wow, what was I thinking?"

But I think the biggest mistake we can make is to not make a decision when it seems too difficult, even though we know it's the right thing to do. Growing and operating a business requires a lot of decisions to be made every day. Before I make a decision, I always try to gather the facts and consult with key

team leaders, when necessary. There are times you look back at things and realize you made a mistake and learn from it, but for me, my worse mistakes were from a lack of action.

Vince: What trends do you see developing in the agency side of our industry?

Mike: The past few years have changed our industry forever. Particularly for the agent, a partnership with your underwriter is key to surviving in today's world. Regulators are attempting to place more and more liability on the title industry; and underwriters continue to push that same liability down to the agent. Again, a strong partnership and trust with your underwriter is critical if you expect to be around for any length of time. Another thing we've recognized is that as the industry evolves, we need to evolve with it. Doing things the same way "we've always done them," because that worked in the past doesn't necessarily mean it's a good idea in the new world in which we operate.

Vince: Take us through a normal day in running your agency.

Mike: Every business day starts with reviewing reports of key metrics, such as orders and closings, to gauge how we are doing around the company. Then there is a portion of every day spent on process improvement. What one thing can we do better? Whether it is a major or minor improvement, we are always looking for ways to improve the process and grow the company and how we can take better care of our employees and our customers. I also take time to get out into the branch offices and meet with our employees. The best insight is from our people on the front lines. They let me know how we're doing, and how we can improve.

Vince: You have been active with FLTA, what made you get involved?

Mike: My involvement with FLTA began early in my career. A strong trade association is key to the success of every industry. I always believe that the voice of many is stronger than the voice

of one. FLTA has worked tirelessly to deliver a message to our legislators in Tallahassee as to the service our title industry provides to the consumers, the jobs we create in the state and the professional way in which we conduct our business. That message would not be delivered without the FLTA. We all need to be involved if we expect to survive the wave of change heading in our direction.

Vince: What would you say is remarkable about your Agency that sets you apart from the competition?

Mike: I truly believe our people are the driving force that makes Universal Land Title the great company that it is. We all carry a great sense of pride in this company. When a closing branch gets extremely busy or a company is acquired and needs training we always have employees step up and ask "How can I help?" It's a great feeling to know we are all watching out for one another like a family. Our employee's average length of service probably exceeds 10 years and there are many employees that have been with me for more than 25 years. That says a lot about our company and our ongoing commitment to our employees.

Vince: How do you see 2012 vs. 2011?

Mike: I definitely see market conditions improving in 2012. Certainly not a booming market but a gradual housing recovery. We are seeing fewer short sales and more refinances in 2012 vs. 2011. We are seeing properties that are clean and priced right going under contract within a week, and sometimes within a day. The commercial market is also improving. We are hiring, opening offices, and making selective acquisitions where it makes sense to do so. We are cautiously optimistic, but it's definitely great to see our industry starting to get its legs under it again. Universal Land Title plans to remain in a position of strength as the housing markets recover nationally.

Getting the Most Out of Your FLTA Membership

FLTA Gives You the Opportunity to be a Better, More Involved, Title Professional

“Networking” is an overused buzzword. In most businesses – and certainly in title – personal relationships can make all of the difference.

People almost automatically respect those who are actively involved in building their industry. It’s a sign of competence, a sign of respect; it’s the mark of a true professional. We are more likely to refer business and opportunities to the involved professional. This is true whether you are a title agent, a lawyer, or a Realtor.®

FLTA provides many opportunities for you and your staff to get involved; to start building your network and professional reputation; to grow personally and professionally; and to really make a difference in the title industry and to your own business! Here are just a few of the ways you can get involved:

- **FLTA’s Annual Convention** – Every year 150 or more title professionals gather for FLTA’s annual convention. It’s work; It’s play; It’s Learning; It’s Great Networking, and It’s FUN!
- **The Government Affairs Committee** is one of FLTA’s most active and important Committees. They review and evaluate every bill filed in the Florida Legislature and make recommendations for changes and fixes. The members of this committee actively guide the industry’s legislative agenda. If you don’t like the direction Florida law seems to be going – Don’t Complain! Get Involved and Help Fix It!
- **Lobby Days.** Every year, FLTA members congregate in Tallahassee to meet with our elected officials and explain the needs, interests and concerns of the land title industry and our agencies and support that agenda. It’s not only a networking opportunity, but a chance to be on the cutting edge of issues affecting the real estate industry. Lobby Days is not only a networking opportunity, but a chance to be on the cutting edge of issues affecting the real estate industry.
- **FLTA’s new Allied Industries Committee** is actively building relationships with local boards of real estate throughout the state and providing our members with more opportunities to interact with fellow real estate professionals. We expect this program to expand to include opportunities for FLTA members to deliver Real-

- **FLTA’s Lender Instruction Review Committee** is reviewing lender closing instructions, and looking at the advice we can give our members on what to look out for and how to deal with some of the more egregious demands.
- **The Title Forum** is designed to stimulate discussion with your fellow agents. Have a question, a concern, a crazy idea? Start a new Thread. It might be fun!

FLTA has 3 sections, 15 committees and lots of active projects. There are plenty of great opportunities to get involved, be active, network, and grow your team personally and professionally. Getting involved is easy – and take my word for it, it will make you a better, more knowledgeable, title professional.

Just contact the chair for the committee that interests you [here](#).

The FLTA would like to thank the following contributors to the Agent Section Lobbyist Fund for 2012

Community Land Title
First American Title
Fidelity National Title
Integrity First Title
M&M Title
Majesty Title
North American Title Insurance
North American Title Company
Old Republic National Title
Southern Title
Stewart Title Company
Sue Geigle
The Association of Title Agents
Title Company of Brevard
Title Connection

On a road filled with regulation,
**WE WILL HELP YOU
STAY AHEAD
OF THE CURVE.**



Regulatory changes are a constant in today's marketplace, and you need a partner to keep you ahead of the curve. At SoftPro, we understand the impact of these changes on your business, and we are committed to keeping you up-to-date and equipped with the necessary tools to efficiently handle these changes. We develop award-winning, highly innovative closing and title software to keep you on the straight and narrow.

Call **800-848-0143** for a **FREE 30 DAY TRIAL**
or visit **www.softprocorp.com**.



2012 Florida Legislation Affecting Title Insurers and Title Agents

Beth A. Vecchioli, Senior Government Consultant, Carlton Fields, P.A.



During the 2012 Florida Regular Legislative Session, substantial legislation was passed which affects title insurers and title agents doing business in Florida. This article provides a brief summary of that legislation.

House Bill 643 Title Insurance

CS/CS/HB 643 is the main industry supported regulatory bill, which was signed into law by the Governor on May 4, 2012. The bill contains important provisions pertaining to the approval of policy forms, rates, continuing education requirements for agents and escrow account requirements for attorneys.

Continuing Education Requirements for Title Agents:

The bill requires title agents to earn at least 10 hours of continuing education credit every 2 years in courses pertaining to title insurance and escrow management specific to Florida. Additionally, 3 of the 10 hours must pertain to ethics, but the definition of “ethics” has been expanded to include rules or compliance with state and federal regulations pertaining to title insurance and closing services. Requiring continuing education “specific to Florida” is expected to be a significant change for non-resident agents used to taking courses approved in their home state.

Escrow Account Requirements for Attorneys:

Attorneys serving as title agents must now deposit and maintain all funds received for title and real estate closing in a separate escrow account. They must permit this escrow account to be audited by the title insurers for which the attorney is serving as an agent. The Florida Bar in Ethics Opinion 93-5 has opined that maintaining a separate account and allowing insurers to audit is not a breach of the duty of confidentiality, although the ethics opinion does impose a safeguard (tracked in the statute) allowing individual clients to “opt out.”

Approval of Policy Forms:

Historically, Florida has lagged behind the rest of the country in the approval of updated ALTA policy forms. This has caused title insurers writing business in Florida to use older policy forms in Florida than are currently used in the rest of the country. The law now requires the regulator to approve or disapprove a filed policy form within 180 days. Additionally, insurers cannot gain a competitive advantage as to either rates or forms.

Adoption of Rates:

New title insurance rates have not been promulgated in Florida for many years. Some allege that the title insurance rates in Florida are too high in comparison to the rates in other states. In Florida, the regulator is required to set the rates applicable to both insurers and agents based on industry wide data. Insurer data is submitted annually, but the authority and ability for the regulator to gather data from agents and attorney-agents was significantly constrained. Absent data about the costs incurred by title agencies in providing title services, it became impossible to properly set a premium rate applicable to both insurers and agents.

This bill clarifies the authority and requires both title agencies and insurers to submit revenue, loss and other data to the regulator by March 31st of each year, so that the regulator can promulgate new rates. A title agent who fails to timely submit this data to the regulator is subject to suspension, revocation or non-renewal of his/her license or appointment. [See “[Promulgated Title Rates Eliminated in Florida](#)” elsewhere in this newsletter for a discussion of the industry considerations in supporting a data call] CS/CS/HB 643 takes effect on July 1, 2012.

House Bill 645 Public Records/Title Insurance Data

CS/CS/HB 645 is the companion public records exemption bill to HB 643. In Florida, public records exemptions must be filed as stand-alone bills. This bill exempts most of the data submitted by agencies and insurers as

part of the rate-making data call from public records disclosure. CS/CS/HB 645 takes effect on July 1, 2012.

House Bill 725 Insurance Agents and Adjusters

CS/CS/CS/HB 725 is the omnibus agents and adjusters regulatory bill that was supported by the Department of Financial Services, and signed into law by the Governor on May 4, 2012. This bill contains many regulatory provisions relating to streamlining the agent and adjuster licensing and continuing education process for all types of insurance agents, not just title agents. A few parts of this bill pertain to title agents.

The bill clarifies that a person cannot initiate contact to solicit title insurance from an “individual proposed insured” unless licensed as a title agent or exempt from licensure pursuant to the Florida Insurance Code. The “individual proposed insured” language was intended to clarify that unlicensed marketers could continue to call on Realtors®, mortgage brokers, lenders and other referral sources.

FLTA and the Title Lobby Team were also successful in negotiating an exemption for title agents from the requirement for a single “5 hour update”, which is required for other lines of insurance. Continuing education requirements remain unchanged at 10 hours every 2 years, which must include 3 of ethics. HB 725 incorporated the same education requirements as HB 643. The Department of Financial Services will continue to approve all continuing education courses and vendors.

The bill eliminates the provisions of Section 626.175 (temporary agent licenses) and Section 626.172 (agent in full-time charge) from applying to title agents. However, the bill adds Section 626.749 (place of business in residence) to the list of sections of law applicable to title agents. The bill eliminates the out of date requirement that “printed” forms must be filed with the Department of Financial Services to appoint a title agency. The appointment process is handled electronically now so there is no longer a need to file printed forms.

The bill changes the process for a title agency to post a surety bond when appointed by a title insurer. In the past, the Dept of Financial Services was the “holder” and administrator of all surety bonds for title agencies. Now, the bill removes the Department of Financial Services from this process and instead requires the title agency to provide written proof on an annual basis to each appointing title insurer that they have obtained a surety bond in an amount of at least \$35,000 for the benefit of all title insurers. Each insurer is responsible for enforcing this requirement before an agency can be appointed or re-appointed by the title insurer. [Note: the Agent Section has appointed a workgroup to start the discussion of whether the bonding and other requirements in Florida should be increased, decreased or changed. FLTA urges all of our members to participate in this discussion in [the Title Forum](#).]

The bill takes effect on Oct. 1, 2012, unless otherwise specified in the bill.

More discussion about each of these bills can be found on the [FLTA Government Affairs Pages](#).

It's Scholarship Time!

Through the generous support of our members, every year, FLTA is able to grant scholarships to help support the families of FLTA member employees in pursuing higher education.

Last year, we awarded scholarships to four exceptionally bright students:

Adam Fox – University of Florida

Lindsay Ferguson - University of South Florida

Kara Jai Geigle - St. Leo College

Dominick Rapacioli - University of South Florida

This year, we hope to have equally strong candidates for our scholarships. The Deadline is September 15, 2012 and here is the [application form](#).

Meet the Title Industry Lobby Team

Alan B. Fields
FLTA Executive Director

If you have seen FLTA's legislative update bulletins (now posted to the [FLTA Website](#)) you are aware that we had a very successful 2012 Legislative Session. We passed several bills we really wanted, missed on a few others, headed off some really "bad" bills – and got to the end of the 2012 legislative session without anything terribly damaging happening to the title industry. Now, I'd like to highlight and publicly thank the political professionals who are responsible for our success – the Title Industry Lobby Team.

The ladies and gentlemen below each lobby on behalf of the FLTA Agent Section or one of our insurer members. They work very closely with FLTA to coordinate the message of the entire title industry – and they do it VERY WELL! Their brief bios below don't begin to capture the degree of knowledge, political wisdom or far reaching influence they bring. Without them, and the generous support of their clients and those who contribute to the Agent Section Lobby Fund, our legislative efforts would be far less successful.

Please join me in thanking our All Star Lobby Team.

Representing the FLTA Agent Section:

The Florida Land Title Association is unique in acknowledging that the interests of the underwriters do not always coincide exactly with the interests of our agent members. For that reason, FLTA contracts with the highly regarded governmental affairs firm of Smith, Bryan & Myers, specifically to represent the interests of our agent members in Tallahassee. **Julie Myers & Matt Bryan** report directly to the Chairman of the Agents' Section and are tasked with protecting the unique interests of title agents in Florida. They are funded through generous contributions from agents, underwriters and others. Prior to joining the firm, Julie practiced with a prestigious Tampa law firm; Matt served as a special assistant to Lt. Governor & Secretary of Commerce, Wayne Mixson and as an aide to Governor Bob Graham. If you haven't yet made your contribution to the Agent Section Lobby Fund, [click here](#).

Representing Stewart Title:

Stewart Title is ably represented by **Beth Vecchioli**, a Senior Government Consultant with the Carlton Fields law firm. Beth specializes in insurance regulation, lobbying, and financial services matters. As a former senior level manager and regulator at the Florida Department of Insurance and the Office of Insurance Regulation for many years, she brings extensive experience in the regulation of title insurance and insight into the regulatory process.

Representing First American:

First American is represented by both Southern Strategy Group, which is widely regarded as one of the "best connected" lobbying firms in Tallahassee, and the law firm of Mang & Santurri, P.A. **Chris Dudley** of Southern Strategy Group served as the Assistant to the Chief of Staff and the Acting Deputy Chief of Staff to former Florida Governor Jeb Bush. Prior to that, Chris served as the Deputy Chief of Staff, Deputy Legislative Director and Special Assistant to former Florida Education Commissioner, former Florida Lt. Governor and current University Chancellor, Frank T. Brogan. **Paul Mitchell**, also with the Southern Strategy Group, served at the top in some of the most powerful executive branch agencies in Florida government. Among other roles, Paul served as an aide to the Insurance Commissioner, Chief Cabinet Aide to former Secretary of State Sandra Mortham, chief of staff to the Education Commissioner, and Chief of Staff to Tom Gallagher, as the state's first Chief Financial Officer at the Florida Department of Insurance and then at the Department of Financial Services.

Doug Mang and **Gary Sumner**, from the prestigious firm of Mang & Santurri, P.A., have been working on title insurance matters for First American for over 18 years. Doug Mang is the president and shareholder of the firm and has previously served as General Counsel for the Florida Insurance Department and Treasury's Office. He is a past director of the Federation of Regulatory Counsel and currently serves as chairman of its Nomination Committee. Collectively, he and Gary have over 32 years of legislative and lobbying experience and bring a broad prospective into the legislative and regulatory process of Florida.

Representing the Fidelity Family of Companies:

Erika Alba of Foley & Lardner LLP represents the Fidelity Family in Tallahassee. Prior to becoming a highly regarded lobbyist, Erika served as senior vice president and assistant general counsel for Fidelity and was responsible for managing all governmental affairs issues for the 50 states and U.S. Congress. Before joining Fidelity, Erika served as assistant chief counsel for the California Department of Insurance and as bureau chief of the Insurer Compliance Bureau. Prior to that, she worked as chief of staff for the minority leader of the California State Legislature. In Florida, Erika served on Governor Charlie Crist's transition team and as Northeast Florida finance chair for Attorney General Pam Bondi.

Representing The Fund:

Three attorneys from the highly regarded law firm of Metz, Daughton & Husband work on title insurance matters for Attorneys' Title Insurance Fund, Inc. They include: **Stephen W. Metz**, **Warren H. Husband** and **Greg Black**. Steve has over 35 years of experience in the legislative process. Steve is a former legislative staff member and a former Assistant Attorney General. He also served as General Counsel of both the Florida Home Builders Association and of the Florida Chamber of Commerce. Steve was chosen by the leading business associations in Florida to serve as Executive Director of Tort Reform United Effort (TRUE), the lobbying group formed to successfully advocate tort reform in Florida. Greg, also an attorney, previously represented the Florida Bankers Association. So this firm is an invaluable resource when an issue affects other real estate industry groups. Steve is a natural leader, and coordinated the title lobby team's efforts to pass this year's Data Call bill.

Representing Old Republic:

Kevin X. Crowley, of the powerhouse Pennington, Moore, Wilkinson, Bell & Dunbar law firm, represents Old Republic in Tallahassee. Before joining Pennington, Moore, Kevin was General Counsel to the Florida House of Representatives. In this position, he was responsible for representing the House in all legal matters, as well as acting as a liaison to the Florida Senate and Cabinet. Prior to his post with the House, he served as General Counsel to the Florida Department of Natural Resources.

Representing Westcor:

Samuel P. Bell, III, also of the Pennington Firm, represents Westcor. Sam brings a truly unique combination of government and title industry experience, having served as Chairman of the Board of American Pioneer Title Insurance Company for many years. For more than a decade, Sam served as State Representative for Volusia County, and held key leadership positions in the Florida House including Majority Leader, Chairman of the Rules Committee and Chairman of the Appropriations Committee. He is the only legislator in Florida history to have received every award for effectiveness granted by his fellow legislators.

Representing North American Title:

Zollie M. Maynard is a native Floridian practicing with the Panza, Maurer & Maynard law firm. Prior to moving into private practice, Zollie served as General Counsel of the Florida Patient's Compensation Fund, General Counsel of the Neurologically Injured Compensation Association, Chairman of the Florida Commercial Joint Underwriting Association, Florida Assistant Attorney General in the Tax Division, and Director of Cabinet Affairs for the Florida Department of Insurance.

We are fortunate to have such an amazing and highly effective team working on title issues in Florida. I'm honored to work with them in Tallahassee, and we should all be glad they are on the job. But great lobbyists can only do so much. They must be backed by a strong and active association making the important "grass-roots" contacts.

Did You Know?

That an out of state divorce decree cannot directly affect title to Florida real property. Where the former spouses are within the jurisdiction of the out of state court, it can compel conveyance of the Florida property, and that deed would be valid. See *Storer v. Storer*, 305 So.2d 212 (Fla. 3d DCA 1974); *Gardiner v. Gardiner*, 705 So.2d 1018 (Fla. 5th DCA 1998). But an out of state divorce determining that one spouse is the owner of Florida Property must be "domesticated" by a Florida Court under the full faith and credit provisions (or confirmed by a deed from the other spouse) before it may be relied on for title insurance purposes. See *Pinebrook v. Pinebrook*, 329 So.2d 343 (Fla. 4th DCA 1976); Fund TN 14.03.01

The Title Forum Works!

Can I Maintain a CD in Lieu of a Surety Bond?

Reesa Watson, of Heritage Title Insurance Agency, Inc. in Ft. Lauderdale raised a question about HB 725 in the Title Forum. Because it is a question many of you should be asking, we decided to repeat it in the Newsletter.

Reesa asked: "We have had a \$35k certificate of deposit payable to the State for many years. Is a surety bond now mandatory or can we maintain the CD in lieu of the bond? Thanks"

To which Alan Fields replied:

"This whole surety bond issue was driven by DFS' desire to get out of holding and managing surety bonds, CDs, security or anything else. They had some internal estimates that this would save them huge amounts of money. (I hope it actually plays out that way!)"

In order to maintain the status quo on bonds while the Agent Section completes its ongoing discussion of whether we should eliminate bonds entirely, increase them over a period of time to a more meaningful amount, or urge something else entirely, our insurers agreed to confirm that each of their agents have the required bond and report that to DFS as part of your appointment.

Unfortunately, one result of the change is that going forward, all agencies must have a bond. There is no longer a cash or collateral option. Mechanically it would have been too hard to split that among multiple insurers, or change when you add or drop an insurer from your mix.

Because the payee on the bond will change, we have to get some new surety bond language approved by OIR. So I would suggest leaving your CD in place a little longer until the new form of bond is available."

If you have a question, a concern, a crazy idea? Start a new discussion in the [Title Forum](#).

Membership Drive Update

Elaine Black-Christensen
Membership Comm. Chair
North American Title Company



The Membership Committee has been very busy with our Membership Drive this year and we are off to a great start! Our goal is to reach 120 new members before September 15th of this year and for us all to celebrate our successes together at our November Convention. Our Board of Directors approved a plan that allows

for a \$50 discount for new members to join before our deadline. Brochures were printed on why and how to join FLTA.

Collateral materials are available to help agents and attorneys understand what FLTA is doing to protect our livelihood in Tallahassee.

We have also prepared a guide on how to address some of the common objections that people claim prevent them from joining their association.

It is so important that our agents and attorneys have a voice in their industry, stay informed and learn from one another. No one understands our industry better than our counterparts!

It is important to remember that our Realtor® clients all belong to their

professional association. They would be surprised to learn that few title agents have that same level of professional commitment. Being a member of your trade organization gives you common ground with your clients!

Information is available at FLTA.org on the Membership Committee Webpage or you may contact Elaine Black-Christensen at eblack@nat.com for assistance.

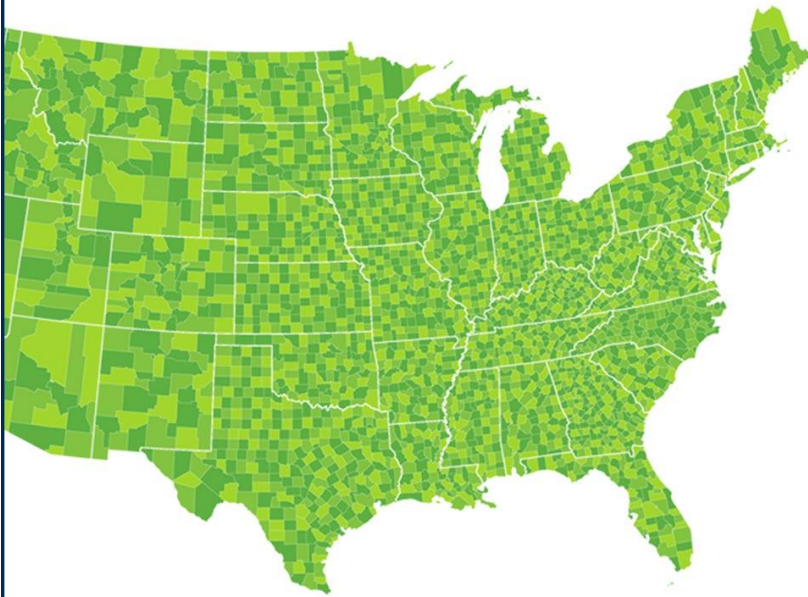
PARTICIPATE LIKE YOUR LIVELIHOOD DEPENDS ON IT!

Who needs reRequire? *Everyone.*

No one is immune to the cost of title clean-up!

Using reRequire is not only simple, it is infinitely more cost-effective than traditional tracking methods. Better than any competing alternative, reRequire enables its customers to cut out the direct cost of follow-up work on closed files. The fee for reRequire is \$35 per payoff charged to the seller in a sale, or the borrower in a refinance.

At no cost to you, reRequire will ensure data accuracy, work directly with the payoff lender, search for releases with constant reporting on the status of each release, certify that all releases have been properly recorded, confirm all HELOCs or 2nd mortgages are closed, and eliminate the need for follow-up work because **everything you do to a file after closing costs you money.**



- ✓ **Largest** release tracking company in the United States.
- ✓ Tracks releases in **all 50 states**.
- ✓ On Inc.'s List of **Fastest-Growing Private Companies**.
- ✓ Tracking more than **200,000** releases in 2012.
- ✓ Nearly **1 million** records tracked overall.
- ✓ Currently servicing more than **2,000** agents.
- ✓ Benefits **all** parties associated with a real estate closing.
- ✓ Celebrating **10 years** of release tracking.
- ✓ Still **no cost, no risk**.

SETTLEMENT AGENTS & ATTORNEYS:

- Enhances customer service to all parties of a closing
- No direct cost to the settlement agent or attorney
- Payoff disbursement package
- Online file status reporting
- Patented tracking process
- Provides a review of release accuracy

UNDERWRITERS:

- Identification of payoff shortages
- Identify open lines of credit
- Fewer claims related to unreleased mortgages
- Assurance of follow-up of indemnity letters
- Overall lower risk

REAL ESTATE AGENTS & CONSUMERS:

- Identification of potential clouds on title
- Alert the consumer of potential problems with the marketability of title



[r] require
::RELEASE TRACKING::

Contact Lee Swaffield today at (571) 245-7680 or lswoffield@titletracking.com to learn more about how **reRequire Release Tracking will benefit you.**

www.gorequire.com

Welcome New Members -

We're so glad to have you with us!

Achieve Title Services, LLC

Tony Sewell
Tampa, FL

Apple Title, Ltd

Timothy Hoban
Tavares, FL

Global America Title Services, LLC

Anthony Rosenfield
Hollywood, FL

Hallmark Title Agency, LLC

J. R. Smith
Tampa, FL

Leslie Robert Evans & Associates, P.A.

David Brodt
Palm Beach, FL

Okaloosa Title & Abstract Co.

Marian McBryde
Crestview, FL

Osceola Title Insurance Agency, Inc

Marianne Conerly
Kissimmee, FL

Permit Searches Plus, Inc.

Carla Cabanas
South Miami, FL

Redding & Associates, P.A.

John Redding
Tampa, FL

Ritter Chusid Bivona & Cohen, LLP

Gregory Ritter
Coral Springs, FL

Squire Sanders (US) LLP

Denise Sierra
Tampa, FL

Title Agency of Florida, Inc.

Kenneth Arsenault
Largo, FL

Tucker & Pretschner, P.A.

Robert Pretschner
Sarasota, FL

Vose Law Firm, LLP

Philip Kaprow
Winter Park, FL

Alliance Title

Liz Cassella
Melbourne, FL

Bogin, Munns & Munns, P.A.

Rulon Munns
Orlando, FL

Grace Title, Inc.

Greg Gary
Altamonte Springs, FL

Lebron Group Surveying & Mapping

Hector Lebron
Miami, FL

ME Land Services, Inc

Julio Fernandez
Miami, FL

Old Town Title of Pensacola, LLC

Julie Messer
Pensacola, FL

Paragon Title Group, Inc.

Tina Johnson
Kissimmee, FL

Property Info Corporation

Dona Sutton
Tampa, FL

Regions Bank

Jacqueline Yantis
Jacksonville, FL

Rory B. Weiner, P.A.

Rory Weiner
Brandon, FL

Strock & Cohen, P.A.

Barton Strock
Weston, FL

Tri-County Land Title & Escrow Company

Michael Millhorn
The Villages, FL

Victory Title of St Johns County, LLC

Susan Meagher
St. Augustine, FL

“Promulgated Title Rates Eliminated In Florida” “Agent to get NO share of Premium”

“Every Title Policy to be Based on Search to Earliest Title”

These might have been the headlines if FLTA wasn't on the job. It's sometimes hard to show the real value of belonging to your trade association. Bills to mandate each of these had powerful backers in the Florida legislature. Our industry is neither popular nor well understood in Tallahassee – and having a less active membership base than other trade associations leaves us at a noticeable disadvantage. With both of the bills “headlined” above, we avoided a horrific and costly result, but the attacks on the title industry will continue.

Sometimes, FLTA's board – and the industry collectively -- has to make some tough choices on how best to deal with those attacks. Sometimes, the choice is between taking bitter medicine now and our future health; and if we don't understand the sickness and its potential consequences, it is all too easy to just complain about the Doctor!

The Data Call bill falls into the bitter medicine category. FLTA's leaders have to anticipate the future, “read the tea leaves,” gaze into our crystal ball, and make current decisions based on our “best guess” of what the future will bring. When setting a political and legislative strategy, we rarely have the benefit of complete facts. It's an imperfect science, and with any political strategy, reasonable people can differ.

Such was the case with the data call. It was one of the most wrenching issues FLTA has taken on in recent years – and reasonable people can (and do) differ on the decision made.

Both sides of the discussion agree that any data call will be a burden on every agent, large and small. And the argument can certainly be made that “we don't want the expense of a data call – just leave things the way they are.”

Unfortunately, maintaining the status quo forever is rarely an option. Over the last few years, we've faced more and more challenges to our rate structure, most recently from Governor Scott. As an industry, we had absolutely no data to support the portion of the premium being paid to agents. Underwriters have been making annual data filings for years. But systematic information on the actual costs incurred by agents in providing title insurance is scarce.

For several years running, Sen. Mike Bennett filed legislation which would have set an underwriter only premium, with no portion of that premium flowing to the title agents. Many of us believe that would have been the death of the agency delivery model in Florida (although it would have given us exactly the headline we used above).

During the discussions of the Title Insurance Study Advisory Council, it became abundantly clear that if we were going to maintain the current model -- where the state promulgates a premium rate that covers both insurers and agents -- good data as to both agent and underwriter expense structures would be required. Within the industry, we all recognize the important role that agents play in determining insurability, examining title, identifying problems, clearing objec-

tions, and so forth. We understand that all this costs money. Without gathering that agent cost data, we play into the hands of those who argue that only the underwriter share of the premium should be set by the state, and that whatever the agents might make should be left to free market competition. And intellectually, our opponents have a good point – how can the state possibly set the “right” rate, if they don't know what it costs to provide the service?

Did You Know?

That you can recover Condo and HOA estoppel fees you have paid when a deal doesn't close? And that FLTA members have a step by step guide to recovering those expenses? [Learn more Here](#)

So it was in this context that the decision was made within FLTA to support an annual data call. We want to be able to show empirically the value that the title agent provides in the title process; we want to capture data across the entire business cycle – good years and bad. We want to preserve the promulgated rate structure in Florida -- even if the data ultimately shows a need to adjust the current rates.

The harsh comments about supporting the data call are, unfortunately, a legitimate criticism. It is “bitter medicine;” the data call will be a significant burden on every agent. Until we have lived with it a while, we probably won't be sure if we made the “right” decision or not in supporting the data call legislation.

But the decision was made that we need to capture all of the relevant data – and FLTA (with a lot of support from our members) was successful in passing the necessary enabling legislation during the 2012 session.

Now, FLTA has moved its focus to designing the data call. We have assembled a group of agents (large and small) and underwriters who are working closely with OIR and DFS to identify exactly what information is needed and how to capture the information with a minimum impact on each agency. OIR has already agreed to allow a delay in collection to allow software vendors time to automate as much of the data capture as possible (hopefully in the same upgrade that supports the version 3.0 of the closing statement) – but upgraded software is also an expense not every agency can currently afford. So we urge all of our members to start planning for that potential expense now. Upgraded software will make your life much easier.

As soon as the design of the data call is finalized, FLTA will start the education process, providing training for our members on the requirements; how to adjust your accounting systems to anticipate the data call; and ways to minimize the impact of the data call on your business. Just as we saw with the changes to the HUD-1 a few years ago, there will be questions and fine tuning; and FLTA will strive to bring you that critical information.

At the end of the process, we will finally have hard data documenting all of the hard work that title agents do to protect their customers and insure the sanctity of land titles in Florida.

FLTA Comes into the 21st Century

Alan B. Fields, Executive Director

It's been almost one year since FLTA went live with the new website. We're very proud of the amount of useful information we've compiled in a relatively short time. But mostly, we are proud of the response of our members to the new site. During that time, we have had 8,238 unique visitors, who viewed a total of 93,489 pages. On average, they spend an astonishing 5 minutes and 13 seconds per visit. Our members are apparently telling their friends and co-workers, because every month about half of the visits are by first time visitors. Of our regular visitors, 180 have visited our website more than 25 times in the last 30 days.

We've definitely developed a useful resource here! Remember, every employee of a member agency or insurer can access the "members only" portions of the FLTA website without additional charge. Just click here to [register](#).

Because the FLTA site has grown with so much content (and we keep adding to it), we're working on a major redesign to make it more intuitive and user friendly.

But the website is not the only change. We've also added high tech tools to help us communicate better with our members and to empower our committees to be more active and more effective.

Our association management software is now fully integrated into our website. This allows you to update your profile and have the changes immediately appear in the online member directory; to renew your membership online, or to register online for the convention or an event.

Many of you have participated in the monthly Agent Section calls. (First Tuesday of each month – check the [Event Calendar](#)). We are using the same group of conference call numbers to facilitate committee activities. We have also empowered our committee chairs with the ability to manage their own public and private web-pages, and with online tools for online meetings, scheduling calls convenient to the largest number of participants and interactive tracking of committee membership rolls.

We've come a long way – but we can still improve to provide better service and value to our members and to the industry.

With your help, we'll keep getting better!

Did You Know?

At common law, it was questionable whether a joint tenancy with right of survivorship could be created by a conveyance from the owner to herself and another. This because of the technical requirement of the four unities of interest, time, title and possession. For this reason, "straw man" conveyances (from the current owner to another party, then back to the owner and the intended joint tenant) were commonly used to create this interest. This issue was finally resolved in 1971, when the Florida Supreme Court held that the four unities were in fact present even without a straw man.