SLS 201ES-292 **ORIGINAL** 

2020 First Extraordinary Session

SENATE CONCURRENT RESOLUTION NO. 26

BY SENATOR TALBOT

INSURERS. Suspends certain provisions of law relative to on-site audits of title insurance producers. (Item #25)

| 1  | A CONCURRENT RESOLUTION  |
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| 2  | To suspend until sixty days after final adjournment of the 2021 Regular Session of the         |
| 3  | Legislature of Louisiana the provisions of R.S. 22:526(A) relative to on-site audits           |
| 4  | of title insurance producers by title insurers.  |
| 5  | WHEREAS, Article III, Section 20 of the Constitution of Louisiana provides that                |
| 6  | only the legislature may suspend a law; and  |
| 7  | WHEREAS, R.S. 22:526(A) provides, in part, that a title insurer shall, at least once           |
| 8  | every three years, conduct an on-site audit of the escrow and settlement practices, escrow     |
| 9  | accounts, security arrangements, files, underwriting and claims practices, and policy          |
| 10 | inventory of its title insurance producers; and  |
| 11 | WHEREAS, the current public health emergency caused by COVID-19 has led to                     |
| 12 | public orders for social distancing, and to businesses imposing travel restrictions and        |
| 13 | implementing work-from-home plans in order to combat the spread of the virus; and              |
| 14 | WHEREAS, current technology makes it possible for the audits of title insurance                |
| 15 | accounts and records to continue through remote means without compromising the                 |
| 16 | thoroughness and integrity of the audits.  |
| 17 | THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends                    |
| 18 | the provisions of R.S. 22:526(A) which require the audit of title insurance producers by title |

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1 insurers to be conducted on-site.

BE IT FURTHER RESOLVED that this suspension shall become effective upon adoption of this Resolution and shall extend through the sixtieth day after final adjournment of the 2021 Regular Session of the Legislature of Louisiana.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Brandi Cannon.

## **DIGEST**

SCR 26 Original

2020 First Extraordinary Session

Talbot

Suspends the provisions of R.S. 22:526(A) which require the audit of title insurance producers by title insurers to be conducted on-site.

<u>Present law</u> (R.S. 22:526(A)) provides that a title insurer shall, at least once every three years, conduct an on-site audit of the escrow and settlement practices, escrow accounts, security arrangements, files, underwriting and claims practices, and policy inventory of the producer. Further provides, if the title insurance producer fails to maintain separate escrow or trust accounts for each title insurer it represents, the title insurer shall verify that the funds related to closings in which the title insurer's policies are issued are reasonably ascertainable from the books of account and records of the title insurance producer.

Effective through the 60th day following the 2021 Regular Session.

(Suspends portions of R.S. 22:526(A))