

By: Eiland

H.B. No. 3271

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the biennial hearing concerning title insurance and  
3 related information.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 2703.153 and 2703.203, Insurance Code,  
6 are amended to read as follows:

7 Sec. 2703.153. COLLECTION OF DATA FOR FIXING PREMIUM RATES;  
8 ANNUAL STATISTICAL REPORT. (a) Each title insurance company and  
9 title insurance agent engaged in the business of title insurance in  
10 this state shall annually submit to the department, as required by  
11 the department to collect data to use to fix premium rates, a  
12 statistical report containing [all] information relating to:

- 13 (1) loss experience;  
14 (2) expense of operation; and  
15 (3) other material matters.

16 (b) The information must be submitted in the form adopted by  
17 rule by the commissioner in accordance with Subchapter B, Chapter  
18 2001, Government Code [prescribed by the department].

19 (c) If the rules adopted under Subsection (b) are amended to  
20 require a title insurance company or title insurance agent to  
21 include new or different information in the statistical report,  
22 that information may not be considered by the commissioner in  
23 fixing premium rates until the expiration of a period stated in the  
24 rules. The period must be sufficiently long to ensure that the

1 information collected is statistically meaningful and may not  
2 expire earlier than the second anniversary of the date the  
3 amendment to the rules becomes effective.

4 (d) A title insurance company or a title insurance agent  
5 aggrieved by a requirement concerning the submission of information  
6 imposed under this section or otherwise imposed in connection with  
7 a biennial hearing under Subchapter E may bring a suit in a district  
8 court in Travis County alleging that the request for information:

9 (1) is abusive;

10 (2) is unduly burdensome;

11 (3) is made for the purposes of harassment;

12 (4) is otherwise improper or improperly requests  
13 privileged information; or

14 (5) is not a request for information material to  
15 fixing and promulgating premium rates or another matter that may be  
16 the subject of the biennial hearing and is not a request reasonably  
17 designed to lead to the discovery of that information.

18 (e) On filing of a suit under Subsection (d), the  
19 requirement that the title insurance company or title insurance  
20 agent bringing the suit comply with the request for the information  
21 is abated as to that title insurance company or title insurance  
22 agent. The district court may enter an order requiring the title  
23 insurance company or title insurance agent to comply with the  
24 request for information subject to the limitations, if any, imposed  
25 by the court.

26 (f) Another title insurance company or title insurance  
27 agent subject to the requirements described by Subsection (d) may

1 intervene, as permitted by the court, in a suit brought under that  
2 subsection.

3 (g) A district court shall act on a suit brought under  
4 Subsection (d) not later than the 60th day after the date the suit  
5 is filed.

6 Sec. 2703.203. BIENNIAL HEARING. The commissioner shall  
7 hold a biennial public hearing not earlier than July 1 of each  
8 even-numbered year to consider adoption of premium rates and other  
9 matters relating to regulating the business of title insurance that  
10 an association, title insurance company, title insurance agent, or  
11 member of the public admitted as a party under Section 2703.204  
12 requests to be considered or that the commissioner determines  
13 necessary to consider.

14 SECTION 2. Section 2703.204, Insurance Code, is amended to  
15 read as follows:

16 Sec. 2703.204. ADMISSION AS PARTY TO BIENNIAL HEARING. (a)  
17 Subject to this section, an [~~An~~] individual or association or  
18 other entity recommending adoption of a premium rate or another  
19 matter relating to regulating the business of title insurance shall  
20 be admitted as a party to the biennial hearing.

21 (b) An individual or association seeking to be made a party  
22 with respect to a portion of the biennial hearing that relates to  
23 adoption of a premium rate or a rule must provide to the  
24 commissioner a detailed summary of the individual's or  
25 association's interest in the business of title insurance.

26 (c) For an individual, the summary required by Subsection  
27 (b) must include a statement of the number of real estate

1 transactions in which the individual has been involved and with  
2 respect to which the individual has requested and paid for title  
3 insurance. For an association, the summary must include a statement  
4 of the number of members of the association.

5 (d) An association is presumed to have a substantial  
6 interest in the business of title insurance if the association has  
7 at least 250 members.

8 (e) A party to the biennial hearing may file an action in a  
9 district court in Travis County to remove any other party to a  
10 portion of the biennial hearing that relates to adoption of a  
11 premium rate or a rule on the grounds that the other party does not  
12 have a substantial interest in the business of title insurance.

13 SECTION 3. Section 2703.205(d), Insurance Code, is  
14 amended to read as follows:

15 (d) At the direction of the commissioner or at the written  
16 request of an association or other entity recommending adoption of  
17 a premium rate and ~~[a person]~~ seeking admission as a party to the  
18 ratemaking phase of the hearing, the State Office of Administrative  
19 Hearings shall conduct the ratemaking phase of the hearing in  
20 accordance with Chapter 40. A request under this subsection must be  
21 made at the time the association or entity ~~[a person]~~ seeks to be  
22 admitted as a party to the hearing but may not be made later than the  
23 10th day after the date notice of the hearing is provided under  
24 Section 2703.207.

25 SECTION 4. This Act applies only to the premium rate  
26 applicable to a title insurance policy that is delivered, issued  
27 for delivery, or renewed on or after January 1, 2009. A premium rate

1 applicable to a policy that is delivered, issued for delivery, or  
2 renewed before January 1, 2009, is governed by the law as it existed  
3 immediately before the effective date of this Act, and that law is  
4 continued in effect for this purpose.

5 SECTION 5. This Act takes effect September 1, 2007.