

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. The district court may enter an order requiring the title
22 insurance company or title insurance agent to comply with the
23 request for information subject to the limitations, if any, imposed
24 by the court.

25 (f) Another title insurance company or title insurance
26 agent subject to the requirements described by Subsection (d) may
27 intervene, as permitted by the court, in a suit brought under that

1 subsection.

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

5 Sec. 2703.203. BIENNIAL HEARING. The commissioner shall
6 hold and complete a biennial public hearing not earlier than July 1
7 of each even-numbered year and not later than December 15 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) The commissioner may require that an individual or
6 association seeking to be made a party to a portion of the biennial
7 hearing that relates to adoption of a premium rate or a rule who has
8 not provided adequate evidence of a substantial interest in the
9 title insurance business file a bond. The bond must be in an amount
10 of not less than \$10,000 and not more than \$100,000 and must be
11 conditioned on the individual's or association's appearance at the
12 hearing.

13 (e) For purposes of Subsection (d), an association has a
14 substantial interest in the business of title insurance if the
15 association has at least 250 members.

16 (f) A party to the biennial hearing may file an action in a
17 district court in Travis County to remove any other party to a
18 portion of the biennial hearing that relates to adoption of a
19 premium rate or a rule on the grounds that the other party does not
20 have a substantial interest in the business of title insurance.

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

23 (d) At the direction of the commissioner or at the written
24 request of an association or other entity recommending adoption of
25 a premium rate and [a person] seeking admission as a party to the
26 ratemaking phase of the hearing, the State Office of Administrative
27 Hearings shall conduct the ratemaking phase of the hearing in

1 accordance with Chapter 40. A request under this subsection must be
2 made at the time the association or entity [~~a person~~] seeks to be
3 admitted as a party to the hearing but may not be made later than the
4 10th day after the date notice of the hearing is provided under
5 Section 2703.207.

6 SECTION 4. This Act applies only to the premium rate
7 applicable to a title insurance policy that is delivered, issued
8 for delivery, or renewed on or after January 1, 2009. A premium rate
9 applicable to a policy that is delivered, issued for delivery, or
10 renewed before January 1, 2009, is governed by the law as it existed
11 immediately before the effective date of this Act, and that law is
12 continued in effect for this purpose.

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