

AN ACT

relating to continuation of title insurance coverage of transferred property.

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

SECTION 1. Section 2703.101, Insurance Code, is amended by adding Subsection (g) to read as follows:

(g) For an owner's title insurance policy on residential real property that is issued to an individual, the commissioner shall adopt terms that provide for continuation of coverage subject to rights and defenses against the original named insured for:

(1) a person who inherits the original named insured's title on the original named insured's death;

(2) the original named insured's spouse who receives title in a dissolution of marriage with the original named insured;

(3) the trustee or successor of a trust established by the original named insured to whom the original named insured transfers title after the date of policy; or

(4) the beneficiaries of a trust described by Subdivision (3) on the death of the original named insured.

SECTION 2. This Act applies only to an insurance policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2010. An insurance policy or contract delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of

1 this Act, and that law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 3768 was passed by the House on May 12, 2009, by the following vote: Yeas 149, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3768 on May 29, 2009, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3768 on May 31, 2009, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

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Chief Clerk of the House

H.B. No. 3768

I certify that H.B. No. 3768 was passed by the Senate, with amendments, on May 27, 2009, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3768 on May 31, 2009, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor