

SENATE AMENDMENTS

2nd Printing

By: Paxton

H.B. No. 3768

A BILL TO BE ENTITLED

1 AN ACT
2 relating to title insurance coverage of property transferred into
3 an inter vivos trust.

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

5 SECTION 1. Subchapter B, Chapter 2703, Insurance Code, is
6 amended by adding Section 2703.055 to read as follows:

7 Sec. 2703.055. TRANSFER OF PROPERTY INTO INTER VIVOS TRUST;
8 EFFECT OF TITLE INSURANCE COVERAGE. (a) The transfer by deed of
9 real property into an inter vivos trust does not affect title
10 insurance coverage of the property if the trust settlor is a
11 beneficiary of the trust.

12 (b) On the effective date of a transfer under Subsection
13 (a), the insurance coverage on the title of the real property
14 transferred applies to the trustee of the trust into which the
15 settlor transferred the property.

16 (c) The insurance company has the defenses to the coverage
17 described in Subsection (b) that the company had under the policy
18 against the original named.

19 SECTION 2. This Act applies only to an insurance policy or
20 contract that is delivered, issued for delivery, or renewed on or
21 after January 1, 2010. An insurance policy or contract delivered,
22 issued for delivery, or renewed before January 1, 2010, is governed
23 by the law as it existed immediately before the effective date of
24 this Act, and that law is continued in effect for that purpose.

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

ADOPTED

MAY 27 2009

Atty Gen
Secretary of the Senate

By: _____

H.B. No. 3768

Substitute the following for H.B. No. 3768:

By: Wentworth

C.S. H.B. No. 3768

A BILL TO BE ENTITLED

AN ACT

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2 into an inter vivos trust.

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4 SECTION 1. Subchapter B, Chapter 2703, Insurance Code, is
5 amended by adding Section 2703.055 to read as follows:

6 Sec. 2703.055. TRANSFER OF PROPERTY INTO INTER VIVOS
7 TRUST; EFFECT OF TITLE INSURANCE COVERAGE. (a) The transfer by
8 deed of real property into an inter vivos trust does not affect
9 title insurance coverage of the property if the trust settlor is
10 a beneficiary of the trust.

11 (b) On the effective date of a transfer under Subsection
12 (a), the insurance coverage on the title of the real property
13 transferred applies to the trustee of the trust into which the
14 settlor transferred the property.

15 (c) The insurance company has the defenses to the coverage
16 described in Subsection (b) that the company had under the
17 policy against the original named.

18 SECTION 2. Sec. 2703.101, Insurance Code, is amended by
19 adding Subsection (g) to read as follows:

20 (g) For an owner's title insurance policy on residential
21 real property that is issued to an individual, the commissioner
22 may adopt terms that provide for continuation of coverage
23 subject to rights and defenses against the original named
24

1 insurer for:

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

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

7 (3) the trustee or successor of a trust established by
8 the original named insured for real estate planning to whom the
9 original named insured transfers title after the date of policy;
10 or

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

13 SECTION 3. This Act applies only to an insurance policy or
14 contract that is delivered, issued for delivery, or renewed on
15 or after January 1, 2010. An insurance policy or contract
16 delivered, issued for delivery, or renewed before January 1,
17 2010, is governed by the law as it existed immediately before
18 the effective date of this Act, and that law is continued in
19 effect for that purpose.

20 SECTION 4. This Act takes effect September 1, 2009.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 27, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3768 by Paxton (Relating to title insurance coverage of property transferred into an inter vivos trust.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to title insurance coverage of property transferred into an inter vivos trust. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, SD, MN, CH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3768 by Paxton (Relating to title insurance coverage of property transferred into an inter vivos trust.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to title insurance coverage of property transferred into an inter vivos trust. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, MN, CH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 15, 2009

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3768 by Paxton (Relating to title insurance coverage of property transferred into an inter vivos trust.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to title insurance coverage of property transferred into an inter vivos trust. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, MN, CH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 6, 2009

TO: Honorable Todd Hunter, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3768 by Paxton (Relating to title insurance coverage of property transferred into an inter vivos trust.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to title insurance coverage of property transferred into an inter vivos trust. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, MN, CH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

TO: Honorable Todd Hunter, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3768 by Paxton (Relating to title insurance coverage of property transferred into an inter vivos trust.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to title insurance coverage of property transferred into an inter vivos trust. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, MN, CH

