

House Bill 3768
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

No equivalent provision.

SENATE VERSION

Same as House version.

CONFERENCE

SECTION 2. Sec. 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 may adopt terms that provide for continuation of coverage subject to rights and defenses against the original named insurer 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

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SENATE VERSION

CONFERENCE

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 for real estate planning 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 this Act, and that law is continued in effect for that purpose.

SECTION 3. Same as House version.

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

SECTION 4. Same as House version.