

By: Orr, Smithee, Vo

H.B. No. 1355

Substitute the following for H.B. No. 1355:

By: Taylor of Galveston

C.S.H.B. No. 1355

A BILL TO BE ENTITLED

AN ACT

relating to title insurance coverage for minerals and surface
damage resulting from mineral extraction and development.

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

SECTION 1. Subchapter B, Chapter 2703, Insurance Code, is
amended by adding Section 2703.0515 to read as follows:

Sec. 2703.0515. CERTAIN REQUIREMENTS PROHIBITED. (a) A
title insurance company is not required to offer or provide in
connection with a title insurance policy an endorsement insuring a
loss from damage resulting from the use of the surface of the land
for the extraction or development of coal, lignite, oil, gas, or
another mineral if the policy includes a general exception or
exclusion from coverage a loss from damage resulting from the use of
the surface of the land for the extraction or development of coal,
lignite, oil, gas, or another mineral.

(b) In this section, "general exception or exclusion" means
a provision in a title insurance policy or other title insuring form
that provides that title insurance coverage under the policy or
form:

(1) is subject to, and the title insurer does not
insure title to, and excepts from the description of the covered
property, coal, lignite, oil, gas, and other minerals in and under
and that may be produced from the covered property, together with
related rights, privileges, and immunities; or

1 (2) does not cover a lease, grant, exception, or
2 reservation of coal, lignite, oil, gas, or other minerals, or
3 related rights, privileges, and immunities, appearing in the public
4 records.

5 SECTION 2. This Act applies only to a title insurance policy
6 that is delivered or issued for delivery on or after January 1,
7 2012. A policy delivered or issued for delivery before January 1,
8 2012, is governed by the law as it existed immediately before the
9 effective date of this Act, and that law is continued in effect for
10 that purpose.

11 SECTION 3. This Act takes effect September 1, 2011.