

By: Orr

H.B. No. 1355

A BILL TO BE ENTITLED

AN ACT

relating to title insurance coverage for certain damage to the surface of land.

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 PROVISIONS PROHIBITED. (a) A title insurance policy delivered or issued for delivery in this state may not insure against a loss that a person with an interest in real property sustains from damage to an improvement on the property from the use of the surface of the land for the extraction or development of coal, lignite, oil, gas, or another mineral.

(b) This section may not be construed to limit the commissioner's authority to prescribe or approve forms or fix and promulgate premium rates under this chapter.

SECTION 2. This Act applies only to a title insurance policy that is delivered or issued for delivery on or after January 1, 2012. A policy delivered or issued for delivery before January 1, 2012, 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. This Act takes effect September 1, 2011.