

By: Carona

S.B. No. 322

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the requirements for reinsurance contracts covering
3 title insurance policies issued in this state.

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

5 SECTION 1. Section 2551.302, Insurance Code, is amended to
6 read as follows:

7 Sec. 2551.302. REQUIREMENTS FOR REINSURING POLICIES. A
8 title insurance company may reinsure any of its policies and
9 contracts issued on real property located in this state or on
10 policies and contracts issued in this state under Chapter 2751,
11 if[+

12 [~~(1)~~] the reinsuring title insurance company is
13 authorized to engage in business in this state under this title[+
14 and

15 [~~(2) the department first approves the form of the~~
16 ~~reinsurance contract~~].

17 SECTION 2. Section 2551.303, Insurance Code, is repealed.

18 SECTION 3. The change in law made by this Act applies only
19 to a reinsurance contract entered into by a title insurance company
20 on or after the effective date of this Act. A reinsurance contract
21 entered into by a title insurance company before the effective date
22 of this Act is governed by the law in effect immediately before the
23 effective date of this Act, and the former law is continued in
24 effect for that purpose.

1 SECTION 4. This Act takes effect September 1, 2011.