

By: Harris

S.B. No. 1457

A BILL TO BE ENTITLED

AN ACT

relating to administrative procedures for title insurance hearings, licensing, and enforcement.

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

SECTION 1. Section 2502.055, Insurance Code, is amended by amending Subsection (a), (1) as follows:

(1) engaging in ~~legal~~ promotional and educational activities that are not conditioned on the referral of title insurance business;

SECTION 2. Section 2651.007, Insurance Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The department may not delay or deny a license renewal application due to a pending enforcement action against the applicant.

(e) If the department does not provide the applicant with a ground for denying the application under Section 2651.30 before the 61st day after the date the department receives the completed application, the application is considered approved.

SECTION 3. Subchapter G, Chapter 2651, Insurance Code, is amended by adding Sections 2651.303 and 2651.304 to read as follows:

Sec. 2651.303 NOTICE OF DISCIPLINARY ACTION. The department shall notify a license holder or applicant for a license of a disciplinary action against the license holder or applicant

1 not later than the 20th day after the date the action is initiated.
2 If the department does not pursue the action on or before the 60th
3 day after the date the department receives a response from the
4 license holder or applicant, the action is considered dismissed.

5 Sec. 2651.304. DENIAL OF LICENSE APPLICATION ON
6 DISCIPLINARY GROUNDS. (a) The department may not delay or deny a
7 license approval due to a pending enforcement action against the
8 applicant.

9 (b) If the department does not provide the applicant with a
10 ground for denying the application under Section 2651.301 before
11 the 61st day after the date the department receives the completed
12 application, the application is considered approved.

13 SECTION 4. Subchapter E, Chapter 2652, Insurance Code, is
14 amended by adding Sections 2652.203 and 2652.204 to read as
15 follows:

16 Sec. 2652.203. NOTICE OF DISCIPLINARY ACTION. The
17 department shall notify a license holder or applicant for a license
18 of a disciplinary action against the license holder or applicant
19 not later than the 20th day after the date the action is initiated.
20 If the department does not pursue the action on or before the 60th
21 date after the date the department receives a response from the
22 license holder or applicant, the action is considered dismissed.

23 Sec. 2652.204. DENIAL OF LICENSE APPLICATION ON
24 DISCIPLINARY GROUNDS. (a) The department may not delay or deny a
25 license approval due to a pending enforcement action against the
26 applicant.

27 (b) If the department does not provide the applicant with a

1 ground for denying the application under Section 2652.201 before
2 the 61st day after the date the department receives the completed
3 application, the application is considered approved.

4 SECTION 5. Section 2703.153, Insurance Code, is amended by
5 adding Subsections (h) to read as follows:

6 (h) The Department shall promulgate the contents of the
7 statistical report in a hearing conducted by the commissioner as a
8 rulemaking hearing under Subchapter B, Chapter 2001, Government
9 Code. The commissioner shall implement any new amendments to the
10 statistical report no earlier than the second anniversary of the
11 adoption of the amendment. A change to the statistical report shall
12 not be retroactive.

13 SECTION 6. Section 2703.202, Insurance Code, is amended by
14 amending Subsection (b) and adding Subsections (g)-(m) to read as
15 follows:

16 (b) At the written request of a title insurance company, an
17 association composed of at least 50 percent of the title insurance
18 agents and title insurance companies licensed or authorized by the
19 department, an association composed of at least 20% of title
20 insurance agents licensed or authorized by the department or the
21 office of public insurance counsel, the commissioner shall order a
22 public hearing to consider changing a premium rate.

23 (g) The commissioner shall issue a notice of call for items
24 for consideration that is not later than the 31st day after the date
25 the request was sent to the commissioner. The commissioner shall
26 not require responses to the notice of call for items for
27 consideration before the 61st day after the issue of the notice of

1 call for items for consideration.

2 (h) The commissioner shall issue a notice of public hearing
3 requested under this section that is no earlier than the 91st day
4 after the date the notice of call for items for consideration.

5 (i) The commissioner shall conclude a public hearing under
6 this section no later than the 121st day after issuing a notice of
7 public hearing under this section.

8 (j) The commissioner shall issue a ruling not later than the
9 60th day after the date of a public hearing held under this section.

10 (k) A party's presentation of relevant, admissible oral
11 testimony may not be limited.

12 (l) Each matter in each phase of the hearing shall be
13 considered by the commissioner and decisions on the matters made in
14 an open meeting.

15 (m) If the commissioner fails to meet the requirements in
16 sections (g), (i) or (j) of this section, then a party listed in
17 section (b) of this section may petition the district court to adopt
18 a rate. A district court may appoint a magistrate to adopt a rate
19 under this section.

20 SECTION 7. Section 2703.203, Insurance Code, is amended to
21 read as follows:

22 Sec. 2703.203. ~~BIENNIAL~~ HEARING. After July 1 of the 5th
23 year following the last hearing held under Section 2703.202 ~~the~~
24 commissioner shall hold a ~~biennial~~ public hearing to consider
25 adoption of premium rates and other matters relating to regulating
26 the business of title insurance that an association, title
27 insurance company, title insurance agent, or member of the public

1 admitted as a party under Section 2703.204 requests to be
2 considered or that the commissioner determines necessary to
3 consider.

4 SECTION 8. Section 2703.204, Insurance Code, is amended by
5 amending Subsection (a) to read as follows:

6 Sec. 2703.204. ADMISSION AS PARTY TO ~~BIENNIAL~~ HEARING. (a)
7 Subject to this section, ~~an individual or association or other~~
8 ~~entity recommending adoption of a premium rate or another matter~~
9 ~~relating to regulating the business of title insurance~~ a trade
10 association representing 20% of the members of the industry or
11 groups represented, an association under Chapter 2401, Insurance
12 Code, department staff, or any entity under 2703.202 (b), Insurance
13 Code, shall be admitted as a party to ~~the biennial~~ a hearing under
14 section 2703.202, Insurance Code.

15 SECTION 9. Section 2703.205, Insurance Code is repealed.

16 SECTION 10. Section 2703.207, Insurance Code is amended to
17 read as follows:

18 Sec. 2703.207. NOTICE OF CERTAIN HEARINGS. Not later than
19 the 60th day before the date of a hearing under Section 2703.202,
20 2703.203, or 2703.206, notice of the hearing and of each item to be
21 considered at the hearing shall be:

22 (1) sent directly to all ~~title insurance companies and~~
23 ~~title insurance agents~~ the parties to the last hearing conducted
24 under Sections 2703.202, 2703.203, or 2703.206 if the hearing was
25 conducted as a contested case hearing and

26 (2) ~~provided to the public in a manner that gives fair~~
27 ~~notice concerning the hearing.~~ published in the Texas Register and

1 on the department's website.

2 SECTION 11. This Act takes effect immediately if it
3 received as vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2010.