

By: Darby

H.B. No. 3046

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the provision of title insurance coverage by more than
3 one title insurance company in a single title insurance
4 transaction.

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

6 SECTION 1. Subchapter A, Chapter 2704, Insurance Code, is
7 amended by adding Section 2704.005 to read as follows:

8 Sec. 2704.005. COINSURANCE OF RISK. (a) A title insurance
9 company authorized to engage in business in this state may not issue
10 a title insurance policy for a risk insured by one or more other
11 title insurance companies unless each other title insurance company
12 executes a coinsurance endorsement prescribed by the commissioner.

13 (b) The premium for the title insurance policy described by
14 Subsection (a) shall be determined for the total risk insured and
15 apportioned between or among the title insurance companies insuring
16 the risk based on the amount of risk insured by each insurer.

17 (c) The title insurance company issuing the title insurance
18 policy is responsible for collecting the title insurance premium
19 and distributing the premium as apportioned under Subsection (b).

20 SECTION 2. This Act applies only to a title insurance policy
21 that is delivered or issued for delivery on or after January 1,
22 2014. A policy delivered or issued for delivery before that date is
23 governed by the law as it existed immediately before the effective
24 date of this Act, and that law is continued in effect for that

1 purpose.

2 SECTION 3. This Act takes effect September 1, 2013.