

By: Pickett

H.B. No. 2491

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to licensing and appointment of title insurance escrow  
3 officers; changing the limit applicable to a fee; authorizing a  
4 fee.

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

6 SECTION 1. Sections 2652.001, 2652.002, and 2652.006,  
7 Insurance Code, are amended to read as follows:

8 Sec. 2652.001. LICENSE AND BOND OR DEPOSIT REQUIRED. An  
9 individual may not act as an escrow officer unless the individual:

- 10 (1) holds a license issued by the department; ~~and~~  
11 (2) is covered by ~~maintains~~ a surety bond or deposit  
12 required under Subchapter C; and  
13 (3) is appointed under Section 2652.1511 as an escrow  
14 officer by a title insurance agent or direct operation.

15 Sec. 2652.002. EMPLOYMENT OF ESCROW OFFICER. (a) A title  
16 insurance agent or direct operation may not employ an individual as  
17 an escrow officer unless the individual:

- 18 (1) holds a license issued by the department;  
19 (2) is covered by ~~and maintains~~ a surety bond or  
20 deposit as required under Subchapter C; and  
21 (3) is appointed under Section 2652.1511 as an escrow  
22 officer by the title insurance agent or direct operation ~~by this~~  
23 ~~chapter~~].

24 (b) A title insurance agent or direct operation may not

1 permit an individual to act as an escrow officer in this state  
2 before the agent or direct operation has complied with Sections  
3 [2652.151](#) and [2652.1511](#) [~~[2652.152](#)~~] with respect to the individual.

4       Sec. 2652.006. RECORD OF ESCROW OFFICERS. The department  
5 shall maintain a record of the name and address of each escrow  
6 officer licensed by the department in a manner that ensures that the  
7 escrow officers employed and appointed under Section 2652.1511 by  
8 any title insurance agent or direct operation in this state may be  
9 conveniently determined.

10       SECTION 2. Section [2652.051](#)(a), Insurance Code, is amended  
11 to read as follows:

12       (a) Before an initial license is issued to an individual to  
13 act as an escrow officer in this state for a title insurance agent  
14 or direct operation, the title insurance agent or direct operation  
15 must file an application for an escrow officer's license and  
16 appointment under Section 2652.1511 with the department on forms  
17 provided by the department.

18       SECTION 3. Section [2652.052](#)(b), Insurance Code, is amended  
19 to read as follows:

20       (b) License fees, appointment fees, and renewal fees  
21 collected under this chapter [~~Section [2652.152](#)~~], shall be deposited  
22 to the credit of the Texas Department of Insurance operating  
23 account to be used by the department to enforce this chapter and any  
24 other law of this state that regulates escrow officers for title  
25 insurance agents or direct operations.

26       SECTION 4. Sections [2652.055](#) and [2652.056](#), Insurance Code,  
27 are amended to read as follows:

1           Sec. 2652.055. LICENSE TERM. Unless a system of staggered  
2 license renewal is adopted or required under Chapter 4003 [~~under~~  
3 ~~Section 4003.002~~], a license expires on the second June 1 following  
4 the date of issuance.

5           Sec. 2652.056. PROCEDURE FOR LICENSE RENEWAL. An  
6 individual may renew an unexpired escrow officer license by:

7                   (1) submitting to the department on a form provided by  
8 the department a completed application, signed and sworn by the  
9 individual, stating that the applicant is an individual who is a  
10 bona fide resident of this state or a state adjacent to this state;  
11 and

12                   (2) paying to the department a renewal fee in an amount  
13 set by the department [~~AUTOMATIC TERMINATION OF LICENSE. The~~  
14 ~~license of each escrow officer employed by a title insurance agent~~  
15 ~~or direct operation that surrenders its license or has its license~~  
16 ~~revoked by the department is automatically terminated without~~  
17 ~~notice~~].

18           SECTION 5. Section 2652.101(a), Insurance Code, is amended  
19 to read as follows:

20           (a) A title insurance agent or direct operation shall  
21 obtain, at its own expense, a bond for its escrow officers appointed  
22 under Section 2652.1511 payable to the department. The bond shall  
23 obligate the principal and surety to pay for any pecuniary loss  
24 sustained by the title insurance agent or direct operation through  
25 an act of fraud, dishonesty, forgery, theft, embezzlement, or  
26 wilful misapplication by an escrow officer, either directly and  
27 alone or in conspiracy with another person.

1 SECTION 6. Section 2652.151(a), Insurance Code, is amended  
2 to read as follows:

3 (a) A title insurance agent or direct operation shall  
4 certify to the department, not later than the expiration date of the  
5 title insurance agent's or direct operation's license, the name and  
6 address of each individual employed and appointed under Section  
7 2652.1511 by the title insurance agent or direct operation to serve  
8 as an escrow officer in this state.

9 SECTION 7. Subchapter D, Chapter 2652, Insurance Code, is  
10 amended by adding Section 2652.1511 to read as follows:

11 Sec. 2652.1511. APPOINTMENT OF ESCROW OFFICER. (a) An  
12 escrow officer may be employed and appointed by more than one title  
13 insurance agent or direct operation.

14 (b) Before an escrow officer may act in that capacity for a  
15 title insurance agent or direct operation, the title insurance  
16 agent or direct operation must appoint the escrow officer and file  
17 the escrow officer's appointment with the department on a form  
18 provided by the department.

19 (c) The appointment form must:

20 (1) be accompanied by a nonrefundable appointment fee;

21 (2) certify that the escrow officer is a bona fide  
22 employee of a title insurance agent or direct operation with an  
23 office in this state;

24 (3) be signed and sworn to by the title insurance agent  
25 or direct operation and by the escrow officer; and

26 (4) demonstrate that the escrow officer is covered by  
27 a surety bond or deposit required under Subchapter C.

1        (d) The appointment of the escrow officer expires on the  
2 revocation, termination, or nonrenewal of the escrow officer's  
3 license or termination of the escrow officer's employment with the  
4 title insurance agent or direct operation that made the  
5 appointment.

6        SECTION 8. Section 2652.153, Insurance Code, is amended to  
7 read as follows:

8        Sec. 2652.153. NOTICE OF TERMINATION. A title insurance  
9 agent or direct operation that terminates the employment of a  
10 licensed escrow officer shall:

11            (1) immediately notify the department in writing of  
12 the termination and request cancellation of the appointment under  
13 Section 2652.1511 [~~license~~]; and

14            (2) notify the escrow officer of the action by the  
15 title insurance agent or direct operation.

16        SECTION 9. Sections 2652.203(a) and (d), Insurance Code,  
17 are amended to read as follows:

18        (a) The department shall notify a license holder of a  
19 disciplinary action or enforcement action against the license  
20 holder not later than the 30th business day after the date the  
21 department assigns a file number to the action, except that this  
22 subsection does not apply to a file or action:

23            (1) that is the subject of a pending criminal  
24 investigation or prosecution; or

25            (2) about which the [~~deputy commissioner of the title~~  
26 ~~division of the~~] department makes a good faith determination that  
27 there is a credible suspicion that there are ongoing or continuing

1 acts of fraud by a person who is the subject of the action.

2 (d) The department may provide information about an  
3 enforcement action, including a copy of a notice issued under this  
4 section, to each title insurance agent or direct operation with  
5 which an escrow officer has, or proposes to obtain, an appointment  
6 under Section 2652.1511 [~~employment~~].

7 SECTION 10. Sections 2652.057(b) and 2652.152, Insurance  
8 Code, are repealed.

9 SECTION 11. The changes in law made by this Act apply only  
10 to the issuance or renewal of the license of an escrow officer on or  
11 after January 1, 2016. The issuance or renewal of a license before  
12 January 1, 2016, is governed by the law as it existed immediately  
13 before the effective date of this Act, and that law is continued in  
14 effect for that purpose.

15 SECTION 12. This Act takes effect September 1, 2015.