

By: Hancock

S.B. No. 2203

A BILL TO BE ENTITLED

AN ACT

relating to the business of title insurance.

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

SECTION 1. Section 2702.051, Insurance Code, is amended to read as follows:

Sec. 2702.051. APPLICABILITY. This subchapter does not apply to the closing or settlement of:

(1) a residential real property transaction regulated by the Real Estate Settlement Procedures Act of 1974 (Pub. L. No. 93-533) except as provided by Section 2702.054(b); or

(2) a real property transaction if the closing or settlement is not actually handled by:

(A) a title insurance company, a title insurance agent, or an attorney for a title insurance company or title insurance agent; or

(B) a representative of a title insurance company, a title insurance agent, or an attorney for a title insurance company or title insurance agent.

SECTION 2. Section 2702.054, Insurance Code, is amended to read as follows:

Sec. 2702.054. USE OF ALTERNATE SETTLEMENT STATEMENT FORM PERMITTED. (a) A title insurance company or title insurance agent may use the uniform settlement statement form prepared under the Real Estate Settlement Procedures Act of 1974 (Pub. L. No. 93-533)

1 instead of the uniform closing and settlement statement form  
2 prescribed by the department under this subchapter.

3 (b) A title insurance company or title insurance agent that  
4 uses the uniform settlement statement form permitted by Subsection  
5 (a) in a residential real estate transaction regulated by the Real  
6 Estate Settlement Procedures Act of 1974 (Pub. L. No. 93-533) as  
7 the closing and settlement statement for the transaction shall  
8 disclose on a form promulgated by the commissioner under Subsection  
9 (c) the following information:

10 (1) an accurate statement of:

11 (A) the title insurance premium; and

12 (B) the amount of each portion of that premium  
13 paid to a third party; and

14 (2) an itemization of all other fees and charges paid  
15 to the settlement agent.

16 (c) The commissioner shall promulgate the form required by  
17 Subsection (b).

18 SECTION 3. Section 2703.153(h), Insurance Code, is amended  
19 to read as follows:

20 (h) The contents of the statistical report, including any  
21 amendments to the statistical report, must be established in a  
22 rulemaking hearing under Subchapter B, Chapter 2001, Government  
23 Code. The requirements for reporting of income and expenses on the  
24 statistical report shall conform to the manner in which accounting  
25 records are normally kept in the ordinary course of business of a  
26 title insurance company or title insurance agent.

27 SECTION 4. Section 2702.054, Insurance Code, as amended by

1 this Act, applies only to a residential real estate transaction  
2 that closes on or after January 1, 2018. A residential real estate  
3 transaction that closes before January 1, 2018, is governed by the  
4 law as it existed immediately before the effective date of this Act,  
5 and that law is continued in effect for that purpose.

6 SECTION 5. Section [2703.153\(h\)](#), Insurance Code, as amended  
7 by this Act, applies only to an annual statistical report issued on  
8 or after January 1, 2018. An annual statistical report issued  
9 before January 1, 2018, is governed by the law as it existed  
10 immediately before the effective date of this Act, and that law is  
11 continued in effect for that purpose.

12 SECTION 6. This Act takes effect September 1, 2017.