

By: Muñoz, Jr.

H.B. No. 3228

A BILL TO BE ENTITLED

AN ACT

relating to title insurance rates and other matters relating to regulating the business of title insurance.

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

SECTION 1. Section 2703.152(b), Insurance Code, is amended to read as follows:

(b) The premium rates fixed by the commissioner must be:

(1) reasonable and not excessive or unfairly discriminatory as to the public; and

(2) nonconfiscatory as to title insurance companies and title insurance agents.

SECTION 2. Sections 2703.202(b), (d), and (l), Insurance Code, are amended to read as follows:

(b) The commissioner shall order a public hearing to consider changing a premium rate, including fixing a new premium rate, in response to a written request of an interested person [+

~~[(1) a title insurance company,~~

~~[(2) an association composed of at least 50 percent of the number of title insurance agents and title insurance companies licensed or authorized by the department,~~

~~[(3) an association composed of at least 20 percent of the number of title insurance agents licensed or authorized by the department, or~~

~~[(4) the office of public insurance counsel].~~

(d) Notwithstanding Subsection (c), a public hearing held under Subsection (a) or under Section 2703.206 must be conducted by the commissioner as a contested case hearing under Subchapters C through H and Subchapter Z, Chapter 2001, Government Code, at the request of an interested person [÷

~~[(1) a title insurance company,~~

~~[(2) an association composed of at least 50 percent of the number of title insurance agents and title insurance companies licensed or authorized by the department,~~

~~[(3) an association composed of at least 20 percent of the number of title insurance agents licensed or authorized by the department, or~~

~~[(4) the office of public insurance counsel].~~

(1) Subject to Subsection (m), if the commissioner fails to comply with the requirements under Subsection (g) or (h)(6), a combination of at least three interested ~~[associations,~~ persons~~]~~ ~~or entities listed in Subsection (b)]~~ may jointly petition a district court of Travis County to adopt a rate based on the record made in the hearing before the commissioner under this section.

SECTION 3. Sections 2703.203 and 2703.204, Insurance Code, are amended to read as follows:

Sec. 2703.203. PERIODIC HEARING. The commissioner shall hold a public hearing not earlier than July 1 after the fifth anniversary of the closing of a hearing held under this chapter to consider adoption of premium rates and other matters relating to regulating the business of title insurance that an interested person ~~[association, title insurance company, title insurance~~

1 ~~agent, or member of the public admitted as a party under Section~~  
2 ~~2703.204]~~ requests to be considered or that the commissioner  
3 determines necessary to consider.

4       Sec. 2703.204. ADMISSION AS PARTY TO PERIODIC HEARING. (a)  
5 Subject to this section, an interested ~~[a trade association whose~~  
6 ~~membership is composed of at least 20 percent of the members of an~~  
7 ~~industry or group represented by the trade association, an~~  
8 ~~association, a]~~ person ~~[or entity described by Section 2703.202(b),~~  
9 ~~or department staff]~~ shall be admitted as a party to the periodic  
10 hearing under Section 2703.203.

11       (b) A party to any portion of the periodic hearing relating  
12 to ratemaking may request that the commissioner remove any other  
13 party to that portion of the hearing on the grounds that the other  
14 party does not have a substantial interest in the subject matter of  
15 the hearing ~~[title insurance]~~. A decision of the commission to deny  
16 or grant the request is final and subject to appeal in accordance  
17 with Section 36.202.

18       SECTION 4. This Act takes effect September 1, 2019.