

1-1 By: Muñoz, Jr., Raymond, Hunter H.B. No. 3228
1-2 (Senate Sponsor - Hancock)
1-3 (In the Senate - Received from the House May 6, 2019;
1-4 May 6, 2019, read first time and referred to Committee on Business
1-5 & Commerce; May 15, 2019, reported favorably by the following vote:
1-6 Yeas 7, Nays 0; May 15, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hancock	X		
1-10	Nichols	X		
1-11	Campbell	X		
1-12	Creighton		X	
1-13	Menéndez	X		
1-14	Paxton	X		
1-15	Schwertner	X		
1-16	Whitmire		X	
1-17	Zaffirini	X		

1-18 A BILL TO BE ENTITLED
1-19 AN ACT

1-20 relating to certain hearings concerning title insurance rates and
1-21 other matters relating to regulating the business of title
1-22 insurance.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 2703.202, Insurance Code, is amended by
1-25 adding Subsections (b-1), (b-2), (d-1), and (d-2) and amending
1-26 Subsections (d), (g), (h), (k), and (l) to read as follows:

1-27 (b-1) An interested person by a written request to the
1-28 commissioner may request a public hearing to consider changing a
1-29 premium rate, including fixing a new premium rate. For the purposes
1-30 of this subsection, "interested person" means:

- 1-31 (1) a resident of this state;
1-32 (2) a business entity doing business in this state;
1-33 (3) a political subdivision located in this state; or
1-34 (4) a public or private organization, other than a
1-35 state agency, that is located in this state.

1-36 (b-2) Not later than the 60th day after the date of
1-37 submission of a request under Subsection (b-1), the commissioner
1-38 shall:

- 1-39 (1) deny the request in writing, stating the reasons
1-40 for the denial; or
1-41 (2) initiate a hearing under Subsection (a).

1-42 (d) Notwithstanding Subsection (c), a person or entity
1-43 described by Subsection (b) or an interested person described by,
1-44 and subject to, Subsection (b-1) may petition the commissioner in
1-45 writing that a public hearing held under Subsection (a) or under
1-46 Section 2703.206 [must] be conducted by the commissioner as a
1-47 contested case hearing under Subchapters C through H and Subchapter
1-48 Z, Chapter 2001, Government Code. The petition must state the
1-49 grounds for the petitioner's request[, at the request of:]

- 1-50 ~~[(1) a title insurance company,~~
1-51 ~~[(2) an association composed of at least 50 percent of~~
1-52 ~~the number of title insurance agents and title insurance companies~~
1-53 ~~licensed or authorized by the department,~~
1-54 ~~[(3) an association composed of at least 20 percent of~~
1-55 ~~the number of title insurance agents licensed or authorized by the~~
1-56 ~~department, or~~
1-57 ~~[(4) the office of public insurance counsel].~~

1-58 (d-1) Not later than the 30th day after the date the
1-59 commissioner receives a petition under Subsection (d), the
1-60 commissioner shall hold a public hearing on the petition to
1-61 determine whether:

(1) the petition is made in good faith; and
 (2) the grounds stated in the petition otherwise justify conducting the proceeding as a contested case hearing.

(d-2) Not later than the 60th day after the date a petition under Subsection (d) is submitted, the commissioner shall:

(1) deny the petition in writing, stating the reasons for the denial; or

(2) grant the petition to initiate a hearing under Subsections (a) and (h) as a contested hearing.

(g) If a hearing held under Subsection (a) is not conducted as a contested case hearing, the commissioner shall render a decision and issue a final order not later than the 120th day after the date the commissioner receives a written request under Subsection (b) or (b-1).

(h) If a hearing held under Subsection (a) is conducted as a contested case hearing:

(1) not later than the 30th day after the date the commissioner rules on a petition [~~receives a request~~] for a public hearing under Subsection (d-2) [~~(b)~~], the commissioner shall issue a notice of call for items to be considered at the hearing;

(2) the commissioner may not require responses to the notice of call before the 60th day after the date the commissioner issues the notice of call;

(3) the commissioner shall issue a notice of the public hearing [~~requested under Subsection (d)~~] not later than the 30th day after the date responses to the notice of call are required under Subdivision (2);

(4) the commissioner shall commence the public hearing not earlier than the 120th day after the date the commissioner issues a notice of hearing under Subdivision (3);

(5) the commissioner shall close the public hearing not later than the 150th day after the date the commissioner issues the notice of hearing under Subdivision (3); and

(6) the commissioner shall render a decision and issue a final order not later than the 60th day after the record made in the public hearing is closed under Subdivision (5).

(k) A party described by Subsection (b) or (b-1) may petition a district court in Travis County to enter an order requiring the commissioner to comply with the deadlines described by this section if the commissioner fails to meet a requirement in Subsection (g) or (h).

(l) 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 associations, persons, or entities listed in Subsection (b) or (b-1) 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 2. Section 2703.203, Insurance Code, is 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 agent, or entity [~~member of the public admitted as a party~~] under Section 2703.204 requests to be considered or that the commissioner determines necessary to consider.

SECTION 3. Section 2703.204, Insurance Code, is amended to read as follows:

Sec. 2703.204. ADMISSION AS PARTY TO [~~PERIODIC~~] HEARING. (a) Subject to this section, the following persons, associations, and entities shall be admitted as parties to a contested case hearing under Section 2703.202, the periodic hearing under Section 2703.203, or a hearing under Section 2703.206:

(1) a trade association whose membership is composed of at least 20 percent of the members of an industry or group represented by the trade association;

(2) [~~7~~] an association, [~~a~~] person, or entity

3-1 described by Section 2703.202(b);
3-2 (3) an interested person described by Section
3-3 2703.202(b-1); ~~or~~
3-4 (4) department staff ~~[shall be admitted as a party to~~
3-5 ~~the periodic hearing under Section 2703.203]~~.
3-6 (b) A party to any portion of the periodic hearing relating
3-7 to ratemaking may request that the commissioner remove any other
3-8 party to that portion of the hearing on the grounds that the other
3-9 party does not have a substantial interest in the subject matter of
3-10 the hearing ~~[title insurance]~~. A decision of the commission to deny
3-11 or grant the request is final and subject to appeal in accordance
3-12 with Section 36.202.
3-13 SECTION 4. This Act takes effect September 1, 2019.

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