

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1155
By: Harris
Economic Development
4-28-97
Committee Report (Substituted)

DIGEST

Currently, the Insurance Code does not provide for the regulation of controlled business organizations such as builders, realtors, developers or lenders who own title companies. This bill authorizes the commissioner of insurance to suspend or revoke a title insurance agent's license if any fact or condition at the time of the original application would have warranted the refusal to issue the license and provides additional licensing requirements.

PURPOSE

As proposed, C.S.S.B. 1155 authorizes the commissioner of insurance to suspend or revoke a title insurance agent's license if any fact or condition at the time of the original application would have warranted the refusal to issue the license and provides additional licensing requirements.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 9.37, Insurance Code, to authorize the commissioner of insurance to revoke or suspend a license for certain reasons.

SECTION 2. Amends Chapter 9, Insurance Code, by adding Article 9.36B, as follows:

Art. 9.36B. ADDITIONAL LICENSING REQUIREMENTS. Sets forth additional licensing requirements for a title insurance agent or direct operation. Sets forth the applicability of this article. Sets forth requirements for being bonded or alternatives to being bonded. Sets forth requirements of a material agreement. Provides that this article does not impair any insurance activity expressly authorized by federal law. Defines "affiliate."

SECTION 3. Provides that this Act takes effect September 1, 1998, for title agents or direct operations which are currently licensed. Provides that for all new application this Act takes effect September 1, 1997. Provides that title agents or direct operations are not required to file the bond required by Article 9.37(c), Insurance Code, as added by this Act, before April 1, 1999.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Article 9.37, Insurance Code, to authorize the commissioner of insurance to revoke or suspend a license for not disclosing certain information which was required to be disclosed.

SECTION 2.

Deletes proposed SECTION 2. Amends Chapter 9, Insurance Code, by adding 9.36B, to set forth additional licensing requirements.

SECTION 3.

Provides that this Act takes effect September 1, 1998, for title agents or direct operations which are currently licensed, and for all new application this Act takes effect September 1, 1997. Provides that title agents or direct operations are not required to file the bond required by Article 9.37(c), Insurance Code, as added by this Act, before April 1, 1999.