

BILL ANALYSIS

Senate Research Center

S.B. 1707
By: Van de Putte
Business & Commerce
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DIGEST AND PURPOSE

Currently, discrimination by title insurance companies and their agents impedes the ability for certain persons to obtain title insurance. As proposed, S.B. 1707 prohibits title insurance companies from discriminating against persons based on certain factors when those persons seek title insurance coverage.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 1, Article 9, Insurance Code, by adding Article 9.07C, as follows:

Art. 9.07C. DISCRIMINATION AND TYING OF SERVICES PROHIBITED. Provides that no title insurance company and no title insurance agent may discriminate in providing insurance coverage based on certain criteria. Prohibits any regulation or rule relating to this insurance coverage from discriminating against certain persons. Prohibits any regulation or rule relating to this insurance coverage from prohibiting a title insurance company from making sound underwriting decisions in order to provide this insurance coverage. Requires the title insurance company's underwriting to be based on information or guidelines that the title insurance company deems reasonable and prohibits the title insurance company from requiring an indemnity from a seller, buyer, borrower or lender to provide this insurance coverage.

SECTION 2. Effective date: upon passage or September 1, 2001.