

BILL ANALYSIS

Senate Research Center

H.B. 2887
By: Dutton (Whitmire)
State Affairs
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Engrossed

DIGEST

Currently, a title insurance agent may engage in any lawful promotional, educational activities on the agent's behalf. Clarification of current law is necessary to remove promotional, educational, recreational, and entertainment expenses from the title insurance rate base and clarify that these expenditures are not illegal rebate which would be a violation of Article 9.30(AA), Insurance Code. Elimination of these expenses from the title insurance rate base would lower title insurance rates for the consumer. C.S.S.B. 1257 would clarify existing law allowing lawful promotional, educational activities on behalf of title insurance companies and to eliminate these expenses from the rate base.

PURPOSE

As proposed, H.B. 2887 outlines provisions regarding promotional or educational activities of title insurance entities, and title insurance policy provisions.

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 9.07(b), Insurance Code, to prohibit the commissioner of insurance of the State of Texas (commissioner) from considering expenses relating to promotional and educational activities authorized by Section B(6), Article 9.30, of this code.

SECTION 2. Amends Article 9.30, Insurance Code, by adding Subsection F, as follows:

Sec. F. Provides that a legal promotional or educational activity described by Section B(6) of this Article is not a rebate or discount prohibited under Section A of this article.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.