

BILL ANALYSIS

Senate Research Center
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S.B. 92
By: Harris
Economic Development
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As Filed

DIGEST

Currently, the surrender or forfeiture of a title insurance, direct operation, or escrow officer license before a disciplinary action allows the license holder to avoid penalties that might be applied. This bill would allow the Commissioner of Insurance to institute disciplinary proceedings against certain culpable former license holders for conduct of the license holder committed prior to surrender or forfeiture of the license.

PURPOSE

As proposed, S.B. 92 allows disciplinary proceedings against a title insurance agent, direct operation, escrow officer, or title attorney for conduct retrospective of voluntary surrender or automatic forfeiture of their licenses.

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, by adding Section F, as follows:

F. Provides that a title insurance agent or direct operation is culpable for conduct committed before the surrender or forfeiture of their licenses. Authorizes the Commissioner of Insurance of the State of Texas (commissioner) to institute a disciplinary proceeding against the license holder for conduct committed before the effective date of surrender or forfeiture.

SECTION 2. Amends Article 9.44, Insurance Code, by adding Section 6 as follows:

Sec. 6. Provides that an escrow officer is culpable for conduct committed before the surrender or forfeiture of the officer's license.

SECTION 3. Amends Section 8, Article 9.56, Insurance Code, by amending Subsection (a) and adding Subsection (f), to provide that a title attorney is culpable for conduct committed before the surrender or forfeiture of the attorney's license. Deletes text regarding the surrender and revocation of a title attorney's license. Makes nonsubstantive changes.

SECTION 4. Repealer: Articles 9.51 and 9.52, Insurance Code (Title Insurance Agents Right to Surrender License and Escrow Officer's Right to Surrender License).

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.