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FISCAL IMPACT REPORT

SPONSOR Rodella DATE TYPED 2/23/05 HB 731/aHBIC
 SHORT TITLE Title Insurer Underwriting Standards SB _____
 ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			NFI		

Duplicates SB 376
 Conflicts with HB 33

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)
 Regulation & Licensing Department (RLD)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment adds that in a court action involving a claim by a person insured against a title insurer, any damages awarded shall not exceed the policy limits. The court may award the insured person reasonable attorney fees and the costs of litigation if the title insurance company denied the claim and the court finds that the matter of the claim should have been covered by the title insurance policy.

Synopsis of Original Bill

House Bill 731 makes a title insurer liable for any errors its employees may make in the process of searching a title insurance policy.

Significant Issues

The PRC states this bill does not significantly change the existing statute but merely tries to explain more clearly that the consumer can only seek damages from the title insurance company for any errors resulting from the title company's search.

DUPLICATION/CONFLICT

HB 731 duplicates SB 376

HB 731 conflicts with HB 33, Restore Title Search Duty of Reasonable Care, which will make both the title insurer and the insurance agent liable separately for a search error.

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