

New legislation aims to bring transparency, competition to title insurance.

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TEXANS FOR
FREE ENTERPRISE

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**Title Insurance Reform Bills Deliver Needed Price Competition,
Transparency that will Benefit Consumers and the Economy**

AUSTIN – Texans for Free Enterprise (TFE) today applauded the authors of two pieces of legislation that will bring badly needed reform to outdated title insurance practices in Texas.

insurance more in line with other forms of insurance. By giving the Insurance Commissioner rate flexibility, through the application of rate bands, title insurance companies will have to compete on rates for the very first time,” said TFE Chairman Doug Deason. “Texas has some of the highest title insurance rates in the nation, across all income brackets and demographics. Senator Hancock and Representative Munoz have taken a strong stand for all Texans who pay too much for title insurance when they purchase or refinance their home. Consumers will be the real winners if these bills are passed into law.”....

Read the full press release [HERE](#)

Senate Bill 2203 & House Bill 4239: How do they affect Texas title insurance?

Last week, two new pieces of legislation regarding title insurance were introduced by a bipartisan duo of senior legislators. These bills will make the title insurance practice more transparent, and for the first time require title insurance companies to compete on price, which is good for consumers.

SB 2203, authored by Senate Business and Commerce Committee Chairman Kelly Hancock (R-North Richland Hills), focuses exclusively on bringing transparency to the title insurance regulatory process by requiring that all settlement and closing statements include an accurate statement of the insurance premium, the amount paid to third parties, and an itemization of fees and charges paid to the settlement

TLTA Myth of the Week: "Texas rates have decreased 15% over the last 25 years"

Title costs nationwide have dropped significantly over the last 25 years and yet Texas has higher rates than almost all other states not cited by TLTA. Additionally, Texas rates increased in 2013, the last time the Insurance Commissioner set the rate. In the last 25 years, we've gained the internet, an ability to store/retrieve data remotely, which has dramatically dropped the cost of business, yet that efficiency hasn't resulted in significantly lower prices, because there is zero competition for rates.

income and expenses filed with the Department of Insurance conform to accounting standards normally kept in the ordinary course of business of a title insurance company or agent.

Read more about S.B. 2203 [HERE](#)

In the House, Insurance Committee Vice-Chairman Sergio Munoz Jr. (D-Mission) introduced HB 4239 with the goal of reforming title insurance rates in addition to enhancing transparency and giving consumers an opportunity to be heard at title insurance rate hearings. Critically, this bill creates a competitive flexible rating system, directing the commissioner of insurance to set a flexible rate band as a percentage above and a percentage below the promulgated rate and authorizes title insurance companies to compete on price by filing and charging rates of premium at levels within the flexible rate band.

Read more about H.B. 4239 [HERE](#)



Texas vs Missouri vs Indiana: Who pays more for title insurance?

While the title industry continues to claim the lack of competition is a better deal for Texas consumers, the fact still remains that consumers all over the country are paying less for title insurance because their title insurers compete to offer the best price.

For example, in Indiana a homebuyer will pay just **\$1,383** for title insurance on a \$300,000 home while a consumer in Texas will pay **\$2,663** for the same service. Texans pay more than \$1500 more than Missourians, who would pay just **\$1,095** for a home at that same value. The difference? Texas sets the rate and doesn't allow competition.

