

No. 08-0094

Official Order
of the
Commissioner of Insurance
of the
State of Texas
Austin, Texas

Date: FEB 06 2008

Subject Considered:

Docket No. 2672 Personal Property Title Insurance Agenda Disapproval Order

General remarks and official action taken:

On this day came on for consideration by the Commissioner of Insurance (Commissioner) the matter of certain Agenda Items related to the Personal Property Title Insurance Rulemaking Hearing, Docket No. 2672, held on October 18, 2007.

The Commissioner has jurisdiction of this matter pursuant to the Insurance Code §§2751.051 and 2751.053, as enacted by SB 1153, and the Insurance Code §§2551.003 and 36.001. Section 2751.051 requires the Commissioner to prescribe policy forms. Section 2751.053 requires the Commissioner to provide reasonable notice and a hearing to title insurance companies, title insurance agents, and the public prior to the adoption of policy forms. Section 2551.003 authorizes the Commissioner to promulgate and enforce rules prescribing underwriting standards and practices, and to promulgate and enforce all other rules necessary to accomplish the purposes of Title 11, which regulates title insurance. Section 36.001 provides that the Commissioner of Insurance may adopt any rules necessary and appropriate to implement the powers and duties of the Texas Department of Insurance under the Insurance Code and other laws of this state.

The following proposed Agenda Items should not be adopted and accordingly should be disapproved because Departmental testing has not revealed sufficient basis for implementing these procedural rules at this time:

Item 2007-11 regarding the proposed Personal Property Title Insurance Lender's Policy (PPT-2), and the proposed Personal Property Title Insurance Owner's Policy (PPT-1) to prevent issuance in consumer transactions and to allow a title insurance company to delete provisions of the policies, add exceptions to a schedule, and add additional provisions to a schedule without seeking promulgation of the new version of the form.

Item 2007-12 regarding the proposed Aggregation Endorsement (PPT-2.1), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, to require that multiple personal property title insurance policies be issued in connection with the same indebtedness or loan in conjunction with issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-13 regarding the proposed Gap Coverage Endorsement (PPT-2.2), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-14 regarding the proposed Increase in Liability Endorsement (PPT-2.3), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-15 regarding the proposed Datedown Endorsement (PPT-2.4), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-16 regarding the proposed Change in Location of Debtor Endorsement (PPT-2.5), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-17 regarding the proposed Mezzanine Endorsement (PPT-2.6), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

Item 2007-18 regarding the proposed Assignment Endorsement (PPT-2.7), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

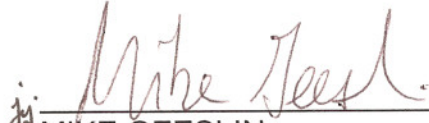
Item 2007-19 regarding the proposed Co-Insurance Endorsement (PPT-1.8/2.8), to require payment of the promulgated premium prior to issuance, to require underwriting requirements be met prior to issuance, and to require the issuing title insurance company to charge the applicable premium for each policy.

After careful review and consideration of the filings, testimony and comments, the Commissioner has determined that the proposed Agenda Items 2007-11, 2007-12,


2007-13, 2007-14, 2007-15, 2007-16, 2007-17, 2007-18, and 2007-19 should not be adopted and should accordingly be disapproved.

IT IS THEREFORE THE ORDER of the Commissioner of Insurance that, for the reasons stated herein, Agenda Items 2007-11, 2007-12, 2007-13, 2007-14, 2007-15, 2007-16, 2007-17, 2007-18, and 2007-19 related to the to the Personal Property Title Insurance Rulemaking Hearing, Docket No. 2672, be and are hereby disapproved.

AND IT IS SO ORDERED.


MIKE GEESLIN
COMMISSIONER OF INSURANCE

ATTEST:


Gene C. Jarmon
General Counsel and Chief Clerk

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