

**SUBCHAPTER A. BASIC MANUAL OF RULES, RATES AND FORMS FOR THE WRITING
OF TITLE INSURANCE IN THE STATE OF TEXAS
28 TAC §9.1**

INTRODUCTION. The Commissioner of Insurance adopts amended 28 TAC §9.1, relating to adoption by reference of an amended version of the Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas (Basic Manual). The amendment to the Basic Manual updates Form T-51, Purchaser/Seller Insured Closing Service Letter (Form T-51) to implement House Bill 1614, 86th Legislature, 2019. The Texas Department of Insurance (TDI) adopts the amendment with nonsubstantive changes to the proposed text published in the October 23, 2020, issue of the *Texas Register* 45 TexReg 7524. No changes were made to the amended version of the Basic Manual proposed to be adopted by reference.

REASONED JUSTIFICATION. Form T-51, which is part of the Basic Manual, is an insured closing letter that protects the buyer or seller if escrow funds are lost because of fraud or dishonesty by a title agent. Under Insurance Code §2702.002, Form T-51 can only be used if the sales price of real estate is more than the maximum amount of a covered claim under the Texas Title Insurance Guaranty Act (Guaranty Act).

The amendment to Form T-51 updates the minimum sales price that can be covered under the form. The update is necessary to implement a change made by HB 1614. HB 1614 increased the maximum amount under the Guaranty Act from \$250,000 to \$500,000. The rule amendment updates Form T-51 to show \$500,000 as the new threshold amount for coverage.

SUMMARY OF COMMENTS. TDI did not receive any comments on the proposed amendment.

STATUTORY AUTHORITY. The Commissioner adopts the amendment to 28 TAC §9.1 under Insurance Code §§2702.002, 2703.208, 2551.003, and 36.001.

Insurance Code §2702.002 requires that insured closing and settlement letters be issued in the form and manner prescribed by the Commissioner.

Insurance Code §2703.208 allows additions or amendments to the Basic Manual to be proposed and adopted by reference by publishing notice of the proposal or adoption in the *Texas Register*.

Insurance Code §2551.003 authorizes the Commissioner to adopt rules that are necessary for the business of title insurance.

Insurance Code §36.001 authorizes the Commissioner to adopt any rules necessary to implement the powers and duties of TDI under the Insurance Code and laws of this state.

TEXT.

§9.1. Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas.

The Texas Department of Insurance adopts by reference the *Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas* (Basic Manual) as amended, effective February 1, 2021. The Basic Manual is available from the Texas Department of Insurance, Mail Code 104-PC, P.O. Box 149104, Austin, TX 78711-2040. The

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Basic Manual is also available on the TDI website at www.tdi.texas.gov, and by email from ChiefClerk@tdi.texas.gov.

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on January 11, 2021.

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Allison Eberhart, Deputy General Counsel
Texas Department of Insurance

The Commissioner adopts the amendment to 28 TAC §9.1.

Commissioner of Insurance

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By: 
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Doug Slape
Chief Deputy Commissioner
Tex. Gov't Code §601.002
Commissioner's Order No. 2018-5528

Commissioner's Order No. **2021-6645**