



January 24, 2014

HOUSE BILL No. 1224

DIGEST OF HB 1224 (Updated January 22, 2014 4:12 pm - DI 97)

Citations Affected: IC 27-1.

Synopsis: Title insurance. Requires the department of insurance (department) to create a title insurance consumer comparison tool (tool). Provides: (1) that the filed rates of all insurers that issue title insurance policies in Indiana will be included on the tool; (2) that the information on the tool shall be designed to allow an average consumer of ordinary intelligence to compare and differentiate between substantially similar title insurance rates offered by title insurers; (3) that the tool must be made available to the public free of charge on the department's Internet web site by September 1, 2014; and (4) that, after that date, when an insurer makes a new, approved filing, the department shall make the insurer's rates available on the tool not more than 10 business days after the insurer's application is stamped "filed" by the department.

Effective: July 1, 2014.

DeVon, Heaton, Hamm, Austin

January 14, 2014, read first time and referred to Committee on Insurance.
January 23, 2014, amended, reported — Do Pass.

HB 1224—LS 7034/DI 55



January 24, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1224

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-22-28, AS ADDED BY P.L.80-2013,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 28. (a) This section applies to a title policy issued
4 after June 30, 2014. To the extent ~~that this section of any~~ conflicts with
5 any other provision of this chapter, this section is controlling.
6 (b) The definitions in IC 27-7-3 apply throughout this section.
7 (c) For purposes of this section, "form", when used in reference to
8 a title policy:
9 (1) includes:
10 (A) a commitment for title insurance and a title policy or
11 guaranty; and
12 (B) the terms and conditions of the title insurance or title
13 policy or guaranty; and
14 (2) excludes:
15 (A) a reinsurance contract or agreement;
16 (B) an exception:

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- 1 (i) that is included in a commitment or title policy; and
 2 (ii) for specific defects in a title that may be ascertained
 3 from an examination of a specific risk;
 4 (C) an affirmative assurance of a company, through
 5 endorsement or otherwise, with respect to a defect described
 6 in clause (B); and
 7 (D) any other exception from coverage due to:
 8 (i) a limitation on the examination of the risk imposed by a
 9 particular applicant for title insurance; or
 10 (ii) failure of a particular applicant for title insurance to
 11 provide the data necessary for determination of insurability.
 12 (d) A company doing business in Indiana shall, at least thirty (30)
 13 days before the proposed effective date of the filing, file with the
 14 commissioner all of the following that the company proposes to use,
 15 including the proposed effective date and an indication of the character
 16 and extent of the coverage contemplated:
 17 (1) The form of a title policy, endorsement, manual, rating
 18 schedule or rating plan, and other rating rule.
 19 (2) A modification of any filing described in subdivision (1).
 20 If the commissioner does not, within a thirty (30) day waiting period
 21 beginning on the date of filing, disapprove a filing made under this
 22 subsection, the filing is considered approved.
 23 (e) If a company is a member of or a subscriber to a rating
 24 organization that is licensed under section 8 of this chapter, the filing
 25 requirement of subsection (d) may be satisfied by a filing made:
 26 (1) by the rating organization; and
 27 (2) on behalf of all of the rating organization's members and
 28 subscribers;
 29 in accordance with subsection (f).
 30 (f) A rating organization that makes a filing described in subsection
 31 (e) shall, at least thirty (30) days before the proposed effective date of
 32 the filing, file with the commissioner for review and approval or
 33 disapproval all of the following that the company proposes to use,
 34 including the proposed effective date and an indication of the character
 35 and extent of the coverage contemplated:
 36 (1) The form of a title policy, endorsement, manual, rating
 37 schedule or rating plan, and other rating rule.
 38 (2) A modification of any filing described in subdivision (1).
 39 (g) The commissioner shall, within a thirty (30) day waiting period
 40 beginning on the date of filing, approve or disapprove a filing made
 41 under subsection (f). However, the commissioner may do the
 42 following:



- 1 (1) Upon written notice to the rating organization making the
 2 filing within the initial thirty (30) day period, extend the waiting
 3 period for not more than an additional thirty (30) days to enable
 4 the commissioner to complete the review of the filing.
- 5 (2) With the consent of the rating organization making the filing,
 6 extend the waiting period for additional thirty (30) day periods.
- 7 (3) Upon receiving a written request by the rating organization
 8 making the filing, approve the filing or a part of the filing that the
 9 commissioner has reviewed to become effective before the
 10 expiration of a waiting period described in subdivision (1) or (2).
- 11 (h) If the commissioner, during a waiting period described in
 12 subsection (g), determines that a filing made by a rating organization
 13 under this section:
- 14 (1) meets the requirements of this chapter, the commissioner shall
 15 approve the filing and send to the rating organization written
 16 notice of the approval; or
- 17 (2) does not meet the requirements of this chapter, the
 18 commissioner shall disapprove the filing and send to the rating
 19 organization written notice of the disapproval, including the
 20 following:
- 21 (A) The notice must specify the manner in which the filing
 22 does not meet the requirements of this chapter.
- 23 (B) The notice must specify that the filing will not become
 24 effective.
- 25 (i) If the commissioner, at any time after approval under subsection
 26 (d), (g), or (h), determines that the filing does not comply with this
 27 chapter, the commissioner shall, after a hearing held on ten (10) days
 28 written notice:
- 29 (1) sent to the person making the filing; and
 30 (2) specifying the matters to be considered at the hearing;
- 31 issue an order specifying the manner in which the filing does not
 32 comply with this chapter and the date on which the filing will no longer
 33 be effective.
- 34 (j) The commissioner shall send a copy of an order issued under
 35 subsection (i) to the person making the filing. The order does not affect
 36 a title policy made or issued before the date specified in the order on
 37 which the filing is no longer effective.
- 38 (k) The commissioner may not disapprove a filing described in
 39 subsection (d) or (f) if the rates produced by the filing comply with this
 40 chapter.
- 41 (l) A rating organization that receives notice of a hearing or a copy
 42 of an order under subsection (i) shall promptly notify all of the rating



1 organization's members or subscribers that would be affected by the
 2 hearing or order. For purposes of subsection (i), notice to a rating
 3 organization is considered to be notice to the rating organization's
 4 members or subscribers.

5 (m) If:

6 (1) a filing is not accompanied by the information on which the
 7 filing is based; and

8 (2) the commissioner does not have sufficient information to
 9 determine whether the filing complies with this chapter;

10 the commissioner shall require the person making the filing to furnish
 11 to the commissioner the information on which the filing is based, and
 12 the waiting period described in subsection (d) or (g) begins on the date
 13 on which all required information is received by the commissioner.

14 (n) Information furnished under subsection (m) may include the
 15 following:

16 (1) The experience or judgment of the company or the rating
 17 organization making the filing.

18 (2) The company's or rating organization's interpretation of any
 19 statistical data relied on by the company or rating organization.

20 (3) The experience of other title insurance companies or rating
 21 organizations.

22 (4) Any other factor that the commissioner considers relevant.

23 (o) After approval of a filing under subsection (d), (g), or (h), the
 24 filing and information furnished in support of the filing is a public
 25 record for purposes of IC 5-14-3.

26 (o) **The department shall create a title insurance consumer
 27 comparison tool, subject to the following:**

28 (1) **The filed rates of every insurer that issues title insurance
 29 policies in Indiana will be included on the consumer
 30 comparison tool.**

31 (2) **The information on the consumer comparison tool shall be
 32 designed to allow an average consumer of ordinary
 33 intelligence to compare and differentiate between all
 34 substantially similar title insurance rates offered by all title
 35 insurers approved in Indiana. At a minimum, the consumer
 36 comparison tool must include the following:**

37 (A) **Organizational data, including the company name,
 38 address, and telephone number, and the name of the head
 39 of local operations.**

40 (B) **Whether the applicant, or a related entity, has
 41 previously offered title insurance in Indiana and, if so, the
 42 year or years in which the title insurance was offered,**



- 1 along with the rate or rates charged by the applicant prior
2 to the most recent filing.
- 3 (C) A listing of the rates the title insurer will charge for:
4 (i) a commitment; and
5 (ii) a closing protection letter;
6 and a sample of rates the title insurer will charge for title
7 insurance policies of varying amounts of insured value.
- 8 (D) Any other substantive information that the
9 commissioner considers relevant and appropriate.
- 10 (3) The consumer comparison tool must be made available to
11 the public free of charge on the department's Internet web
12 site not later than September 1, 2014. After September 1,
13 2014, the department shall make any:
14 (A) new approved filings; or
15 (B) changes to existing filings;
16 available on the consumer comparison tool not later than ten
17 (10) business days after the application is stamped "filed" by
18 the department.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1224, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, delete lines 19 through 42.

Delete page 6.

and when so amended that said bill do pass.

(Reference is to HB 1224 as introduced.)

LEHMAN, Chair

Committee Vote: yeas 13, nays 0.

