

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

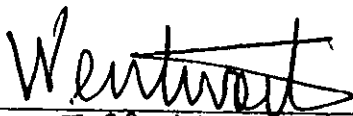
May 30, 2009  
Date

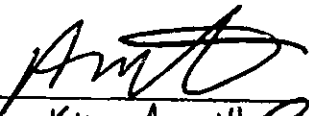
Honorable David Dewhurst  
President of the Senate

Honorable Joe Straus  
Speaker of the House of Representatives

Sirs:

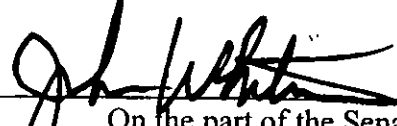
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on House Bill 3768 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

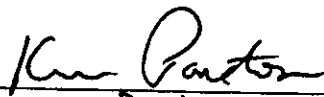
  
Sen Jeff Wentworth

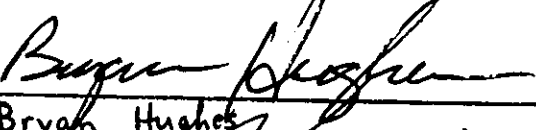
  
Sen Kip Averitt

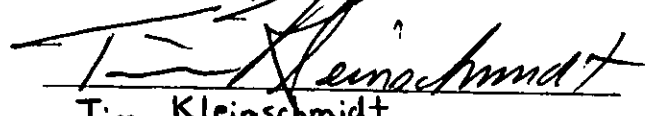
  
Sen Kevin Eltife

  
Sen Kirk Watson

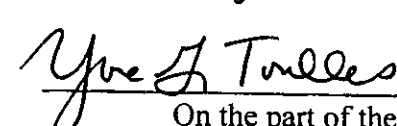
  
On the part of the Senate  
Sen John Whitmire

  
Ken Paxton

  
Bryan Hughes

  
Tim Kleipschmidt

  
Phil King

  
On the part of the House  
Yvonne Gonzalez-Tourelles

**Note to Conference Committee Clerk:**

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 3768

A BILL TO BE ENTITLED

AN ACT

relating to continuation of title insurance coverage of transferred property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2703.101, Insurance Code, is amended by adding Subsection (g) to read as follows:

(g) For an owner's title insurance policy on residential real property that is issued to an individual, the commissioner shall adopt terms that provide for continuation of coverage subject to rights and defenses against the original named insured for:

(1) a person who inherits the original named insured's title on the original named insured's death;

(2) the original named insured's spouse who receives title in a dissolution of marriage with the original named insured;

(3) the trustee or successor of a trust established by the original named insured to whom the original named insured transfers title after the date of policy; or

(4) the beneficiaries of a trust described by Subdivision (3) on the death of the original named insured.

SECTION 2. This Act applies only to an insurance policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2010. An insurance policy or contract delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of

H.B. No. 3768

1 this Act, and that law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2009.

**House Bill 3768**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subchapter B, Chapter 2703, Insurance Code, is amended by adding Section 2703.055 to read as follows:

Sec. 2703.055. TRANSFER OF PROPERTY INTO INTER VIVOS TRUST; EFFECT OF TITLE INSURANCE COVERAGE. (a) The transfer by deed of real property into an inter vivos trust does not affect title insurance coverage of the property if the trust settlor is a beneficiary of the trust.

(b) On the effective date of a transfer under Subsection (a), the insurance coverage on the title of the real property transferred applies to the trustee of the trust into which the settlor transferred the property.

(c) The insurance company has the defenses to the coverage described in Subsection (b) that the company had under the policy against the original named.

No equivalent provision.

SENATE VERSION

SECTION 1. Same as House version.

SECTION 2. Sec. 2703.101, Insurance Code, is amended by adding Subsection (g) to read as follows:

(g) For an owner's title insurance policy on residential real property that is issued to an individual, the commissioner may adopt terms that provide for continuation of coverage subject to rights and defenses against the original named insurer for:

(1) a person who inherits the original named insured's title on the original named insured's death;

(2) the original named insured's spouse who receives title in a dissolution of marriage with the original named

CONFERENCE

No equivalent provision.

SECTION 1. Same as Senate version.

**House Bill 3768**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

insured;

(3) the trustee or successor of a trust established by the original named insured for real estate planning to whom the original named insured transfers title after the date of policy; or

(4) the beneficiaries of a trust described by Subdivision (3) on the death of the original named insured.

SECTION 2. This Act applies only to an insurance policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2010. An insurance policy or contract delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Same as House version.

SECTION 2. Same as House version.

SECTION 3. This Act takes effect September 1, 2009.

SECTION 4. Same as House version.

SECTION 3. Same as House version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 30, 2009**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** **HB3768** by Paxton (Relating to continuation of title insurance coverage of transferred property.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to title insurance coverage of transferred property. The Texas Department of Insurance indicates it could absorb the costs associated with the bill within its current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.


**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, TP, MN, CH

## Certification of Compliance with Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference must be furnished to each member of the committee in person or if unable to deliver in person by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Section 10(a) of this rule. The paper copies of the report submitted to the chief clerk under Section 10(b) of this rule must contain a certificate that the requirement of this subsection has been satisfied, and that certificate must be attached to the printed copy of the report furnished to each member under Section 10(d) of this rule. Failure to comply with this subsection is not a sustainable point of order under this rule.

I certify that a copy of the conference committee report on H. B. 3768 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Section 10(b), Rule 13, House Rules of Procedure.

  
(name)

5/30/09  
(date)