

## CHAPTER 56

S.B. No. 433

An Act relating to title searches for and applicability of certain insurance laws to title insurance; amending Articles 5.75 and 9.34 and Section 2, Article 9.47, Insurance Code.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Articles 5.75 and 9.34, Insurance Code, are amended to read as follows:

“Article 5.75. **SCOPE OF SUBCHAPTER.** This subchapter applies to the kinds of insurance and to the insurers subject to Subchapters A, B, C, and D of Chapter 5 and to Chapter 9 of this code.”

“Article 9.34. **DETERMINATION OF INSURABILITY.** No policy or contract of title insurance shall be written unless and until the title insurance company (a) has caused a search of title to be made from the title evidence prepared from an abstract plant as herein defined, or if no such abstract plant of the county exists, or the owner of such plant refuses to furnish to the title insurance company desiring to insure, such title evidence at ~~such [its regular]~~ charge and within ~~such [a]~~ reasonable period of time as determined by the board, then such policy or contract of title insurance shall be based upon the best title evidence available, and (b) has caused to be made a determination of insurability of title in accordance with sound title underwriting practices. Evidence thereof shall be preserved and retained in the files of the title insurance company or its agent for a period of not less than fifteen (15) years after the policy or contract of title insurance has been issued. In lieu of retaining the original copy, the title insurance company or the agent of the title insurance company, may in the regular course of business establish a system whereby all or part of these writings are recorded, copied or reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic, or other process which accurately reproduces or forms a durable medium for reproducing the original. This Article shall not apply to (a) a company assuming no primary liability in a contract of reinsurance, or (b) a company acting as a co-insurer if one of the other co-insuring companies has complied with this Article.”

**SECTION 2.** Section 2, Article 9.47, Insurance Code, is amended to read as follows:

“Section 2. Regardless of Section 1 of this Article, where applicable to title insurance companies, Article 1.01 through 1.25; Article 2.01; Article 2.02, Sections 1, 2 and 3; Article 2.03, except Section 5; Article 2.04; Article 2.05; Article 2.06; Article 3.01, Section 10(a), (b) and (c); Article 3.12, except Section (c); Article 3.13; Article 3.14; Article 21.21; Article 21.21-1; Article 21.25; Article 21.26; Article 21.31; Article 21.36; Article 21.37; Article 21.43; Article 21.46; and Article 21.47 and Subchapter F of Chapter 5 of this code shall apply to and govern title insurance companies where applicable thereto. In case of conflict between provisions of any of the foregoing articles and the provisions of this Chapter Nine, the latter shall govern.”

**SECTION 3.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on February 26, 1985, by the following vote: Yeas 31, Nays 0;  
passed the House on April 17, 1985, by a non-record vote.

Approved: April 30, 1985

Effective: August 26, 1985