

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 15-0855.02 Bart Miller x2173

SENATE BILL 15-210

SENATE SPONSORSHIP

Woods, Baumgardner, Holbert, Martinez Humenik

HOUSE SPONSORSHIP

Arndt,

Senate Committees

Business, Labor, & Technology
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING CREATION OF THE TITLE INSURANCE COMMISSION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the title insurance commission (commission). The bill establishes the powers, duties, and functions of the commission and provides for the appointment of the members of the commission. With the exception of rate regulation and licensing, which will continue to be done by the insurance commissioner, the commission participates in the regulation of the title insurance business in Colorado by concurring in rules of the insurance commissioner, proposing rules for approval by the insurance commissioner, and reviewing and concurring in disciplinary

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

actions related to the regulation of the title insurance business. The commission is scheduled to sunset September 1, 2025, subject to continuation after a sunset review as provided by law.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-11-102, **add** (1.3),
3 (3.6), and (3.9) as follows:

4 **10-11-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (1.3) "AFFILIATE" OR "SUBSIDIARY" MEANS A PERSON WHO
7 DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES:

8 (a) CONTROLS A TITLE INSURANCE AGENT OR TITLE INSURANCE
9 COMPANY;

10 (b) IS CONTROLLED BY A TITLE INSURANCE COMPANY; OR

11 (c) IS UNDER COMMON CONTROL WITH A TITLE INSURANCE AGENT
12 OR TITLE INSURANCE COMPANY.

13 (3.6) "COMMISSION" MEANS THE TITLE INSURANCE COMMISSION
14 ESTABLISHED IN PART 2 OF THIS ARTICLE.

15 (3.9) "NET ADMITTED ASSETS" MEANS THE TITLE INSURANCE
16 COMPANY'S NET ADMITTED ASSETS AS REPORTED PURSUANT TO SECTION
17 10-3-208.

18 **SECTION 2.** In Colorado Revised Statutes, **add** part 2 to article
19 11 of title 10 as follows:

20 PART 2

21 TITLE INSURANCE COMMISSION

22 == ==

23 **10-11-201. Title insurance commission - creation - advisory**
24 **body - appointment of members - meetings - repeal.** (1) THERE IS

1 HEREBY CREATED IN THE DIVISION THE TITLE INSURANCE COMMISSION.
2 THE COMMISSION IS AN ADVISORY BODY TO THE COMMISSIONER
3 CONCERNING MATTERS OF TITLE INSURANCE. NOTHING IN THIS SECTION
4 DIVESTS THE COMMISSIONER OF HIS OR HER AUTHORITY TO REGULATE THE
5 BUSINESS OF INSURANCE.

6 (2) (a) THE COMMISSION CONSISTS OF NINE MEMBERS APPOINTED
7 BY THE GOVERNOR AS FOLLOWS:

8 (I) THREE MEMBERS SHALL BE EMPLOYEES OF TITLE INSURANCE
9 COMPANIES WITH THE FOLLOWING QUALIFICATIONS:

10 (A) EACH SHALL BE A LICENSED EMPLOYEE OF A TITLE INSURANCE
11 COMPANY WITH NOT LESS THAN FIVE YEARS' EXPERIENCE IN TITLE
12 INSURANCE BUSINESS;

13 (B) AT LEAST ONE SHALL BE A REPRESENTATIVE OF A TITLE
14 INSURANCE COMPANY THAT HAS NET ADMITTED ASSETS OF FIVE HUNDRED
15 MILLION DOLLARS OR MORE; AND

16 (C) AT LEAST ONE SHALL BE A REPRESENTATIVE OF A TITLE
17 INSURANCE COMPANY THAT HAS NET ADMITTED ASSETS OF LESS THAN FIVE
18 HUNDRED MILLION DOLLARS.

19 (II) THREE MEMBERS SHALL BE EMPLOYEES OF A TITLE INSURANCE
20 AGENT WITH THE FOLLOWING QUALIFICATIONS:

21 (A) EACH SHALL BE A RESIDENT LICENSED TITLE INSURANCE
22 AGENT WITH NOT LESS THAN FIVE YEARS' EXPERIENCE IN TITLE INSURANCE
23 BUSINESS IN COLORADO; AND

24 (B) TO THE GREATEST EXTENT POSSIBLE THE COMMISSION SHALL
25 REFLECT THE GEOGRAPHIC DIVERSITY OF THE STATE AND HAVE
26 REPRESENTATION FROM MEMBERS WHO RESIDE OR HAVE THEIR PRINCIPAL
27 PLACE OF BUSINESS WITHIN A STANDARD METROPOLITAN STATISTICAL

1 AREA AND MEMBERS WHO RESIDE OR WHOSE PRINCIPAL PLACE OF
2 BUSINESS IS OUTSIDE A STANDARD METROPOLITAN STATISTICAL AREA.

3 (III) THREE MEMBERS SHALL REPRESENT THE PUBLIC AT LARGE,
4 SHALL BE RESIDENTS OF COLORADO, AND SHALL NOT BE ENGAGED IN THE
5 BUSINESS OF TITLE INSURANCE. AT LEAST ONE OF THE THREE PUBLIC AT
6 LARGE MEMBERS SHALL RESIDE OUTSIDE A STANDARD METROPOLITAN
7 STATISTICAL AREA.

8 (b) NO MORE THAN ONE MEMBER OF THE COMMISSION MAY BE
9 APPOINTED FROM A SINGLE COMPANY OR AN AFFILIATE OR SUBSIDIARY OF
10 A COMPANY.

11 (c) (I) IN ORDER TO ENSURE STAGGERED TERMS, ONE MEMBER
12 APPOINTED UNDER SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS
13 SUBSECTION (2), ONE MEMBER APPOINTED UNDER SUBPARAGRAPH (II) OF
14 PARAGRAPH (a) OF THIS SUBSECTION (2), AND TWO MEMBERS APPOINTED
15 UNDER SUBPARAGRAPH (III) OF PARAGRAPH (a) OF THIS SUBSECTION (2)
16 SHALL BE APPOINTED FOR A TERM OF TWO YEARS AND THE REMAINING
17 APPOINTEES SHALL SERVE FOR A TERM OF FOUR YEARS. THEREAFTER, THE
18 TERMS OF THE MEMBERS SHALL BE FOR FOUR YEARS WITH A MAXIMUM OF
19 TWO CONSECUTIVE TERMS.

20 (II) IF A COMMISSION MEMBER'S EMPLOYMENT OR LICENSE STATUS
21 CHANGES DURING THE MEMBER'S TERM SO THAT THE MEMBER IS NO
22 LONGER QUALIFIED TO SERVE ON THE COMMISSION, OR UPON THE DEATH,
23 RESIGNATION, REMOVAL, OR INCAPACITY OF ANY MEMBER OF THE
24 COMMISSION, THE GOVERNOR SHALL APPOINT A MEMBER TO FILL OUT THE
25 UNEXPIRED TERM. THE MEMBERS OF THE COMMISSION SERVE AT THE
26 PLEASURE OF THE GOVERNOR.

27 (d) MEMBERS OF THE COMMISSION ARE NOT EMPLOYEES OF THE

1 DIVISION AND SHALL NOT RECEIVE COMPENSATION FOR SERVICE ON THE
2 COMMISSION; EXCEPT THAT A MEMBER MAY BE REIMBURSED FOR MILEAGE
3 IN EXCESS OF FIFTY MILES FROM THEIR PRINCIPAL PLACE OF BUSINESS OR
4 RESIDENCE TO ATTEND COMMISSION MEETINGS. PAYMENT FOR ALL
5 TRAVEL EXPENSES SHALL BE MADE OUT OF THE GENERAL FUND.

6 (e) MEMBERS OF THE COMMISSION SHALL ANNUALLY SELECT ONE
7 MEMBER TO SERVE AS CHAIR.

8 (f) THE CHAIR OF THE COMMISSION MAY CALL MEETINGS AS
9 NECESSARY AND MAY CALL ADDITIONAL MEETINGS:

10 (I) AT THE CHAIR'S DISCRETION;

11 (II) UPON REQUEST OF THE COMMISSIONER; OR

12 (III) UPON THE WRITTEN REQUEST OF THREE OR MORE MEMBERS.

13 (g) THE COMMISSION SHALL MEET NO LESS THAN FOUR TIMES PER
14 YEAR AND MAY MEET NO MORE THAN EIGHT TIMES PER YEAR.

15 (h) SIX MEMBERS SHALL CONSTITUTE A QUORUM FOR THE
16 TRANSACTION OF BUSINESS. THE ACTION OF A MAJORITY OF THE MEMBERS
17 WHEN A QUORUM IS PRESENT IS THE ACTION OF THE COMMISSION.

18 (i) THE DIVISION SHALL AID IN THE ADMINISTRATION OF THE
19 COMMISSION.

20 (j) ALL MEETINGS OF THE COMMISSION SHALL BE OPEN TO THE
21 PUBLIC PURSUANT TO PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S. THE
22 RECORDS OF THE COMMISSION AND ITS MEMBERS SHALL BE SUBJECT TO
23 THE REQUIREMENTS OF PART 2 OF ARTICLE 72 OF TITLE 24, C.R.S.

24 **10-11-202. Powers, duties, and functions - recommendations**
25 **on rules. (1) THE COMMISSION MAY:**

26 (a) PROPOSE, ADVISE, AND RECOMMEND RULES SUBJECT TO
27 APPROVAL BY THE COMMISSIONER FOR THE IMPLEMENTATION AND

1 ADMINISTRATION OF THE BUSINESS OF TITLE INSURANCE;

2 (b) PROPOSE, ADVISE, AND RECOMMEND BULLETINS AND POSITION
3 STATEMENTS RELATED TO THE BUSINESS OF TITLE INSURANCE FOR
4 ISSUANCE UPON THE COMMISSIONER'S APPROVAL;

5 (c) PROPOSE, ADVISE, AND RECOMMEND THE ESTABLISHMENT OF
6 ADDITIONAL CONSUMER PROTECTIONS IN STATUTE OR RULE RELATED TO
7 THE MISAPPROPRIATION OF FUNDS, MISUSE OF PERSONAL INFORMATION,
8 CLOSING AND SETTLEMENT SERVICES, OR OTHER CONCERNS;

9 (d) FOLLOWING ANY JUDICIAL REVIEW UNDER SECTION 24-4-106,
10 C.R.S., OR AFTER THE EXPIRATION OF ANY PERIOD FOR REVIEW OR APPEAL
11 OF AN ENFORCEMENT OR LICENSING ACTION TAKEN BY THE DIVISION
12 AGAINST A TITLE INSURANCE COMPANY, TITLE INSURANCE AGENT, OR
13 TITLE INSURANCE AGENCY, CONSULT WITH THE COMMISSIONER OR THE
14 COMMISSIONER'S DESIGNEE REGARDING THE FINAL AGENCY ACTION TAKEN
15 BY THE DIVISION. THE COMMISSION WILL BE PROVIDED A COPY OF THE
16 FINAL AGENCY ACTION DOCUMENTS AT THE QUARTERLY MEETING
17 FOLLOWING THE CONCLUSION OF THE ACTION AND ANY JUDICIAL REVIEW
18 OR APPEAL.

19 (e) FOLLOWING ANY JUDICIAL REVIEW UNDER SECTION 24-4-106,
20 C.R.S., OR AFTER THE EXPIRATION OF ANY PERIOD FOR REVIEW OR APPEAL
21 COMMENCED AS A RESULT OF A MARKET CONDUCT ACTION TAKEN BY THE
22 DIVISION AGAINST A TITLE INSURANCE COMPANY OR TITLE INSURANCE
23 AGENCY, CONSULT WITH THE COMMISSIONER OR THE COMMISSIONER'S
24 DESIGNEE REGARDING THE FINAL AGENCY ACTION TAKEN BY THE DIVISION.
25 THE COMMISSION WILL BE PROVIDED A COPY OF THE FINAL AGENCY ORDER
26 AND THE MARKET CONDUCT REPORT AT THE QUARTERLY MEETING
27 FOLLOWING THE CONCLUSION OF THE ACTION AND ANY JUDICIAL REVIEW

1 OR APPEAL.

2 (2) AT EACH QUARTERLY MEETING, THE COMMISSION WILL BE
3 PROVIDED WITH A WRITTEN SUMMARY OF THE COMPLAINTS INVESTIGATED
4 AND CLOSED BY THE DIVISION WITHOUT ACTION. THE SUMMARY WILL
5 INCLUDE A BRIEF DESCRIPTION OR CATEGORIZATION OF THE CONDUCT
6 ALLEGED TO BE IN VIOLATION OF THE LAW AND WHY NO ACTION WAS
7 TAKEN.

8 (3) THE COMMISSIONER SHALL RESPOND TO THE COMMISSION IF
9 THE COMMISSIONER DETERMINES NOT TO IMPLEMENT THE PROPOSAL,
10 ADVICE, OR RECOMMENDATION OF THE COMMISSION UNDER PARAGRAPHS
11 (a) AND (b) OF SUBSECTION (1) OF THIS SECTION.

12 **10-11-203. Repeal.** THIS PART 2 IS REPEALED, EFFECTIVE
13 SEPTEMBER 1, 2025; EXCEPT THAT, PRIOR TO ITS REPEAL, THE COMMISSION
14 SHALL BE REVIEWED PURSUANT TO SECTION 2-3-1203, C.R.S.

15 **SECTION 3.** In Colorado Revised Statutes, 2-3-1203, **add** (3)(II)
16 as follows:

17 **2-3-1203. Sunset review of advisory committees.** (3) The
18 following dates are the dates on which the statutory authorization for the
19 designated advisory committees is scheduled for repeal:

20 (II) SEPTEMBER 1, 2025:

21 (I) THE TITLE INSURANCE COMMISSION, CREATED IN PART 2 OF
22 ARTICLE 11 OF TITLE 10, C.R.S.

23 **SECTION 4. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2016 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.