

CHAPTER 292

INSURANCE

SENATE BILL 15-210

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also REPRESENTATIVE(S) Arndt, Becker K., Duran, Pabon, Pettersen, Roupe, Ryden.

AN ACT

**CONCERNING CREATION OF THE TITLE INSURANCE COMMISSION, AND, IN CONNECTION THEREWITH,
MAKING AN APPROPRIATION.**

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

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

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

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

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

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

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

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

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

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

PART 2
TITLE INSURANCE COMMISSION

10-11-201. Title insurance commission - creation - advisory body - appointment of members - meetings - repeal. (1) THERE IS HEREBY CREATED IN THE DIVISION THE TITLE INSURANCE COMMISSION. THE COMMISSION IS AN ADVISORY BODY TO THE COMMISSIONER CONCERNING MATTERS OF TITLE INSURANCE. NOTHING IN THIS SECTION DIVESTS THE COMMISSIONER OF HIS OR HER AUTHORITY TO REGULATE THE BUSINESS OF INSURANCE.

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

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

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

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

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

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

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

(B) TO THE GREATEST EXTENT POSSIBLE THE COMMISSION SHALL REFLECT THE GEOGRAPHIC DIVERSITY OF THE STATE AND HAVE REPRESENTATION FROM MEMBERS WHO RESIDE OR HAVE THEIR PRINCIPAL PLACE OF BUSINESS WITHIN A STANDARD METROPOLITAN STATISTICAL AREA AND MEMBERS WHO RESIDE OR WHOSE PRINCIPAL PLACE OF BUSINESS IS OUTSIDE A STANDARD METROPOLITAN STATISTICAL AREA.

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

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

(c) (I) IN ORDER TO ENSURE STAGGERED TERMS, ONE MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (2), ONE MEMBER APPOINTED UNDER SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (2),

AND TWO MEMBERS APPOINTED UNDER SUBPARAGRAPH (III) OF PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE APPOINTED FOR A TERM OF TWO YEARS AND THE REMAINING APPOINTEES SHALL SERVE FOR A TERM OF FOUR YEARS. THEREAFTER, THE TERMS OF THE MEMBERS SHALL BE FOR FOUR YEARS WITH A MAXIMUM OF TWO CONSECUTIVE TERMS.

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

(d) MEMBERS OF THE COMMISSION ARE NOT EMPLOYEES OF THE DIVISION AND SHALL NOT RECEIVE COMPENSATION FOR SERVICE ON THE COMMISSION; EXCEPT THAT A MEMBER MAY BE REIMBURSED FOR MILEAGE IN EXCESS OF FIFTY MILES FROM THEIR PRINCIPAL PLACE OF BUSINESS OR RESIDENCE TO ATTEND COMMISSION MEETINGS.

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

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

(I) AT THE CHAIR'S DISCRETION;

(II) UPON REQUEST OF THE COMMISSIONER; OR

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

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

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

(i) THE DIVISION SHALL AID IN THE ADMINISTRATION OF THE COMMISSION. THE DIVISION MAY INCREASE EXPENDITURES BY NO MORE THAN FIFTY THOUSAND DOLLARS FOR THIS PURPOSE, BUT MAY DIRECT EXISTING APPROPRIATIONS AVAILABLE TO THE DIVISION PURSUANT TO SECTION 10-3-207 (1) (f) (I) TO CONTRIBUTE TO THE IMPLEMENTATION OF THE COMMISSION.

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

10-11-202. Powers, duties, and functions - recommendations on rules.

(1) THE COMMISSION MAY:

(a) PROPOSE, ADVISE, AND RECOMMEND RULES SUBJECT TO APPROVAL BY THE COMMISSIONER FOR THE IMPLEMENTATION AND ADMINISTRATION OF THE BUSINESS OF TITLE INSURANCE;

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

(c) PROPOSE, ADVISE, AND RECOMMEND THE ESTABLISHMENT OF ADDITIONAL CONSUMER PROTECTIONS IN STATUTE OR RULE RELATED TO THE MISAPPROPRIATION OF FUNDS, MISUSE OF PERSONAL INFORMATION, CLOSING AND SETTLEMENT SERVICES, OR OTHER CONCERNS. ADDITIONAL CONSUMER PROTECTIONS RECOMMENDED BY THE COMMISSION SHALL BE PROVIDED TO THE COMMISSIONER AND INCLUDED IN THE ANNUAL REPORT OF THE COMMISSIONER ON TITLE INSURANCE PROVIDED UNDER SECTION 10-3-207 (1) (f) (IV).

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

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

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

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

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

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

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

(I) SEPTEMBER 1, 2025:

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

SECTION 4. Appropriation. For the 2015-16 state fiscal year, \$50,000 is appropriated to the department of regulatory agencies for use by the division of insurance. This appropriation is from the division of insurance cash fund created in section 10-1-103 (3), C.R.S. The division of insurance may use this appropriation to implement this act.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 5, 2015