

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 22, 2015
Date

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

SB15-210 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 2, after line 1 insert:

2 "SECTION 1. In Colorado Revised Statutes, 10-11-102, add
3 (1.3), (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 Renumber succeeding sections accordingly.

19 Page 2, strike lines 6 through 24.

20 Strike pages 3 through 9.

1 Page 10, strike lines 1 through 19 and substitute:
2

3 **"10-11-201. Title insurance commission - creation - advisory**
4 **body - appointment of members - meetings - repeal.** (1) THERE IS
5 HEREBY CREATED IN THE DIVISION THE TITLE INSURANCE COMMISSION.
6 THE COMMISSION IS AN ADVISORY BODY TO THE COMMISSIONER
7 CONCERNING MATTERS OF TITLE INSURANCE. NOTHING IN THIS SECTION
8 DIVESTS THE COMMISSIONER OF HIS OR HER AUTHORITY TO REGULATE THE
9 BUSINESS OF INSURANCE.

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

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

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

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

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

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

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

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

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

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

1 (c) (I) IN ORDER TO ENSURE STAGGERED TERMS, ONE MEMBER
2 APPOINTED UNDER SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS
3 SUBSECTION (2), ONE MEMBER APPOINTED UNDER SUBPARAGRAPH (II) OF
4 PARAGRAPH (a) OF THIS SUBSECTION (2), AND TWO MEMBERS APPOINTED
5 UNDER SUBPARAGRAPH (III) OF PARAGRAPH (a) OF THIS SUBSECTION (2)
6 SHALL BE APPOINTED FOR A TERM OF TWO YEARS AND THE REMAINING
7 APPOINTEES SHALL SERVE FOR A TERM OF FOUR YEARS. THEREAFTER, THE
8 TERMS OF THE MEMBERS SHALL BE FOR FOUR YEARS WITH A MAXIMUM OF
9 TWO CONSECUTIVE TERMS.

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

17 (d) MEMBERS OF THE COMMISSION ARE NOT EMPLOYEES OF THE
18 DIVISION AND SHALL NOT RECEIVE COMPENSATION FOR SERVICE ON THE
19 COMMISSION; EXCEPT THAT A MEMBER MAY BE REIMBURSED FOR MILEAGE
20 IN EXCESS OF FIFTY MILES FROM THEIR PRINCIPAL PLACE OF BUSINESS OR
21 RESIDENCE TO ATTEND COMMISSION MEETINGS. PAYMENT FOR ALL
22 TRAVEL EXPENSES SHALL BE MADE OUT OF THE GENERAL FUND.

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

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

- 27 (I) AT THE CHAIR'S DISCRETION;
- 28 (II) UPON REQUEST OF THE COMMISSIONER; OR
- 29 (III) UPON THE WRITTEN REQUEST OF THREE OR MORE MEMBERS.

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

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

35 (i) THE DIVISION SHALL AID IN THE ADMINISTRATION OF THE
36 COMMISSION.

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

41 **10-11-202. Powers, duties, and functions - recommendations**

1 **on rules. (1) THE COMMISSION MAY:**
2 (a) PROPOSE, ADVISE, AND RECOMMEND RULES SUBJECT TO
3 APPROVAL BY THE COMMISSIONER FOR THE IMPLEMENTATION AND
4 ADMINISTRATION OF THE BUSINESS OF TITLE INSURANCE;
5 (b) PROPOSE, ADVISE, AND RECOMMEND BULLETINS AND POSITION
6 STATEMENTS RELATED TO THE BUSINESS OF TITLE INSURANCE FOR
7 ISSUANCE UPON THE COMMISSIONER'S APPROVAL;
8 (c) PROPOSE, ADVISE, AND RECOMMEND THE ESTABLISHMENT OF
9 ADDITIONAL CONSUMER PROTECTIONS IN STATUTE OR RULE RELATED TO
10 THE MISAPPROPRIATION OF FUNDS, MISUSE OF PERSONAL INFORMATION,
11 CLOSING AND SETTLEMENT SERVICES, OR OTHER CONCERNS;
12 (d) FOLLOWING ANY JUDICIAL REVIEW UNDER SECTION 24-4-106,
13 C.R.S., OR AFTER THE EXPIRATION OF ANY PERIOD FOR REVIEW OR APPEAL
14 OF AN ENFORCEMENT OR LICENSING ACTION TAKEN BY THE DIVISION
15 AGAINST A TITLE INSURANCE COMPANY, TITLE INSURANCE AGENT, OR
16 TITLE INSURANCE AGENCY, CONSULT WITH THE COMMISSIONER OR THE
17 COMMISSIONER'S DESIGNEE REGARDING THE FINAL AGENCY ACTION TAKEN
18 BY THE DIVISION. THE COMMISSION WILL BE PROVIDED A COPY OF THE
19 FINAL AGENCY ACTION DOCUMENTS AT THE QUARTERLY MEETING
20 FOLLOWING THE CONCLUSION OF THE ACTION AND ANY JUDICIAL REVIEW
21 OR APPEAL.
22 (e) FOLLOWING ANY JUDICIAL REVIEW UNDER SECTION 24-4-106,
23 C.R.S., OR AFTER THE EXPIRATION OF ANY PERIOD FOR REVIEW OR APPEAL
24 COMMENCED AS A RESULT OF A MARKET CONDUCT ACTION TAKEN BY THE
25 DIVISION AGAINST A TITLE INSURANCE COMPANY OR TITLE INSURANCE
26 AGENCY, CONSULT WITH THE COMMISSIONER OR THE COMMISSIONER'S
27 DESIGNEE REGARDING THE FINAL AGENCY ACTION TAKEN BY THE DIVISION.
28 THE COMMISSION WILL BE PROVIDED A COPY OF THE FINAL AGENCY ORDER
29 AND THE MARKET CONDUCT REPORT AT THE QUARTERLY MEETING
30 FOLLOWING THE CONCLUSION OF THE ACTION AND ANY JUDICIAL REVIEW
31 OR APPEAL.
32 (2) AT EACH QUARTERLY MEETING, THE COMMISSION WILL BE
33 PROVIDED WITH A WRITTEN SUMMARY OF THE COMPLAINTS INVESTIGATED
34 AND CLOSED BY THE DIVISION WITHOUT ACTION. THE SUMMARY WILL
35 INCLUDE A BRIEF DESCRIPTION OR CATEGORIZATION OF THE CONDUCT
36 ALLEGED TO BE IN VIOLATION OF THE LAW AND WHY NO ACTION WAS
37 TAKEN.
38 (3) THE COMMISSIONER SHALL RESPOND TO THE COMMISSION IF
39 THE COMMISSIONER DETERMINES NOT TO IMPLEMENT THE PROPOSAL,
40 ADVICE, OR RECOMMENDATION OF THE COMMISSION UNDER PARAGRAPHS
41 (a) AND (b) OF SUBSECTION (1) OF THIS SECTION.

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

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

6 **2-3-1203. Sunset review of advisory committees.** (3) The
7 following dates are the dates on which the statutory authorization for the
8 designated advisory committees is scheduled for repeal:

9 (I) SEPTEMBER 1, 2025:

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

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