
HOUSE BILL 2010

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Kirby and Bailey

1 AN ACT Relating to title insurance rate filings; amending RCW
2 48.29.005, 48.29.140, and 48.29.147; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.29.005 and 2008 c 110 s 9 are each amended to read
5 as follows:

6 The commissioner may adopt rules to implement and administer this
7 chapter, including but not limited to:

8 (1) Establishing the information to be included in the report
9 required under RCW 48.29.015;

10 (2) Establishing the information required for the filing of rates
11 for title insurance under RCW 48.29.147;

12 (3) Establishing standards which title insurance rate filings must
13 satisfy under RCW 48.29.147;

14 (4) Establishing a date, which date shall not be earlier than
15 January 1, (~~2010~~) 2011, by which all title insurers selling policies
16 in this state must file their rates with the commissioner under RCW
17 48.29.143 and 48.29.147 rather than under RCW 48.29.140 and refile any
18 rates that were in effect prior to the date established by the
19 commissioner; and

1 (5) Defining what things of value a title insurance insurer or
2 title insurance agent is permitted to give to any person in a position
3 to refer or influence the referral of title insurance business under
4 RCW 48.29.210(2). In adopting rules under this subsection, the
5 commissioner shall work with representatives of the title insurance and
6 real estate industries and consumer groups in developing the rules.

7 **Sec. 2.** RCW 48.29.140 and 2008 c 110 s 8 are each amended to read
8 as follows:

9 (1) Premium rates for the insuring or guaranteeing of titles shall
10 not be excessive, inadequate, or unfairly discriminatory.

11 (2) Each title insurer shall forthwith file with the commissioner
12 a schedule showing the premium rates to be charged by it. Every
13 addition to or modification of such schedule or of any rate therein
14 contained shall likewise be filed with the commissioner, and no such
15 addition or modification shall be effective until expiration of fifteen
16 days after date of such filing.

17 (3) The commissioner may order the modification of any premium rate
18 or schedule of premium rates found by him or her after a hearing to be
19 excessive, or inadequate, or unfairly discriminatory. No such order
20 shall require retroactive modification.

21 (4) The commissioner shall by rule set a date, which shall not be
22 earlier than January 1, (~~2010~~) 2011, by which title insurers must
23 file every manual of rules and rates, rating plan, rate schedule,
24 minimum rate, class rate, and rating rule, and every modification of
25 any of these filings, under RCW 48.29.143 and 48.29.147, rather than
26 under this section.

27 **Sec. 3.** RCW 48.29.147 and 2008 c 110 s 5 are each amended to read
28 as follows:

29 (1) Every title insurer shall, before using, file with the
30 commissioner every manual of title insurance rules and rates, rating
31 plan, rate schedule, minimum rate, class rate, and rating rule, and
32 every modification of any of the filings under this subsection which it
33 proposes.

34 (2) Every filing shall be accompanied by sufficient information to
35 permit the commissioner to determine whether the filing meets the

1 requirements of RCW 48.29.143. The commissioner must consider all of
2 the information that is included in a filing in making the
3 determination required by RCW 48.29.143.

4 (3) Data used to justify title insurance rates may not include
5 escrow income or expenses. The title insurance company shall include
6 a detailed explanation showing how expenses are allocated between the
7 title operations and escrow operations of the insurer or title
8 insurance agent.

9 (4) Every such filing shall state its proposed effective date.

10 (5) The commissioner shall review a filing as soon as reasonably
11 possible after it is received, to determine whether it meets the
12 requirements of RCW 48.29.143.

13 (6) The filing's proposed effective date shall be no earlier than
14 thirty days after the date on which the filing is received by the
15 commissioner. By giving notice to the insurer within this thirty days,
16 the commissioner may extend this waiting period for an additional
17 period not to exceed an additional fifteen days. The commissioner may,
18 upon application and for cause shown, waive part or all of the waiting
19 period with respect to a filing the commissioner has not disapproved.
20 If the commissioner does not disapprove the filing during the waiting
21 period, the filing takes effect on its proposed effective date.

22 (7) If within the waiting period or any extension thereof as
23 provided in subsection (6) of this section, the commissioner finds that
24 a filing does not meet the requirements of RCW 48.29.143 or the
25 requirements of subsections (2) through (4) of this section, the
26 commissioner shall disapprove the filing and shall give notice to the
27 insurer that the filing has been disapproved. This notice shall
28 specify the respect in which the commissioner finds the filing fails to
29 meet the requirements and shall state that the filing does not become
30 effective as proposed.

31 (8) If a filing is not disapproved by the commissioner within the
32 waiting period or any extension thereof, the filing becomes effective
33 as proposed.

34 ~~(9) ((A filing made under this section is exempt from RCW~~
35 ~~48.02.120(3)). However, the filing and all supporting information~~
36 ~~accompanying it is open to public inspection only after the filing~~
37 ~~becomes effective.~~

1 ~~(10)~~) A title insurer or title insurance agent shall not make or
2 issue a title insurance contract or policy, or use or collect any
3 premium on or after a date set by the commissioner by rule, which date
4 shall not be any earlier than January 1, ~~((2010))~~ 2011, except in
5 accordance with rates and rules filed with the commissioner as required
6 by this section.

7 ~~((11))~~ (10) If at any time subsequent to the applicable review
8 period provided for in subsection (6) of this section, the commissioner
9 has reason to believe that a title insurer's rates do not meet the
10 requirements of RCW 48.29.143 or are otherwise contrary to law, or if
11 any person having an interest in the rates makes a written complaint to
12 the commissioner setting forth specific and reasonable grounds for the
13 complaint and requests a hearing, or if any insurer upon notice of the
14 commissioner's disapproval of a filing made under this section requests
15 a hearing, the commissioner shall hold a hearing within thirty days and
16 shall, in advance of it, give written notice of the hearing to all
17 parties in interest. The commissioner may, by issuing an order,
18 confirm, modify, change, or rescind any previous action, if it is
19 warranted by the facts shown at the hearing. The order shall not
20 affect any contract or policy made or issued prior to a reasonable
21 period of time, to be specified in the order, after the order is
22 issued.

23 ~~((12))~~ (11) In any hearing regarding rates filed under this
24 chapter the burden shall be upon the title insurer to prove by a
25 preponderance of the evidence that the rates comply with RCW 48.29.143.

26 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and takes effect
29 immediately.

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