

HOUSE No. 1214

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to improve title insurance.

PETITION OF:

NAME:

Antonio F. D. Cabral

DISTRICT/ADDRESS:

13th Bristol

HOUSE No. 1214

By Mr. Cabral of New Bedford, a petition (accompanied by bill, House, No. 1214) of Antonio F. D. Cabral for an investigation by a special commission (including members of the General Court) relative to the feasibility of establishing state-owned title insurance. The Judiciary.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act to improve title insurance.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1:

2 (a) There shall be a commission to study the feasibility of establishing a title
3 insurer owned by the commonwealth or by a public authority constituted by the commonwealth.

4 (b) The commission shall consist of the attorney general and the secretary of
5 housing and economic development or their respective designees, who shall serve as co-chairs of
6 the commission; the state treasurer or the treasurer’s designee; the state comptroller or the
7 comptroller’s designee; 2 persons to be appointed by the president of the senate, 1 of whom shall
8 be a member of the senate; 1 person to be appointed by the minority leader of the senate; 2
9 persons to be appointed by the speaker of the house of representatives; 1 of whom shall be a
10 member of the house of representatives; 1 person to be appointed by the minority leader of the
11 house; the executive directors of the Massachusetts Development Financing Agency and the
12 Massachusetts Housing Finance Agency or their designees; president of the Massachusetts Bar

13 Association or the president's designee; and 6 persons to be appointed by the governor who shall
14 not be employees of the executive branch, 1 of whom shall be drawn from a list of 3 names
15 submitted by the Associated Industries of Massachusetts, 1 of whom shall be drawn from a list of
16 3 names submitted by the Small Business Association of New England and 2 of whom shall be a
17 professor of law at an institution of higher education in the commonwealth who has researched
18 and published articles on insurance or real property law. Of the governor's remaining
19 appointments, not more than 2 may be a representative of a financial services firm located in the
20 commonwealth. The governor shall ensure geographic diversity in the governor's appointments
21 to the commission. The members of the commission shall be appointed not later 90 days after the
22 effective date of this act.

23 (c) The commission shall examine the technical, legal and financial feasibility of
24 establishing a commonwealth-owned title insurer. The commission shall evaluate the experience
25 of Iowa with state-owned title insurance, identifying the advantages and disadvantages presented
26 to purchasers of title insurance for residential property in Iowa as compared with such purchasers
27 in Massachusetts. The commission shall also examine the existing structure and dynamics of the
28 title insurance market as it currently operates in Massachusetts and shall include in its
29 examination a review of how title risk is determined and title policies are priced. The
30 commission shall also examine the proceeds generated by the sale of title insurance in
31 Massachusetts and shall identify the parties that receive or make payments as a result of
32 underwriting and issuing a typical title insurance policy. The commission shall make
33 recommendations based on its examination as to the extent to which it believes the conduct of
34 the business of title insurance in Massachusetts requires new legislation in order to protect

35 consumers, reduce the price of title insurance or improve the regulation of the conveyance of real
36 property.

37 (d) The commission shall hold at least 3 public hearings in distinct geographic
38 regions of the commonwealth.

39 (e) The commission shall publish its findings and recommendations, together
40 with drafts of legislation, if any, necessary to carry those recommendations into effect, in a
41 written report not later than 1 year after the effective date of this act. The report shall be
42 published on the official website of the commonwealth, and shall be contemporaneously filed
43 with the house and senate committees on ways and means and the house and senate chairs of the
44 joint committee on financial services.