SENATE COMMITTEE ON INSURANCE
Senator Stephen Padilla, Chair
2025 - 2026 Regular

Bill No:	AB 2198	**Hearing Date:**	June 24, 2026
Author:	Michelle Rodriguez		
Version:	April 9, 2026 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Brandon Seto		

SUBJECT: Title insurance

DIGEST: Makes clarifying changes to the title insurance rate filing process for title insurers, underwritten title companies (UTCs), and controlled escrow companies (CECs).

ANALYSIS:

Existing law:

1) Prohibits rates pertaining to the business of title insurance from being excessive, inadequate, or unfairly discriminatory.

2) Requires every title insurer, UTC, and CEC to file with the Insurance Commissioner (Commissioner) its schedules of rates, all regularly issued forms of the title policies to which the rates apply, and every modification of those rates or forms which it proposes to use in this state.

3) Specifies that every schedule of rates filed shall set forth the entire charge to the public for each type of title policy included within the schedule, and shall include the portion of the charge, if any, that is based upon work performed by a UTC, and specifies that there shall be no separate filing by a UTC for such work.

4) Requires every filing related to the requirements above, to set forth its effective date, which must be at least 30 days following its receipt by the Commissioner, and to include the character and extent of the coverages and services effective that date.

5) Prohibits a title insurer, UTC, or CEC from using any rate in the business of title insurance prior to its effective date or prior to the filing with respect to that rate having been publicly displayed and made readily available to the public for a period of no less than 30 days in each office of the title insurer, UTC, or CEC in the county to which the rate applies. Specifies that no rate increase shall apply to title policies or services which have been contracted for prior to the effective date.

6) Authorizes a title insurer, UTC, or CEC to use a new rate prior to 30 days after the filing if the new rate results in a reduction from the existing rate, the earlier effective date is set forth in the filing, and the new rate has been publicly displayed and made readily available to the public prior to its effective date.

7) Requires that the schedule of rates filed with the Commissioner be printed or typed in at least 10-point font and that full copies of the rates showing their effective date or dates be kept at all times available to the public and prominently displayed in a public place in each office of a title insurer, UTC, and CEC in the county to which the rates apply, so long as those rates

are effective, and further requires that copies of rate schedules or adequate summaries of the pertinent parts thereof be furnished to the public upon request.

8) Provides that a UTC may engage in the escrow business and act as escrow agent, provided it maintains a record of all receipts and disbursements of escrow funds, and it maintains a bond satisfactory to the commissioner, as specified.

9) Defines "title insurance" to mean insuring, guaranteeing, or indemnifying owners of real or personal property or the holders of liens or encumbrances thereon, or others interested therein against loss or damage suffered by reason of:

    a) Liens or encumbrances on, or defects in the title to said property.

    b) Invalidity or unenforceability of any liens or encumbrances.

    c) Incorrectness of searches relating to the title to real or personal property.

10) Defines "title insurer" to mean any company issuing title policies as insurer, guarantor, or indemnitor.

11) Defines "underwritten title company" to mean any corporation engaged in the business of preparing title searches, title examinations, title reports, certificates or abstracts of title upon the basis of which a title insurer writes title policies.

12) Defines "controlled escrow company" to mean any person other than a title insurer or UTC whose principal business is the handling of escrows of real property transactions in connection with which title policies are issued, which is directly or indirectly controlled by, controls, is under common control with, or is employed by a title insurer or a UTC

13) Defines "advisory organization" to mean every person or entity other than a title insurer, UTC, or CEC which recommends or prepares policy forms or endorsements, or procedural manuals, or which collects and furnishes to its members or insurance supervisory officials loss and expense statistics or other statistical information and data relating to the business of title insurance and who otherwise acts in an advisory, non-ratemaking capacity.

This bill:

1) Clarifies that a title insurer shall file with the Commissioner its schedules of rates for all regularly issued forms of title policies and endorsements to the policy that it proposes to use in this state.

2) Clarifies that if the title insurer conducts escrow services, it shall also file with the Commissioner its schedule of escrow rates and other services, which may be filed separately from their filing of title policy rate schedules.

3) Authorizes a title insurer to issue, without a separate filing, any form of title policy and endorsement already filed with the Commissioner by an advisory organization, as specified, of which the title insurer is a member, provided a rate for that policy or endorsement has been filed by the title insurer and has become effective in accordance with existing law.

4) Clarifies that a UTC or CEC shall file with the Commissioner their schedule of escrow rates and other services, and that a UTC shall not be required to file the title insurance rates or forms established by the title insurer.

5) Requires a UTC only to charge for title insurance in compliance with the title insurer's currently effective rate schedule.

6) Requires a filing by a title insurer, UTC, or CEC to specify any new or modified rate or form and include both a redline and clean version of the entire rate schedule that includes the rate.

7) Authorizes the Commissioner to object to a new or modified rate if it is determined to be excessive, inadequate, or unfairly discriminatory in violation of existing law, and specifies that the rate shall not be effective if the Commissioner objects unless the objection is resolved.

8) Clarifies that nothing in this bill limits the authority of the Commissioner to conduct a review of the existing rates of a title insurer, UTC, or CEC pursuant to existing authorities.

9) Requires that schedules of rates that must be filed with the Commissioner be made publicly available by means of a clear and conspicuous link posted on the website of the title insurer, UTC, or CEC that has filed the rate schedule, rather than in physical copy posted prominently in the office, for so long as those rates remain effective.

10) Requires that a UTC also post on its internet website a clear and conspicuous link to the schedule of title insurance rates of each title insurer it uses for the issuance of title policies, for so long as those rates remain effective.

11) Requires that a UTC maintain a complete copy of each title insurer's rate schedule that the UTC has used for issuing title policies for a minimum of seven years.

12) Requires a rate schedule required to be posted on a website to be made readily accessible for public viewing in each office of the title insurer, UTC, or CEC upon request, either in printed form or by displaying an electronic version.

13) Requires a title insurer, UTC, or CEC to clearly and conspicuously display in each office, in printed type not smaller than 28-point font, a notice indicating that, pursuant to California Law, applicable rate schedules will be made immediately available upon request.

Background

According to the author:

"AB 2198 clarifies California's title insurance regulatory framework by codifying long standing industry and regulatory practices regarding rate filings. For decades, title insurers have filed rates associated with issuing title insurance policies, while underwritten title companies (UTCs) have filed rates associated with escrow services. A recent interpretation by the Department of Insurance that departs from longstanding precedent has required entities of each type – insurers and UTCs – to file both their own rates and those of their UTCs or underwriters, respectively, creating duplicative filings, administrative inefficiencies, and confusion. This bill restores clarity by specifying that title insurers file title rates and UTCs file escrow rates.

The bill also modernizes transparency requirements by requiring title insurers and UTCs to post their rate schedules online, making pricing information easier for consumers to access. Additionally, AB 2198 strengthens oversight by providing the Insurance Commissioner with clearer authority to review non-compliant rates and codifies the long-standing practice of allowing advisory organizations to file standardized policy forms on behalf of the industry.

AB 2198 improves clarity, efficiency, and transparency within California's title insurance regulatory system, consistent with longstanding industry and regulatory practices, while maintaining strong regulatory oversight."

Concerns Raised by the California Department of Insurance (CDI)

AB 2198 would eliminate a UTC's obligation to submit complete rate filings that identify all rates being used and instead allow them to use any of the rates filed separately by the title insurers that a UTC is associated with. This shift would reduce transparency and hinder Departmental oversight at precisely the moment when stronger—not weaker—regulatory tools are needed. Because existing statutes lack meaningful enforcement mechanisms, the Department is already constrained in its ability to ensure compliance, which erodes consumer confidence and precludes the Department from providing meaningful consumer protection. Removing UTC filing requirements would further obscure public rate information and impede both regulatory review and the consumer's ability to identify unlawful or excessive charges.

Related/Prior Legislation

SB 1293 (Zenovich, Chapter 1130, Statutes of 1973). Clarified the respective roles and responsibilities of title insurers and UTCs, and established a "file-and-use" rate regulation system for the title insurance industry.

ARGUMENTS IN SUPPORT:

According to the California Land Title Association:

Since 1973, California law has required each title insurer, underwritten title company ("UTC"), and controlled escrow company to file with the Insurance Commissioner "its" schedule of rates. Historically, this requirement has been understood to mean that title insurers file the rates associated with the issuance of title policies ("title rates"), while UTCs file the rates associated with escrow services ("escrow rates"), reflecting the distinct services performed by each entity.

Beginning last year, the California Department of Insurance ("Department") indicated that the statute may be interpreted to require UTCs to also file the title rates of their underwriters, and vice versa. This interpretation has resulted in additional filings, introduced complexity into the rate filing process, and extended the timeline for addressing inquiries and bringing new products and services to market.

AB 2198 would resolve these issues by clarifying the statute to align with longstanding precedent, ensuring each entity files only the rates it controls. The bill also modernizes public posting requirements by requiring that proposed and current rates be made available online, as opposed to only in title company offices, giving consumers significantly greater access to pricing information. Additionally, AB 2198 preserves the efficient practice of allowing advisory organizations like CLTA to file standardized policy forms on behalf of the industry.

In addition to restoring administrative efficiencies and increasing price transparency, AB 2198 would improve regulatory oversight by enhancing the Department's authority within the rate filing process, improving public and regulatory access to rate information, and providing greater visibility into the rates used within the marketplace. By driving efficiencies, increasing price transparency, and enhancing regulatory authority, AB 2198 benefits the title industry and the public alike."

ARGUMENTS IN OPPOSITION:

None received.

SUPPORT:

California Land Title Association

OPPOSITION:

None.

-- END --