SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2198 (Michelle Rodriguez) - Title insurance

Version: April 9, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: INS. 6 - 0
Mandate: No
Consultant: Janelle Miyashiro

Bill Summary: AB 2198 revises the rate filing process for title insurers, underwritten title companies (UTCs), and controlled escrow companies (CECs).

Fiscal Impact: The California Department of Insurance (CDI) estimates costs of $271,000 in Fiscal Year (FY) 2026-27 and $245,000 in FY 2027-28 (Insurance Fund) o review rate filings from title insurers and UTCs.

Background: Title insurance is underwritten by a title insurer, which sets the standards for evaluating title risks and assumes responsibility for the costs of any issues arising due to title defects subject to the insurance policy. In many cases, a title insurer works with a UTC, which essentially acts as an agent for the title insurer by performing the title search to assess risk and handling claims, among other tasks. Title insurers and UTCs also often work with, or act as, an escrow company, which holds assets during a transaction until agreed upon conditions are met by both parties and oversees the safe transfer of the title along with funds and other documents.

Existing law establishes a “file-and-use” rate regulation system for the title insurance industry, which requires each title insurer, UTC, and CEC to file its schedule of rates with the IC, who has the authority to reject those rates if deemed inappropriate. Under longstanding industry practice, each title insurer files its own title rates and each UTC that provides escrow services files its rates for escrow services. In 2025, CDI identified an alternative interpretation of this law as requiring each title insurer to file its own title rates and the escrow rates of a UTC acting as its licensed agent and each UTC to file its own rates for escrow services and the title rates of its underwriting title insurer.

Proposed Law:

- Specifies that a title insurer shall file with the Commissioner its schedule of rates for all regularly issued forms of title policies and endorsements proposed for use in the state.

- Requires that if a title insurer conducts escrow services, it must also file its schedule of escrow rates and other services with the Commissioner, which may be filed separately from its title policy rate schedules.

- 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 of which the title insurer is a member, provided the title insurer has filed a rate for that policy or endorsement that has become effective under existing law.

- Specifies that a UTC or CEC shall file its schedule of escrow rates and other services with the Commissioner, and exempts a UTC from filing the title insurance rates or forms established by the title insurer.

- Mandates that a UTC charge for title insurance only in compliance with the title insurer's currently effective rate schedule.

- Requires any filing by a title insurer, UTC, or CEC to specify any new or modified rate or form, and to include both redline and clean versions of the entire rate schedule.

- Authorizes the Commissioner to object to a new or modified rate if it is determined to be excessive, inadequate, or unfairly discriminatory under existing law. Specifies that the rate shall not take effect if the Commissioner objects, unless the objection is resolved.

- Provides that nothing in this bill limits the Commissioner's existing authority to review the current rates of a title insurer, UTC, or CEC.

- Requires that rate schedules filed with the Commissioner be made publicly available via a clear and conspicuous link on the filing entity's website, rather than through a prominently posted physical copy in the office, for the duration those rates remain effective.

- Requires a UTC to post on its website a clear and conspicuous link to the title insurance rate schedule of each title insurer it uses to issue title policies, for the duration those rates remain effective.

- Requires a UTC to maintain a complete copy of each title insurer's rate schedule used for issuing title policies for a minimum of seven years.

- Requires that rate schedules mandated for website posting also be made readily accessible for public viewing upon request in each office of the title insurer, UTC, or CEC, either in printed or electronic format.

- Requires a title insurer, UTC, or CEC to clearly and conspicuously display a notice in each office, in printed type no smaller than 28-point font, stating that applicable rate schedules are immediately available upon request pursuant to California law.

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