

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 1 GENERAL PROVISIONS

13.14.1.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”) [~~Title Insurance Bureau~~].
[4/1/1996; 13.14.1.1 NMAC - Rn & A, 13 NMAC 14.1.1, 5/15/2000; A, 7/31/2014; A, XX/XX/XXXX]

13.14.1.2 SCOPE: This rule applies to all title insurers and title insurance agents conducting title insurance business in New Mexico.
[4/1/1996, 11/1/1996; 13.14.1.2 NMAC - Rn, 13 NMAC 14.1.2, 5/15/2000]

13.14.1.3 STATUTORY AUTHORITY: Section 59A-2-8 NMSA 1978, Section 59A-2-9 NMSA 1978, Section 59A-16-17 NMSA 1978, Section 59A-30-4 NMSA 1978, Section 59A-30-7 NMSA 1978 and Section 59A-30-8 NMSA 1978.
[6/16/1986, 4/1/1996; 13.14.1.3 NMAC - Rn, 13 NMAC 14.1.3, 5/15/2000; A, XX/XX/XXXX]

13.14.1.4 DURATION: Permanent.
[4/1/1996; 13.14.1.4 NMAC - Rn, 13 NMAC 14.1.4, 5/15/2000]

13.14.1.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6/16/1986...11-1-96; 13.14.1.5 NMAC - Rn & A, 13 NMAC 14.1.5, 5/15/2000]

13.14.1.6 OBJECTIVE: The purpose of this rule is to set forth general provisions applicable throughout Title 13, Chapter 14 of the New Mexico Administrative Code.
[11-1-96; 13.14.1.6 NMAC - Rn & A, 13 NMAC 14.1.6, 5/15/2000]

13.14.1.7 DEFINITIONS “A”:

A. “Abstract plant” A title plant meeting the requirements of Section 59A-12-13 NMSA 1978.

B. “Actual charge” A charge approximating the cost of the actual time, equipment, and expenses incurred.

C. “Agent” A person licensed as a title insurance agent in New Mexico including a corporation, partnership, joint venture, limited liability company, affiliate, direct operation, or other business entity in New Mexico (except for title insurers authorized under the laws of New Mexico to transact as insurer the business of title insurance) that hold themselves out as being engaged in the business of title insurance. A sole proprietorship entity may also be referred to as an agent.

D. “Applicant” The person, firm or organization applying for or requesting that a policy of title insurance be issued.

E. “Available funds”

(1) For purposes of the title insurance article of the New Mexico Insurance Code only (Chapter 59A, Article 30 NMSA 1978), available funds is money deposited in a depository account with a financial institution held in the name of and subject to the control of a title insurance agent, a title insurer, or third party fiduciary for a real estate closing, that can be totally disbursed immediately by cash withdrawal or cashier’s checks without relying on the balance created by other deposits in the account not made as part of the real estate closing for which disbursement is being made.

(2) It is prohibited for title insurance agents, title insurers or third party fiduciaries to guaranty the collectability of funds or indemnify their financial institutions from loss due to uncollected funds. This prohibition shall not affect the authority of title insurers to issue closing protection letters as authorized under the rules and regulations promulgated by the superintendent of insurance; nor the ability of title insurance agents, title insurers, or third party fiduciaries to endorse without qualification, restriction or limitation, checks, drafts, or other similar items for deposit into its account at any financial institution.

(3) The following funds are “available funds” on the day of deposit:

(a) cash;

(b) received wired funds managed by the federal reserve system;

(c) a cashier’s check or certified check which is issued payable to the title insurance agent, title insurer, or third party fiduciary and has been deposited to its account at the financial institution which issued it; and guaranteed by the financial institution for immediate disbursement;

(d) a cashier's check which is payable to and was purchased by the title insurance agent, title insurer or third party fiduciary, and has been deposited to its account at a financial institution and guaranteed by the financial institution for immediate disbursement.

(4) The following funds are "available funds" on the next business day after day of deposit:

(a) treasury checks, postal money orders, federal reserve bank checks and federal home loan bank checks;

(b) state of New Mexico and local government checks which have been deposited at a financial institution located in New Mexico using a special deposit slip if required by depository institution for next day availability;

(c) cashier checks, certified checks and teller's checks which have been deposited at a financial institution using a special deposit slip if required by depository institution for next day availability.

(5) All other modes used for the transfer of monies will be made available on the earliest date they are considered "available funds" in accordance with Regulation CC, "Availability of Funds and Collection of Checks" established by the board of governors of the federal reserve system as amended.

(6) Any funds received under the automated clearing house (ACH) network shall not be considered "available funds".

[6/16/1986..4/1/1994; 13.14.1.7 NMAC - Rn, 13 NMAC 14.1.7, 5/15/2000; A, 7/1/2006; A, 9/15/2010; A, 3/1/2016]

13.14.1.8 DEFINITIONS "B":

A. "Basic premium rate (schedule)" The premium rates [~~set from time to time by the superintendent~~] established in the title rate case for an original owner's policy of title insurance.

B. "Binder" A commitment for title insurance.

C. "Bona fide order" For purposes of 13.14.5.8 NMAC, a "bona fide order" is defined as follows:

(1) Receipt by a title insurance agent of a fully executed sales and purchase agreement, whether an original, photocopy, facsimile copy or email attachment, signed by the seller and purchaser, either on one document or in counterparts, for the sale of real property supported by an earnest money deposit or other consideration; or,

(2) A title order received by a title insurance agent, whether delivered in writing by letter, memorandum, facsimile, electronically or orally, for a new or refinance loan, whether closed end or open end, to be secured by a lien on real property from a lender or lender's representative, including a mortgage broker; or,

(3) A title order received by a title insurance agent, whether delivered in writing by letter, memorandum, facsimile, electronically or orally, from a lender, lender's representative, real estate servicing company for the lender or attorney representing the lender dealing with real property which has been foreclosed and is real estate owned (REO) property held as foreclosed property; or,

(4) A title order received by a title insurance agent, whether delivered in writing by letter, memorandum, facsimile, electronically or orally, from a listing real estate agent or owner where there is a signed listing agreement for sale of the real property that is the subject of the title order; or,

(5) Any other type of order for title insurance which the receiving title insurance agent reasonably believes will lead to a closing of the sale or financing of real property in due course.

(6) If any order for title insurance is missing one or more terms such as the identity of the proposed insured or the amount of insurance, the title insurance agent shall issue a commitment with one or more terms denominated as "to-be-determined" or "tbd" along with an additional requirement as follows: "This title commitment is not effective until schedule A is completed and the company reserves the right to amend and supplement this commitment with additional information, requirements and exceptions based upon the provision of additional information."

(7) A title order from an owner, lender, lender's representative or attorney for the purpose of determining the status of title indicating an intention to file for judicial foreclosure on an existing mortgage or deed of trust, quiet title suit or other litigation in the future, but where the customer has no present intention to purchase a title insurance policy, is not a "bona fide order for title insurance". A title order while a judicial foreclosure, quiet title suit or other litigation is pending shall be considered a "bona fide order for title insurance" under the circumstances.

[6/16/1986..4/1/1994; 13.14.1.8 NMAC - Rn, 13 NMAC 14.1.8, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.1.9 DEFINITIONS “C”: **“Company”** An insurer, a title insurance underwriter, a title insurance agent, the organization employing a title insurance agent or any entity authorized to issue title insurance policies as either an underwriter or an agent.
[6/16/1986...4/1/1994; 13.14.1.9 NMAC - Rn, 13 NMAC 14.1.9, 5/15/2000, A, 3/1/2016]

13.14.1.10 DEFINITIONS “D”: [RESERVED]

13.14.1.11 DEFINITIONS “E”:

A. “Escrow” means a transaction in which funds are delivered or given to a person not otherwise having any right, title, or interest in them, to be held by that person for delivery or disbursement to another person upon the happening of a specified event or the performance of a specified condition.

B. “Escrow account” means an account established pursuant to Section 58-28-4 or 59A-12-22 NMSA 1978.

C. “Escrow instructions” means a dated, written, and signed agreement of the parties to an escrow, including a duly appointed agent or attorney-in-fact, specifying the event or condition upon which the escrowed funds shall be delivered or disbursed. This term shall include a purchase agreement, or lender’s instructions, and modifications of escrow instructions pursuant to Subsection B of 13.14.4.8 NMAC.

D. “Extra chain of title” means a non-contiguous parcel having a separate chain from the original chain being searched, except that two or more lots in the same platted subdivision having the same plat recording data and belonging to the same owner shall be treated as one chain. Contiguous parcels of land shall be treated as one chain provided the title is vested in one owner at the time application for title insurance is made.

E. “Escrow officer” means an individual associated with a title insurance agent who is responsible directly or indirectly for the escrow closing and settlement functions of a real estate transaction.
[6/16/1986...4/1/1994; 13.14.1.11 NMAC - Rn, 13 NMAC 14.1.11, 5/15/2000; 13.14.1.11 NMAC - A, 1/1/2001; A, 3/1/2016]

13.14.1.12 DEFINITIONS “F”: [RESERVED]

13.14.1.13 DEFINITIONS “G”: **“Generally accepted accounting principles”** means professional standards of accounting practice as promulgated from time to time by the financial accounting standards board and administered by the American Institute of Certified Public Accountants.
[13.14.1.13 NMAC - N, 1/1/2001]

13.14.1.14 DEFINITIONS “H”: [RESERVED]

13.14.1.15 DEFINITIONS “I”: **“Interim title insurance binder”** See binder.
[6/16/1986...4/1/1994; 13.14.1.15 NMAC - Rn, 13 NMAC 14.1.15, 5/15/2000; A, 3/1/2016]

13.14.1.16 DEFINITIONS “J”: [RESERVED]

13.14.1.17 DEFINITIONS “K”: [RESERVED]

13.14.1.18 DEFINITIONS “L”:

A. “Leasehold policy” A leasehold owner’s policy or a leasehold loan policy.

B. “Leasehold loan policy” NM form 2, loan policy and NM form 21, leasehold loan endorsement.

C. “Leasehold owner’s policy” NM form 1, owner’s policy and NM form 20, leasehold owner’s endorsement.

D. “Ledger” means a chronological record of dated debits and credits maintained either in a bookkeeping ledger book or a readily retrievable magnetic medium from which the balance of funds for each particular escrow can be calculated at any given time.

E. “Liability (amount)” means the stated amount of liability on schedule A of the policy, binder or commitment or, in the case of a pending disbursement clause, the amount which has been disbursed as stated in the policy.

F. “Loan policy” The terms “loan policy” or “standard loan policy” shall refer to NM form 2, loan policy.

[6/16/1986...4/1/1994; 13.14.1.18 NMAC - Rn, 13 NMAC 14.1.18, 5/15/2000; 13.14.1.18 NMAC - A, 1/1/2001; A, 3/1/2002; A, 3/1/2016]

13.14.1.19 DEFINITIONS “M”:

A. “Mortgage” The term “mortgage” shall refer to either a “mortgage” or “deed of trust”.

B. “Mortgagee’s policy” NM form 2, loan policy.

[13.14.1.19 NMAC - N, 3/1/2016]

13.14.1.20 DEFINITIONS “N”: [RESERVED]

13.14.1.21 DEFINITIONS “O”:

A. “One to four family residential property” Any real property which meets the following conditions:

(1) the property will be owned at date of policy issuance by individual natural persons, and not by corporations, partnerships or other artificial legal entities; and

(2) the improvements to the insured property are primarily designed and used for residential occupancy of from one to four families. This provision applies to each residential unit in a condominium if such unit is designed and used primarily for occupancy by one to four families, regardless of the total number of units in the condominium complex.

B. “Original owner policy premium” See basic premium rate.

[6/16/1986...4/1/1994; 13.14.1.21 NMAC - Rn, 13 NMAC 14.1.21, 5/15/2000; A, 3/1/2016]

13.14.1.22 DEFINITIONS “P”:

A. “Person” Person includes individuals, corporations, associations, partnerships, trusts and estates.

B. “Policy” A policy of title insurance promulgated by the superintendent. Policies include commitments or binders and all endorsements.

C. “Producer” A real estate broker, qualifying broker, real estate sales person, lender, mortgage broker, mortgage company, builder, developer, attorney, architect, or any person or entity in a position to refer business to a title insurer or title insurance agent.

[6/16/1986...4/1/1994; 13.14.1.22 NMAC - Rn, 13 NMAC 14.1.22, 5/15/2000; A, 7/1/2006; A, 3/1/2016]

13.14.1.23 DEFINITIONS “Q”: [RESERVED]

13.14.1.24 DEFINITIONS “R”: “Reissue” The issuing of title insurance to all or a portion of property previously insured.

[6/16/1986...4/1/1994; 13.14.1.24 NMAC - Rn, 13 NMAC 14.1.24, 5/15/2000, A, 3/1/2016]

13.14.1.25 DEFINITIONS “S”:

A. “Schedule of basic premium rates” See basic premium rates (schedule).

B. “Simultaneous (issue)” Issuing two or more policies bearing the same effective date and insuring the same land.

C. “Superintendent” The superintendent of insurance, acting on behalf of the office of the superintendent, or anyone acting in an official capacity on the superintendent’s behalf.

D. “Supplementary rate information” Rate schedules and manuals, rating rules, and all other information needed to determine the applicable rate in effect or to be in effect.

E. “Supporting information” The experience and judgment of the filer and its appointed New Mexico agents, if any, and the experience or data of other insurers and agents relied upon by the filer; the interpretation of any other data relied upon by the filer; descriptions of methods used in making the rates; and any other information required by the superintendent to be filed.

F. “Survey (recent)” “Recent survey” as used in 13.14.6.14 NMAC and 13.14.7.13 NMAC is a survey which meets the requirements of the insurer; provided that:

(1) for condominium units, the term also includes the most recently filed as-built or as-modified survey, confirmed by such site inspections, review of documents including condominium by-laws and regulations, and affidavits, if any, as the underwriter may require; and

(2) for improved land, the term also includes the most recent survey made which shows the improvements on the land.

[6/16/1986...4/1/1994; 13.14.1.25 NMAC - Rn & A, 13 NMAC 14.1.25, 5/15/2000; A, 12/30/2010; A, 10/1/2012; A, 7/31/2014; A, 3/1/2016]

13.14.1.26 DEFINITIONS “T”: [~~“Title plant”~~ See abstract plant.]

A. **“Title plan”** means abstract plant.

B. **“Title rate case”** means the most recent proceeding held under either Subsection A or B of Section 59A-30-8 NMSA 1978 in which a final order has been entered.

[6/16/1986...4/1/1994; 13.14.1.26 NMAC - Rn, 13 NMAC 14.1.26, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.1.27 DEFINITIONS “U”: **“Unusual complexity”** As used in determining additional charges, other unusual complexity may exist when the property being searched is described by metes and bounds or by map and tract and when that same property as described has not been previously searched or examined using that same description and where that description causes an unduly long search or complicated examination.

[6/16/1986...4/1/1994; 13.14.1.27 NMAC - Rn, 13 NMAC 14.1.27, 5/15/2000; A, 3/1/2016]

13.14.1.28 DEFINITIONS “V”: **“Vestee”:** The name or names of the person or persons in whom title to the land is vested (item 3, Schedule A, Loan Policy).

[6/16/1986...4/1/1994; 13.14.1.28 NMAC - Rn, 13 NMAC 14.1.28, 5/15/2000; A, 3/1/2016]

13.14.1.29 DEFINITIONS “W”: [RESERVED]

13.14.1.30 DEFINITIONS “X”: [RESERVED]

13.14.1.31 DEFINITIONS “Y”: [RESERVED]

13.14.1.32 DEFINITIONS “Z”: [RESERVED]

13.14.1.33 STATUTORY DEFINITIONS: See Section 59A-30-3 NMSA 1978 for definitions of “agency agreement”, “business of title insurance”, “charge”, “premium”, “title insurance agent”, “title insurance policy” or “policy” and “title insurer”. These definitions are incorporated herein by reference.

[6/16/1986; 13.14.1.33 NMAC - Rn, 13 NMAC 14.1.33, 5/15/2000]

HISTORY OF 13.14.1 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. [RESERVED]

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.1, General Provisions, effective 11/1/1996.

13 NMAC 14.1, General Provisions (filed 10/2/1996) was renumbered, reformatted, amended and replaced by as 13.14.1 NMAC, General Provisions, effective 5/15/2000.

13.14.1 NMAC, General Provisions (filed 4/28/2000), amended effective 7/31/2014.

13.14.1 NMAC, General Provisions (filed 7/31/2014), amended effective 3/1/2016.

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 3 AGENCY AGREEMENTS

13.14.3.1 ISSUING AGENCY: Office of Superintendent of Insurance [~~Title Insurance Bureau~~] (“OSI”).
[4/1/1996; 13.14.3.1 NMAC - Rn, 13 NMAC 14.4.1 & A, 5/15/2000; A, 7/31/2014; A, XX/XX/XXXX]

13.14.3.2 SCOPE: This rule applies to all title insurers and title insurance agents conducting title insurance business in New Mexico.
[4/1/1996, 11/1/1996; 13.14.3.2 NMAC - Rn, 13 NMAC 14.4.2, 5/15/2000]

13.14.3.3 STATUTORY AUTHORITY: Section 59A-2-8 NMSA 1978, Section 59A-2-9 NMSA 1978, Section 59A-16-17 NMSA 1978, Section 59A-30-4 NMSA 1978, and Section 59A-30-7-NMSA 1978.
[6/16/1986...4/1/1996; 13.14.3.3 NMAC - Rn, 13 NMAC 14.4.3, 5/15/2000; A, XX/XX/XXXX]

13.14.3.4 DURATION: Permanent.
[4/1/1996; 13.14.3.4 NMAC - Rn, 13 NMAC 14.4.4, 5/15/2000]

13.14.3.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6/16/1986, 11/1/1996; 13.14.3.5 NMAC - Rn, 13 NMAC 14.4.5 & A, 5/15/2000]

13.14.3.6 OBJECTIVE: The purpose of this rule is to establish requirements for agency agreements between title [~~insurance agencies~~] insurers and title insurance agents.
[11/1/1996; 13.14.3.6 NMAC - Rn, 13 NMAC 14.4.6 & A, 5/15/2000; A, XX/XX/XXXX]

13.14.3.7 DEFINITIONS: See 13.14.1 NMAC.
[11/1/1996; 13.14.3.7 NMAC - Rn, 13 NMAC 14.4.7, 5/15/2000]

13.14.3.8 ASSUMPTION OF [~~RISKS~~] RISK BY AGENTS: On and after October 7, 1985, no agency agreement or other contract between a licensed New Mexico title insurance agent and an insurer admitted to write title insurance in New Mexico shall directly or indirectly require said agent to assume either partial or total liability for a risk insured pursuant to these regulations and in accordance with the underwriting standards of the insurer, except as follows:

A. Gross negligence of agent. If the agent, or any person employed by the agent on his behalf, is grossly negligent by error or omission in the title search or examination, or in preparation or issuance of the policy, binder or commitment, or in the determination that the insured estate has been created, conveyed or modified as insured, or in the recording of the instruments creating, modifying or conveying the insured estate and such error or omission causes a loss to the insurer under the terms of the policy issued by the agent, said agent may be liable to the insurer for all or part of any payment made by the insurer to an insured under a claim or claims arising from said error or omission. The laws of New Mexico determine the current standards and definition of gross negligence (from time to time).

B. Disregard of written instructions. If the agent, or any person employed by the agent on his behalf, shall disregard the written instructions of the insurer (including, but not limited to, specific underwriting standards or instructions, risk determinations, liability limitations or prior approval requirements) or of an insured or other party to a transaction resulting in the issuance of a title insurance policy, and such written instructions are not contrary to, or in contravention of, these regulations or the laws of New Mexico [~~and~~] or of the United States of America, and the failure to follow said written instructions results in a loss to the insurer under the terms of the policy issued by the agent, said agent may be liable to the insurer for all or part of any payment made by the insurer to an insured under a claim or claims arising from said disregard of written instructions.

C. Fraud, deceit, theft, etc. If the agent, or any person employed by the agent on his behalf, shall be guilty of fraud, deceit, theft or any similar intentional act for which a person may be prosecuted criminally or sued (but not negligence) and such act results in a loss to the insurer under the terms of the policy issued by the agent, said agent may be liable to the insurer for all or part of any payment made by the insurer to an insured under a claim or claims arising from said intentional act of the agent or his employee.

D. Matters covered by New Mexico closing protection letter. If the agent, or any person employed by the agent on his behalf, shall do or fail to do any act which results in the insurer paying a claim (based upon said act

or failure to act) to any person pursuant to a New Mexico closing protection letter issued by the insured, said agent may be liable to the insurer for all or part of any claim payment made by the insurer to a person protected by said closing protection letter.

[6/16/1986, 5/1/1988; 13.14.3.8 NMAC - Rn, 13 NMAC 14.4.8, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.3.9 PAYMENTS OF CLAIMS BY INSURERS: No insurer shall deny or postpone the payment of a valid claim made pursuant to a title insurance policy or closing protection letter by reason of liability of its agent under the terms of its agency agreement or any other agreement between the insurer and its agent. It is the express intention of these rules that all insureds (and parties covered by a closing protection letter) shall be compensated for just claims by said insurer irrespective of any actual or pending determination of liability between said insurer and its agent.

[6/16/1986; 13.14.3.9 NMAC - Rn, 13 NMAC 14.4.9, 5/15/2000]

13.14.3.10 PAYMENTS OF PREMIUM AND MAINTENANCE TAXES OR ASSESSMENTS BY INSURERS: In order to provide for a uniform percentage of premiums to be retained by title insurers and a uniform method of payment of all taxes and assessments made pursuant to the New Mexico Insurance Code, as amended from time to time, all title insurance agency agreements shall require (and all insurers shall comply whether or not there is an agreement) that the insurer shall pay all premium taxes or assessments and all maintenance taxes or assessments as the same may come due and payable, and the said insurers shall report all premiums received by it directly or by its agents on a one hundred percent gross basis for the purposes of said taxes and assessments.

[6/16/1986, 3/1/1992; 13.14.3.10 NMAC - Rn, 13 NMAC 14.4.10, 5/15/2000]

13.14.3.11 PREMIUM DIVISION WITH AGENTS -- OTHER FEES AND EXPENSES:

A. All agency contracts, agency agreements and other contracts between licensed New Mexico title insurance agents and insurers admitted to write title insurance in New Mexico shall provide that agents shall retain ~~[the following amounts]~~ portions of all gross premiums on policies as established in the title rate case, and shall remit to the insurer the remainder of all gross premiums[±].

~~(1) for amounts of insurance up to two million dollars (\$2,000,000), agents shall retain eighty percent;~~

~~(2) for additional amounts of insurance over two million dollars (\$2,000,000) and up to five million dollars (\$5,000,000), agents shall retain seventy five percent;~~

~~(3) for additional amounts of insurance over five million dollars (\$5,000,000) and up to ten million dollars (\$10,000,000), agents shall retain seventy percent;~~

~~(4) for additional amounts of insurance over ten million dollars (\$10,000,000) and up to twenty five million dollars (\$25,000,000), agents shall retain sixty five percent;~~

~~(5) for additional amounts of insurance over twenty five million dollars (\$25,000,000) and up to fifty million dollars (\$50,000,000), agents shall retain sixty percent; and~~

~~(6) for additional amounts of insurance over fifty million dollars (\$50,000,000), agents shall retain fifty percent.~~

B. Agents shall retain eighty percent of all gross premiums paid for the following coverages and shall remit to the insurer the remainder of the gross premiums:

~~(1) all title commitments and binders as provided for in Subsection A of 13.14.9.19 NMAC;~~

~~(2) deletion of standard exception 4 from the title commitment or binder for mechanics' lien coverage where there is no loss of insured priority over mechanics' liens as provided for in 13.14.6.15 NMAC and 13.14.10.9 NMAC for owner's policies or 13.14.7.14 NMAC and 13.14.9.40 NMAC for loan policies; and~~

~~(3) any endorsements providing for fixed premiums of one hundred dollars (\$100) or less.~~

C. Agents shall retain the amounts attributable to the pro rata premium for each level of the amounts of insurance as set forth in Subsection A above for the following coverages and shall remit to the insurer the remainder of the gross premiums:

~~(1) premium for deletion of standard exception 3 from the title commitment or binder for survey coverage in owner's or leasehold owner's policies as provided for in 13.14.6.14 NMAC and 13.14.10.10 NMAC;~~

~~(2) extra hazardous premium for deletion of standard exception 4 from the title commitment or binder for mechanics' lien coverage where there is a loss of insured priority over mechanics' liens as provided for~~

in 13.14.6.15 NMAC and 13.14.10.9 NMAC for owner's policies or 13.14.7.14 NMAC and 13.14.9.40 NMAC for loan policies; and,

~~(3) — any endorsements providing for fixed premiums of more than one hundred dollars (\$100.00) or variable premiums based upon a percentage of the basic premium rate.~~

~~D. — In addition, agents shall retain no part of the additional twenty five cents (\$0.25) per one thousand dollars (\$1,000) collected on policy amounts in excess of ten million dollars (\$10,000,000) as provided for in 13.14.9.18 NMAC.~~

~~E. — This premium division shall not apply to replacement policies in the case of insolvent insurers issued pursuant to 13.14.6.22 NMAC, 13.14.7.20 NMAC and 13.14.9.26 NMAC. Agents shall retain forty two and one half percent of the gross premium collected for such replacement policies and shall remit to the insurer the remainder of said gross premium.~~

~~F. — These premium divisions shall remain in effect until altered by the superintendent who shall review the same biennially at the title insurance hearing held in November of every odd numbered year or as otherwise specifically provided by these regulations.]~~

~~G. — Fees, which are not premium, such as inspection fees, cancellations fees, additional chain of title fees, unusual complexity fees, escrow fees and other charges (whether mentioned in these regulations or not) are not subject to division between agent and insurer.~~

~~H.] B. No agent or insurer shall pay or receive any consideration for title insurance business (or referral of business) other than that division of premiums [set forth herein] established in the title rate case. Insurers shall not reward or otherwise compensate agents (or vice versa) directly or indirectly for business other than as [herein provided] established in the title rate case.~~

~~I.] C. No agent shall be required to contribute or pay any amount to an insurer for reinsurance or otherwise, and any contractual provision to the contrary shall be void and unenforceable.~~

~~J.] D. Title insurers may pay on behalf of, or reimburse their agents for expenses associated with any instruction, lectures or seminars conducted by that title insurer for its agents, if such instruction, lectures or seminars have been approved in advance by [the office of the superintendent of insurance] OSI for continuing education credit under Section 59A-12-26 NMSA 1978. An insurer conducting such instruction, lectures or seminars shall submit to the superintendent for approval, in advance, an agenda and detailed budget for such instruction, lectures or seminars. Such courses of instruction, lectures or seminars shall be offered by the title insurer to all of its agents on a non-discriminatory basis.~~

~~[6/16/1986...4/3/1995; 13.14.3.11 NMAC - Rn, 13 NMAC 14.4.11 & A, 5/15/2000; A, 7/1-/2005; A, 9/1/2007; A, 7/1/2008; A, 7/31/2014; A, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]~~

13.14.3.12 AGENCY AGREEMENTS: All insurers shall amend existing agency agreements with each of their respective licensed New Mexico agents after March 1, 1988 but before May 1, 1988 to conform with the provisions of these regulations as last amended, and shall file the same with the superintendent on or before May 1, 1988. Such amendment may be in the form of an addendum to the existing agreement, attached to and made a part thereof. All such agreements entered into henceforth shall conform with the provisions of these regulations as last amended, and shall be filed with the superintendent promptly upon execution.

[6/16/1986, 5/1/1988; 13.14.3.12 NMAC - Rn, 13 NMAC 14.4.12, 5/15/2000; A, 3/1/2016]

13.14.3.13 CHARGE TO BE MADE FOR ALL SERVICES:

A. No person doing the business of title insurance shall furnish or offer to furnish services, information, appraisals, subdivision ownership lists, farm packages, estimates or income production potential, pre-search or listing packages, information kits or similar packages containing information about one or more parcels of real property without making an actual charge for the same.

B. Title insurers and title insurance agents shall collect actual charges in the ordinary course of their business operations. Title insurers and title insurance agents shall not provide additional or new services to individuals who have failed to pay actual charges for prior services.

[4/1/1993, 4/1/1994; 13.14.3.13 NMAC - Rn, 13 NMAC 14.4.13, 5/15/2000; A, 7/1/2006]

13.14.3.14 PAYMENT OF PREMIUM OF INSURERS: The title insurance agent will render accounts to the title insurer detailing all insurance transactions and remit the title insurer's share of premiums collected to the title insurer by the latter of 45 days after the end of the month of the effective date of the policy, or, 45 days following the issuance of a policy as to which the issuance is delayed due to the transaction closing prior to the time at which all requirements for issuance of the policy have been fulfilled.

[4/1/1996; 13.14.3.14 NMAC - Rn, 13 NMAC 14.4.14, 5/15/2000]

13.14.3.15 **MARKETING ACTIVITIES:** A title insurer or title insurance agent conducting the business of title insurance shall not:

- A.** make any monetary payment to any producer, unless the payment is for the actual cost of bona fide supplies or services received by the title insurer or agent;
- B.** make any in kind payment to any producer or provide any free products or services, including but not limited to postage, postage machines, facsimile machines, computer hardware or software, copy machines, telephones, or office space to any producer;
- C.** engage in joint advertising by any means of communication or media that names a specific producer unless the producer pays its share of the advertising cost in direct proportion to its prominence in the advertisement;
- D.** provide video equipment or any other type of electronic or cyber equipment or services, such as “virtual tours” unless the producer pays at least the actual cost for the equipment or services;
- E.** provide advertising by any means of communication or media for a producer unless the producer pays at least the actual cost for the advertisement to the title insurer or agent;
- F.** sponsor, co-sponsor, provide free door prizes, refreshments or meals at any producer’s open house, tour of open houses, awards banquet, or company party unless a representative of the title insurer or agent is present and educational or marketing materials and signage are on-site for the function; at no time shall the cost of any sponsorship exceed the commensurate advertising benefit of the educational or marketing materials and signage provided;
- G.** sponsor, co-sponsor, provide free door prizes, refreshments or meals at any producer’s open house unless the title insurer or agent receives commensurate advertising benefit;
- H.** provide free meals to any producer unless the title insurer or agent is present, title insurance business is discussed and the meals are not a regular occurrence; a title insurer or agent shall not provide free recreational activities or entertainment to any producer under any circumstance;
- I.** enter into any lease or rental agreement for office space with a producer unless:
 - (1)** the lease or rental agreement is for commercially reasonable terms and at least the fair market rental rate of the property; and
 - (2)** the property is physically occupied by at least one bona fide full time employee of the title insurer or agent if the producer is the lessor or by one bona fide full time employee of the producer if the title insurer or agent is the lessor;
- J.** provide a career continuing education course for producers, unless each producer in attendance pays at least the actual per person cost for the course to the title insurer or agent; or
- K.** engage in any other activity otherwise prohibited by Section 59A-16-17 NMSA 1978.

[13.14.3.15 NMAC - N, 7/1/2006]

HISTORY OF 13.14.3 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, 3/7/1974

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, 9/6/1985

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, 5/9/1986

NMAC History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance, as 13 NMAC 14.4, Agency Agreements, filed 10/2/1996

Recompiled 13 NMAC 14.4, Agency Agreements, as 13.14.3 NMAC, Agency Agreements, filed 4/28/2000, amended effective 7/31/2014.

13.14.3 NMAC, Agency Agreements, filed 7/31/2014, amended effective 3/1/2016.

13.14.3 NMAC, Agency Agreements, filed 3/1/2016, amended effective 7/1/2018.

History of Repealed Material.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates - Superseded 9/6/1985

SCC-85-6, Insurance Department Regulation 30 - Title Insurance- Superseded 5/9/1986.

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 6 OWNER'S, LEASEHOLD OWNER'S, AND CONTRACT PURCHASER'S POLICIES

13.14.6.1 ISSUING AGENCY: Office of Superintendent of Insurance [~~Title Insurance Bureau~~] (“OSI”).
[4/1/1996; 13.14.6.1 NMAC - Rn & A, 13 NMAC 14.6.1, 5/15/2000; A, 7/31/2014; A, XX/XX/XXXX]

13.14.6.2 SCOPE: This rule applies to all title insurers and title insurance agents conducting title insurance business in New Mexico.
[4/1/1996, 11/1/1996; 13.14.6.2 NMAC - Rn, 13 NMAC 14.6.2, 5/15/2000]

13.14.6.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978, Section 59A-16-17 NMSA 1978, Section 59A-30-4 NMSA 1978, Section 59A-30-6 NMSA 1978, and Section 59A-30-7 NMSA 1978.
[6/16/1996, 4/1/1996; 13.14.6.3 NMAC - Rn, 13 NMAC 14.6.3, 5/15/2000; A, XX/XX/XXXX]

13.14.6.4 DURATION: Permanent.
[4/1/1996; 13.14.6.4 NMAC - Rn, 13 NMAC 14.6.4, 5/15/2000]

13.14.6.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6/16/1986, 11/1/1996; 13.14.6.5 NMAC - Rn & A, 13 NMAC 14.6.5, 5/15/2000]

13.14.6.6 OBJECTIVE: The purpose of this rule is to establish requirements for title insurance policy provisions.
[11/1/1996; 13.14.6.6 NMAC - Rn & A, 13 NMAC 14.6.6, 5/15/2000]

13.14.6.7 DEFINITIONS: See 13.14.1 NMAC.
[11/1/1996; 13.14.6.7 NMAC - Rn, 13 NMAC 14.6.7, 5/15/2000]

13.14.6.8 OWNER'S POLICIES:

A. Owner's policies shall be written to protect the estate or interest in land held by the insured (e.g., fee simple, easement, etc.). Except as otherwise provided herein, all owner's policies shall be issued for the amount of the current sales price of the land and any existing improvements appurtenant thereto, plus, at the option of the insured, the cost of improvements immediately contemplated to be erected thereupon.

B. If no sale is being made, at time of issuance of policy, all owner's policies shall be issued for an amount equal to the value of the land and any existing improvements appurtenant thereto, with the same option concerning immediately contemplated improvements.

C. In either instance, an owner's policy insuring such contemplated improvements shall contain a pending improvements clause or endorsement. In the event the owner's policy is issued at the time of payoff of a real estate contract and recording of a warranty deed, the owner's policy shall be issued for the amount of the contract price, except if the purchaser requests, and provides evidence of value, then it may be issued for the amount equal to the value of the land and any existing improvements appurtenant thereto.

D. An owner's policy may be endorsed to reflect the current value of the estate insured (upon payment of the current basic premium according to the schedule less the amount previously paid for said policy) if the insurer's underwriting standards are met; provided, however, that the effective date of the policy shall remain unchanged and no affirmative coverages or down dates shall be added to the policy. Owner's policies may insure multiple tracts acquired from different parties at the same or different times.

E. NM form 55, named insured endorsement, shall be provided to all insureds requesting the endorsement on owner's policies previously issued prior to August 1, 2008 without the endorsement.
[6/16/1986...3/1/1991; 13.14.6.8 NMAC - Rn, 13 NMAC 14.6.8, 5/15/2000; 13.14.6.8 NMAC - A, 8/1/2001; A, 3/1/2002; A, 8/17/2009; A, 3/1/2016]

13.14.6.9 LEASEHOLD OWNER'S POLICIES:

A. Leasehold owner's policies shall be issued to insure leasehold estates and in the amount, at the option of the insured, of (1) the total amount of the rentals payable under the lease contract, or (2) the value of the land and any existing improvements, or (3) the value of the land and any existing improvements and the cost of the

improvements immediately contemplated to be erected thereupon. In the latter case, the leasehold policy must contain a pending improvements clause or endorsement.

B. Unless otherwise specifically stated, a leasehold owner's policy shall contain the same standard exceptions, be subject to the same premium rates and be subject to deletion of the same standard exceptions in the same manner as an owner's policy.

C. A leasehold owner's endorsement shall be attached to an owner's policy to create a leasehold owner's policy. A leasehold owner's policy may be converted to a standard owner's policy by the issuance of an owner's leasehold conversion endorsement NM form 31.

D. The premium for such conversion shall be as prescribed by 13.14.9.38 NMAC, and no additional premium shall be charged for the owner's leasehold conversion and endorsement, NM form 31.

E. NM form 55, named insured endorsement, shall be provided to all insureds requesting the endorsement on leasehold owner's policies previously issued prior to August 1, 2008 without the endorsement. [6/16/1986, 3/1/1989; 13.14.6.9 NMAC - Rn, 13 NMAC 14.6.9, 5/15/2000; 13.14.6.8 NMAC - A, 8/1/2001; A, 3/1/2002; A, 3/1/2016]

13.14.6.10 CONTRACT PURCHASER'S POLICIES:

A. Contract purchaser's policies, utilizing NM form 1, owner's policy, shall be written to insure the estate or interest in land upon which the insured holds a contractual interest by virtue of a recorded real estate contract or agreement, or a sufficient recorded memorandum thereof. Unless otherwise specifically provided, contract purchaser's policies shall be subject to all rules and regulations applicable to owner's policies, and in the same manner.

B. The estate or interest in the land insured in schedule A under a contract purchaser's policy shall be automatically converted to "fee simple" without the requirement for a policy endorsement, if the contract purchaser acquires the fee title interest by the filing of the deed from the contract seller under the recorded real estate contract or agreement, or a sufficient memorandum recorded in lieu thereof, which transaction was previously insured. The date of policy will not be changed or down dated. No additional premium shall be charged for this conversion.

C. Upon request of the insured under a contract purchaser's policy, a contract purchaser's policy may be converted and down dated to a standard owner's policy by the issuance of a contract purchaser's conversion endorsement, NM form 91. The premium for such endorsement shall be as prescribed by 13.14.10.63 NMAC and no additional premium shall be charged for the contract purchaser's conversion endorsement, NM form 91.

D. Each insurer shall establish written instructions and specific underwriting standards concerning the issuance of contract purchaser's policies and the contract purchaser's conversion endorsement, NM form 91. [3/1/1989; 13.14.6.10 NMAC - Rn, 13 NMAC 14.6.10, 5/15/2000; A, 3/1/2016]

13.14.6.11 STANDARD EXCEPTIONS: All owner's policies insuring New Mexico property shall contain in schedule B the standard exceptions numbered 1 through 7 in 13.14.5.9 NMAC except as otherwise provided by these rules. Said standard exceptions may be preprinted in schedule B and, when specifically authorized, may be deleted by crossing out the words as specifically indicated in the rules immediately following, or by notation in schedule B or endorsement stating, "exceptions numbered _____ are hereby deleted" or "exception numbered 3 is hereby amended to read, "shortages in area". Standard exception number 5 shall refer to "spouse of the vestee" in all owner's policies and in all situations where the vestee and insured are not the same.

[6/16/1986, 2/6/1987; 13.14.6.11 NMAC - Rn, 13 NMAC 14.6.11, 5/15/2000; A, 3/1/2016; A, 7/1/2018]

13.14.6.12 PARTIES IN POSSESSION - STANDARD EXCEPTION 1: The standard exception numbered 1 in 13.14.5.9 NMAC may be deleted from an owner's policy when the company or agent has been furnished satisfactory proof that there are no parties in possession of the property being insured other than those claiming rights or possession in the property through matters of public record. Each insurer shall establish underwriting standards concerning the necessary proof to be furnished to it or its agents.

[6/16/1986; 13.14.6.12 NMAC - Rn, 13 NMAC 14.6.12, 5/15/2000]

13.14.6.13 UNRECORDED EASEMENTS - STANDARD EXCEPTION 2: The standard exception numbered 2 in 13.14.5.9 NMAC may be deleted in its entirety from an owner's policy when the insurer or its agent has been furnished a survey of the property being insured which it determines to be satisfactory to determine that there are no easements or claims of easements affecting the insured property other than those shown by the public records. In addition to the survey, the insurer may require as a part of its underwriting standards an inspection of the property or other documentation that it may determine is necessary.

[6/16/1986; 13.14.6.13 NMAC - Rn, 13 NMAC 14.6.13, 5/15/2000]

13.14.6.14 SURVEY COVERAGE - STANDARD EXCEPTION 3:

A. The standard exception numbered 3 in 13.14.5.9 NMAC may be deleted from an owner's policy in either of two ways. In both instances, the additional premium required by 13.14.10.10 NMAC must be paid and the insurer or its agent must be furnished with a recent survey of the insured property meeting the insurer's underwriting standards prior to the deletion being made.

B. If the insurer considers the additional risk acceptable, the entire language of this standard exception may be deleted from the policy, thereby insuring the surveyor's computation of area.

C. If the insurer does not consider the shortage-in-area risk acceptable but considers the remaining additional hazard insurable, the words "Encroachments, overlaps, conflicts in boundary lines" and the words "or other matters which would be disclosed by an accurate survey and inspection of the premises" may be deleted, leaving the exception to read "shortages in area."

D. There are no other circumstances under which this standard exception may be deleted from the policy or otherwise modified.

[6/16/1986; 13.14.6.14 NMAC - Rn, 13 NMAC 14.6.14, 5/15/2000]

13.14.6.15 MECHANICS' AND MATERIALMEN'S LIEN COVERAGE - STANDARD EXCEPTION 4:

A. The standard exception numbered 4 in 13.14.5.9 NMAC may be deleted in its entirety from an owner's policy under two circumstances. In both instances the construction of all improvements on the insured property must have been fully completed and accepted by the insured owner and the appropriate additional premiums required by 13.14.10.9 NMAC must be paid prior to the exception being deleted.

B. In one instance the statutory period for filing mechanics' or materialmen's liens will have expired prior to the date of the policy and Subsection A of 13.14.10.9 NMAC will apply; in the other instance, some or all of the improvements will be "new construction" (or recently completed), the statutory period for the filing of said liens will not have expired as of the date of the policy and Subsection B of 13.14.10.9 NMAC will apply. There are no other circumstances under which this standard exception may be deleted from the policy or otherwise modified.

[6/16/1986; 13.14.6.15 NMAC - Rn, 13 NMAC 14.6.15, 5/15/2000]

13.14.6.16 SPOUSAL RIGHTS - STANDARD EXCEPTION 5: The standard exception numbered 5 in 13.14.5.9 NMAC may be deleted in its entirety from an owner's policy if the vestee named in such policy is a corporation, partnership or other artificial entity, or a person holding title as trustee.

[6/16/1986; 13.14.6.16 NMAC - Rn, 13 NMAC 14.6.16, 5/15/2000]

13.14.6.17 [RESERVED]

[4/3/1995; 13.14.6.17 NMAC - Rn, 13 NMAC 14.6.17, 5/15/2000; Repealed, 9/15/2009]

13.14.6.18 REISSUED OWNER'S POLICIES:

A. Owner's policies shall qualify for the reissue rates of 13.14.9.35 NMAC only when insuring either of the following:

(1) A purchaser or lessee of the same real estate from one whose title thereto as owner has been insured by any company in a previous policy issued prior to the application for a new policy; or

(2) A purchaser or lessee of the same real estate from an insured under a loan policy of any company which has acquired title to the same property described in said loan policy by foreclosure or by voluntary conveyance in extinguishment of the debt.

B. In either case the company issuing the reissue rate policy shall maintain proof of the previous policy in its files for at least two years. In order for the reissue rate to apply, proof of the previous policy shall be in the possession of the company issuing the reissue rate policy prior to the commencement of the title search for said policy. Proof, as used in this context, shall mean a copy of the previous policy, which shall include the following information: issuing company/underwriter, policy number, date of issue, policy amount, legal description of insured property, name of insured, as well as complete copies of schedules A and B (and C, if applicable), and any attached endorsements.

[6/16/1986...3/1/1992; 13.14.6.18 NMAC - Rn, 13 NMAC 14.6.18, 5/15/2000]

13.14.6.19 U.S. POLICIES:

A. NM form 34 shall contain standard exceptions as provided in 13.14.6.11 NMAC and subject to their deletion as provided in 13.14.6.12 NMAC through 13.14.6.16 NMAC.

B. NM form 34 does not act as an interim binder but requires the use of a standard commitment. NM form 34 is prescribed by the department of justice. Each insurer shall establish written instructions and specific underwriting standards concerning the issuance of NM form 34 policies.

[6/16/1986; 4/1/1993; 13.14.6.19 NMAC - Rn, 13 NMAC 14.6.19, 5/15/2000; A, 7/31/2014]

13.14.6.20 SUBDIVIDERS OR CONSTRUCTION BULK RATE QUALIFICATIONS:

A. For the purpose of 13.14.9.23 NMAC, an insured owner will qualify for the discount provided therein only when said insured owner acquires title directly from a person who meets either of the following conditions: (1) either (a) owns of record at the same time two or more lots in the same county recorded subdivision holding the same for immediate sale upon completion of building improvements thereon, or (b) owns two or more unsold vacant lots or acreage tracts at the same time in the same county recorded subdivision and has contracted with the insurer to purchase an owner's policy on each and every lot or tract as the same is sold; or (2) when the person owning of record two or more lots or tracts in the same county recorded subdivision (a) is a subdivider or builder who subdivides property for 1 to 4 family residential use or (b) builds 1 to 4 family residences or residential condominium units for immediate resale upon completion of improvements and said lots or tracts are restricted to or zoned for 1 to 4 family residential use or residential condominium use or actually improved by 1 to 4 family or condominium use at the time the policy is issued.

B. The words "county recorded subdivision" as used in the section mean a map or plat or condominium plans filed for record in the office of the county clerk and showing the location and dimensions of lots, blocks, tracts, units or other such similarly designated parcels.

[6/16/1986; 3/1/1991; 13.14.6.20 NMAC - Rn, 13 NMAC 14.6.20, 5/15/2000]

13.14.6.21 U.S. POSTAL SERVICE AS INSURED: Whenever the United States postal service acquires title to property being insured, it is permissible to (1) amend the New Mexico United States policy (NM form 7) by striking therefrom in all places the name "United States of America" and substituting in lieu thereof the name "United States postal service" and (2) to insert the following paragraph to the conditions and stipulations: "9. In the event that the interests of the United States postal service with respect to the land referred to in this policy are not represented by the attorney general of the United States at the time any election, notice, request, permission, cooperation, assistance, or statement is required or permitted by these conditions and stipulations, then such election, notice, request, permission, cooperation, assistance, or statement, as so required or permitted, and otherwise conforming hereto, should be given or furnished by or to the United States postal service."

[2/6/1987; 13.14.6.21 NMAC - Rn, 13 NMAC 14.6.21, 5/15/2000]

13.14.6.22 ISSUANCE OF REPLACEMENT OWNER'S POLICY:

A. When an authorized insurer is placed in permanent or temporary receivership for purpose of liquidation with a finding of insolvency by a court of competent jurisdiction, (insolvent insurer), a replacement policy of title insurance can be purchased by an insured covered under an owner's policy issued pursuant to 13.14.6 NMAC.

B. The insured shall surrender the existing policies of said insolvent insurer to the company when placing the order for a replacement policy. A copy of the existing policies obtained from the issuing agent can be surrendered in lieu of the existing original policy. If a copy of the existing policies is obtained from the original agent that issued it, an additional charge can be made to the insured in an amount ~~[that is reasonable considering the nature and extent of the services rendered]~~ established in the title rate case. The date of policy for the replacement policy shall be the same date of policy as the existing policy.

C. No replacement policy shall be issued without exceptions to coverage for defects, liens, encumbrances, adverse claims or for other matters known to exist by the insured on the date of issuance of the replacement policy, including but not limited to claims known by any owner or other insured and claims reported under existing policies or claims that have been made against the receiver for the insolvent insurer or agent who represented the insolvent insurer. All replacement policies shall contain the following exception on schedule B: defects, liens, encumbrances, adverse claims or other matters not known to the issuing agent and/or insurer at the issue date of this replacement policy, but known to any owner or other insured claimant and not disclosed in writing to the agent and/or insurer by the insured claimant prior to the date the insured claimant became insured under this policy.

D. The replacement owner's policy shall be issued in the amount of insurance shown on the existing owner's policy. Agents and/or insurers must issue a replacement policy when request therefore is made by an insured who has satisfied the requirements of this regulation and those of 13.14.9.26 NMAC. No search or examination of title or evidence thereof is required of the agent or insurer issuing a replacement policy pursuant to this regulation. However, agents and insurers may conduct a search and examination at no additional expense to the insured other than as set forth in 13.14.9.26 NMAC.

E. All replacement policies shall be marked as such by adding the words "replacement policy; NO SEARCH REQUIRED," prior to the policy number on the cover page of the policy and on the top center of all other pages not considered a policy cover or jacket. Subsequent to the words "replacement policy; NO SEARCH REQUIRED," the date the replacement policy was issued shall be indicated after the word "issued" is typed.

F. When an insured submits as evidence either a replacement owner's policy or an owner's policy of an insolvent insurer or a copy of the same, ~~they~~ the insured will qualify for a credit ~~[afforded]~~ as provided in ~~[13.14.9.12.1]~~ 13.14.9.35 NMAC, reissue owner's or leasehold rates and ~~[also]~~ as provided in 13.14.9.36 NMAC, substitution loans, second mortgages and subsequent issues. No other regulations affording credits, discounts, reduction in premium shall apply to replacement policies other than as stated herein and in 13.14.9.26 NMAC. [6/15/1991; 13.14.6.22 NMAC - Rn, 13 NMAC 14.6.22, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.6.23 [RESERVED]

[6-1-97; 13.14.6.23 NMAC - Rn, 13 NMAC 14.6.23, 5/15/2000; Repealed, 9/15/2009]

13.14.6.24 [RESERVED]

[13.14.6.24 NMAC - N, 7/1/2005; Repealed, 9/15/2009]

HISTORY OF 13.14.6 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, 3/7/1974.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, 5/9/1986.

NMAC History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance, as 13 NMAC 14.6, Owner's, Leasehold Owner's, and Contract Purchaser's Policies, filed 10/2/1996.

Recompiled 13 NMAC 14.6, Owner's, Leasehold Owner's, and Contract Purchaser's Policies, as 13.14.6 NMAC, Owner's, Leasehold Owner's, and Contract Purchaser's Policies, filed 4/28/2000, amended effective 7/31/2014.

Owner's Leasehold Owner's and Contract Purchaser's Policies, filed 7/31/2014, amended effective 3/1/2016.

Owner's Leasehold Owner's and Contract Purchaser's Policies, filed 3/1/2016, amended effective 7/1/2018.

History of Repealed Material.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates - Superseded 9/6/1985.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance- Superseded 5/9/1986.

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 7 LOAN, LEASEHOLD LOAN, AND CONSTRUCTION LOAN POLICIES

13.14.7.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”) [~~Title Insurance Bureau~~].
[4/1/1996; 13.14.7.1 NMAC - Rn & A, 13 NMAC 14.7.1, 5/15/2000; A, 7/31/2014; A, XX/XX/XXXX]

13.14.7.2 SCOPE: This rule applies to all title insurers and all title insurance agents conducting title insurance business in New Mexico.
[4/1/1996, 11/1/1996; 13.14.7.2 NMAC - Rn, 13 NMAC 14.7.2, 5/15/2000]

13.14.7.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978, Section 59A-30-4 NMSA 1978, Section 59A-30-6 NMSA 1978 and Section 59A-30-7 NMSA 1978.
[6/16/1986, 4/1/1996; 13.14.7.3 NMAC - Rn, 13 NMAC 14.7.3, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.7.4 DURATION: Permanent.
[4/1/1996; 13.14.7.4 NMAC - Rn, 13 NMAC 14.7.4, 5/15/2000]

13.14.7.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6/16/1986...11/1/1996; 13.14.7.5 NMAC - Rn & A, 13 NMAC 14.7.5, 5/15/2000]

13.14.7.6 OBJECTIVE: The purpose of this rule is to establish requirements for title insurance policy provisions.
[11/1/1996; 13.14.7.6 NMAC - Rn & A, 13 NMAC 14.7.6, 5/15/2000]

13.14.7.7 DEFINITIONS: See 13.14.1 NMAC.
[11/1/1996; 13.14.7.7 NMAC - Rn, 13 NMAC 14.7.7, 5/15/2000]

13.14.7.8 LOAN POLICIES:

A. All loan policies shall be issued for the face amount of the loan or loans insured. When the land covered in the policy represents only part of the security of the loan or loans, the policy shall be written in the amount of the value of such land or the amount of the loan or loans insured, whichever is the lesser. When requested by the insured, a loan policy may be issued in an amount equal to the original principal amount of the indebtedness plus legal interest (capitalized or otherwise) not to exceed twenty percent of the said principal amount.

B. All loan policies may insure liens on multiple tracts in the same manner as owner's policies. Whenever any agent or insurer is issuing any policy of title insurance in conjunction with a closing of a transfer of title to property to a new owner or owners, the agent or insurer shall furnish the new owner or owners with a NM form 9, notice of availability of owner's title insurance, containing all of the required information available at that time and shall request said owner or owners to sign said form and indicate whether or not they desire an owner's policy. Said agent or insurer shall maintain copies of said forms with copies of the loan policy for at least two years whenever an owner's policy is declined by the owner(s).

C. A short form residential loan policy, NM form 63, shall be considered a loan policy and shall be subject to the applicable rules and rates relating to loan policies, except as expressly provided in the short form residential loan policy, or in rules expressly referring to the short form residential loan policy. An insurer may, in its discretion, issue the short form residential loan policy upon request of the proposed insured if the real property encumbered by the lien of the insured mortgage is one to four family residential property. An insurer may not issue the short form residential loan policy if the loan secured by the lien of the insured mortgage is a construction loan or on a leasehold interest. All standard exceptions that are included in a standard loan policy, are deemed omitted in schedule B of the short form residential loan policy and premiums for deletion of the standard exceptions applicable to a standard loan policy shall apply. Any standard exceptions that are included in a standard loan policy may be added as exceptions in the schedule B addendum to the short form residential loan policy if required by these rules or if the insurer does not consider the risk acceptable to provide coverages for such omitted standard exceptions. Any of the schedule B affirmative insurance provisions may be removed from or modified in schedule B if the insurer does not consider the risk acceptable by including an exception on the schedule B addendum to the short form residential loan policy. Each insurer shall establish written instructions and underwriting standards for the issuance of the short form residential loan policy.

[6/16/1986; 13.14.7.8 NMAC - Rn, 13 NMAC 14.7.8, 5/15/2000; A, 7/1/2004; A, 9/15/2010; A, 10/1/2012]

13.14.7.9 LEASEHOLD LOAN POLICIES: Unless otherwise specifically stated, a leasehold loan policy shall contain the same standard exceptions, [~~be subject to the same premium rates~~] and be subject to deletion of the same standard exceptions in the same manner as a standard loan policy. The premium rates for a leasehold loan policy shall be established in the title rate case. A leasehold loan endorsement shall be attached to a loan policy to create a leasehold loan policy.

[6/16/1986; 13.14.7.9 NMAC - Rn, 13 NMAC 14.7.9, 5/15/2000; A, 3/1/2002; A, XX/XX/XXXX]

13.14.7.10 STANDARD EXCEPTIONS: All loan policies insuring New Mexico property shall contain in schedule B the standard exceptions listed in 13.14.5.9 NMAC and numbered 1 through 8 inclusively except as otherwise provided by these regulations. Said standard exceptions may be preprinted in schedule B and, when specifically authorized, may be deleted by crossing out the words as specifically indicated in the regulations immediately following, or by notation in schedule B or endorsement stating, "exceptions numbered ____ are hereby deleted" or "exception numbered 3 is hereby amended to read, 'shortages in area.'" Standard exception numbered 5 shall refer to "spouse of the vestee" in all loan policies.

[6/16/1986, 2-6-87; 13.14.7.10 NMAC - Rn, 13 NMAC 14.7.10, 5/15/2000; A, 10/1/2012; A, 3/1/2016]

13.14.7.11 PARTIES IN POSSESSION - STANDARD EXCEPTION 1: The standard exception numbered 1 in 13.14.5.9 NMAC may be deleted from a loan policy when the company or agent has been furnished satisfactory proof that there are no parties in possession of the property being insured other than those claiming rights or possession in the property through matters of public record. Each insurer shall establish underwriting standards concerning the necessary proof to be furnished to it or its agents.

[6/16/1986; 13.14.7.11 NMAC - Rn, 13 NMAC 14.7.11, 5/15/2000; A, 10/1/2012]

13.14.7.12 UNRECORDED EASEMENTS - STANDARD EXCEPTION 2: The standard exception numbered 2 in 13.14.5.9 NMAC may be deleted in its entirety from a loan policy when the insurer or its agent has been furnished a survey of the property being insured which it determines to be satisfactory to determine that there are not easements or claims of easements affecting the insured property other than those shown by the public records. In addition to the survey, the insurer may require as part of its underwriting standards an inspection of the property or other documentation that it may determine is necessary.

[6/16/1986; 13.14.7.12 NMAC - Rn, 13 NMAC 14.7.12, 5/15/2000; A, 10/1/2012]

13.14.7.13 SURVEY COVERAGE - STANDARD EXCEPTION 3: The standard exception numbered 3 in 13.14.5.9 NMAC may be deleted from a loan policy in either of two ways. In both instances, the insurer or its agent must be furnished with a recent survey of the insured property meeting the insurer's underwriting standards prior to the deletion being made. If the insurer considers the additional risk acceptable, the entire language of this standard exception may be deleted from the policy, thereby insuring the surveyor's computation of area. If the insurer does not consider the shortage-in-area risk acceptable but considers the remaining additional hazard insurable, the words "encroachments, overlaps, conflicts in boundary lines" and the words "or other matters which would be disclosed by an accurate survey and inspection of the premises" may be deleted, leaving the exception to read, "shortages in area." There are no other circumstances under which this standard exception may be deleted from the policy or otherwise modified.

[6/16/1986, 3/1/1988; 13.14.7.13 NMAC - Rn, 13 NMAC 14.7.13, 5/15/2000; A, 10/1/2012]

13.14.7.14 MECHANICS' AND MATERIALMEN'S LIEN COVERAGE - STANDARD EXCEPTION 4:

A. The standard exception numbered 4 in 13.14.5.9 NMAC may be deleted in its entirety from a loan policy under the two circumstances described in Subsections B and C below.

B. If the insurer's underwriting requirements for evidence of priority have been met, the exception may be deleted from any loan policy upon payment of the additional premium required in Subsection E of 13.14.9.40 NMAC. If the mortgage or deed of trust being insured secures a loan being made for construction purposes, a NM form 83 construction loan endorsement, a NM form 83.1 construction loan direct payment endorsement, or a NM form 83.2 construction loan insured's direct payment endorsement may be issued with the loan policy and a NM form 84 disbursement endorsement may be issued thereafter.

C. If the insurer's underwriting requirements for evidence of priority have not been met but the insurer's underwriting requirements of the risk incurred by reason of the lack of priority have been met, the exception may be deleted from any loan policy upon receipt of the additional extra-hazard risk premium specified in Subsection E of 13.14.9.40 NMAC. If the mortgage or deed of trust being insured secures a loan being made for construction purposes a NM form 83 construction loan endorsement, a NM form 83.1 construction loan direct payment endorsement, or a NM form 83.2 construction loan insured's direct payment endorsement may be issued with the loan policy and a NM form 84 disbursement endorsement may be issued thereafter.

D. Each insurer shall establish written underwriting requirements concerning minimum evidence of priority and requirements of the risk incurred by reason of the lack of priority.
[6/16/1986, 2/6/1987; 13.14.7.14 NMAC - Rn, 13 NMAC 14.7.14, 5/15/2000; A, 10/1/2012; A, 7/31/2014; A, 3/1/2016]

13.14.7.15 SPOUSAL RIGHTS - STANDARD EXCEPTION 5: The standard exception numbered 5 in 13.14.5.9 NMAC may be deleted in its entirety from a loan policy if the vestee named in such policy is a corporation, partnership or other artificial entity, or a person holding title as trustee. The exception may be deleted under other circumstances when the insurer or its agent has complied with the written underwriting standards established by the insurer for such deletion.

[6/16/1986; 13.14.7.15 NMAC - Rn, 13 NMAC 14.7.15, 5/15/2000; A, 10/1/2012]

13.14.7.16 [RESERVED]

[4-3-95; 13.14.7.16 NMAC - Rn, 13 NMAC 14.7.16, 5/15/2000; Repealed, 9/15/2009]

13.14.7.17 ADDITIONAL "A" ENDORSEMENTS TO CONSTRUCTION LOAN POLICY: When a construction loan policy has been issued and an "A" endorsement has been attached thereto at the time of its issue, upon a date down of the title having been made to the date thereof and upon a subsequent disbursement of the loan insured, an additional endorsement "A" may be issued by the insuring company changing the effective date of the construction loan policy to the date of the most recent disbursement and down date upon payment of the additional charge as provided in Subsection D of 13.14.9.40 NMAC. In no event shall any endorsement "A" be used to extend the term of the construction loan policy beyond its expiration date. If the date down of the title made in connection with the issuance of such additional endorsement "A" reveals any change in the condition of title or if the insured requires that the amount of the aggregate disbursements to the date of the endorsement "A" be shown, such matters must be shown by separate endorsement issued contemporaneously with such additional endorsement "A". No endorsement "A" may be issued after August 14, 2018.

[6/16/1986; 13.14.7.17 NMAC - Rn, 13 NMAC 14.7.17, 5/15/2000; A, 10/1/2012; A, 7/31/2014; A, 3/1/2016]

13.14.7.18 LOAN POLICIES INSURING CONSTRUCTION LOAN:

A. Construction loan policies (NM form 3) may not be issued after August 14, 2014.

B. Upon written request of the insured, acceptance of the risk by the title insurer and receipt of the additional premium required by Subsection B of 13.14.9.40 NMAC, a construction loan policy issued prior to August 15, 2014 or a standard loan policy with a two-year claims made limitation may be extended by issuance of no more than four extension endorsements of six months each. In no event may the coverage provided by a construction loan policy or a standard loan policy with a two-year claims made limitation, if extended to its maximum, exceed four years from the date of issue unless it is converted to a loan policy [~~by payment of the full premium due for said loan policy without credit for any premium paid for the construction loan policy~~] or a standard loan policy with a two-year claims made limitation. The premium and any applicable credit shall be established in the title rate case.

[6/16/1986, 2/16/1987; 13.14.7.18 NMAC - Rn, 13 NMAC 14.7.18, 5/15/2000; A, 10/1/2012; A, 7/31/2014; A, 3/1/2016; A, XX/XX/XXXX]

13.14.7.19 CONSTRUCTION LOAN MORTGAGE - PENDING DISBURSEMENT CLAUSE

A. When a lender is issued a loan policy insuring the lien of a construction loan mortgage, the insurer may require a specific pending disbursement clause. Such clause may be in the form directed by the insurer or it may be in the following form: "Pending disbursement of the full proceeds of the loan secured by the mortgage or deed of trust set forth under schedule A hereof, this policy insures only to the extent of the amount actually disbursed but increases as each disbursement is made, in good faith, and without knowledge of any defect in, or objections to, the title, up to the face amount of the policy. Prior to each disbursement of the proceeds of the loan,

the title must be continued down to such time for possible liens or objections intervening between the date hereof and the date of such disbursement.”

B. At the time of each disbursement, with respect to an insured construction loan, a NM form 22, pending disbursement down date endorsement, may be issued by the insuring company, showing any changes in title to the security property and stating the total amount of the proceeds of the construction loan advanced by the lender at the date the endorsement is issued. Within 15 days of issuing the endorsement required by 13.14.10.18 NMAC, ~~[The] the~~ insurer or its agent shall collect the endorsement premium ~~[required by 13.14.10.18 NMAC within 15 days of issuing the endorsement]~~ established in the title rate case. [6/16/1986, 3/1/1988; 13.14.7.19 NMAC - Rn, 13 NMAC 14.7.19, 5/15/2000; A, 10/1/2012; Repealed, 7/31/2014; N, 3/1/2016; A, XX/XX/XXXX]

13.14.7.20 ISSUANCE OF REPLACEMENT MORTGAGEE’S POLICY:

A. When an authorized insurer is placed in permanent or temporary receivership for purpose of liquidation with a finding of insolvency by a court of competent jurisdiction (insolvent insurer), a replacement policy of title insurance can be purchased by an insured covered by a mortgagee’s policy issued pursuant to 13.14.7.20 NMAC.

B. The insured shall surrender the existing policy of said insolvent insurer to the company when placing the order for a replacement policy. A copy of the existing policy obtained from the issuing agent can be surrendered in lieu of the existing original policy. If a copy of the existing policy is obtained from the original agency that issued it, an additional charge ~~[can]~~ shall be made to the insured ~~[in an amount that is reasonable-considering the nature and extent of the services rendered]~~ as established in the title rate case. The date of policy for the replacement policy shall be the same date of policy as the existing policy.

C. No replacement policy shall be issued without exceptions to coverage for defects, liens, encumbrances, adverse claims or for other matters known to exist by the insured on the date of issuance of the replacement policy, including but not limited to claims known by any owner or other insured and claims reported under existing policies or claims that have been made against the receiver for the insolvent insurer or agent(s) who represented the insolvent insurer. All replacement policies shall contain the following exception on schedule B: Defects, liens, encumbrances, adverse claims or other matters not known to the issuing agent and/or insurer at the issue date of this replacement policy, but known to any owner or other insured claimant and not disclosed in writing to the agent and/or insurer by the insured claimant prior to the date the insured claimant became insured under this policy.

D. A replacement policy may be issued on a lien covered by an existing mortgage policy but not on a lien to take up, renew, or extend or satisfy the existing lien. The replacement policy amount for a mortgagee policy shall be the amount of the current unpaid balance of the indebtedness. Agents ~~[and/or]~~ or insurers, as applicable, must issue a replacement policy when request therefore is made by an insured that has satisfied the requirements of this regulation.

E. No search or examination of title or evidence thereof is required of the agent or insurer issuing a replacement policy pursuant to this regulation. However, if agents [and] or insurers [may] conduct a search and examination [at no] at the request of the insured, any additional expense to the insured [other than as set forth in 13.14.9.26 NMAC] shall be as established in the title rate case.

F. All replacement policies shall be marked as such by adding the words “Replacement Policy; NO SEARCH REQUIRED,” prior to the policy number on the cover page of the policy and on the top center of all other pages not considered a policy cover or jacket. Subsequent to the words “Replacement Policy; NO SEARCH REQUIRED,” the date the replacement policy was issued shall be indicated after the word “Issued” is typed. ~~[No other regulations affording]~~ Any credits, discounts, reduction in premium ~~[shall apply to replacement policies other than stated herein and in 13.14.9.10.7 NMAC]~~ or the like, shall be established in the title rate case. [6/15/1991; 13.14.7.20 NMAC - Rn, 13 NMAC 14.7.20, 5/15/2000; A, 3/1/2016; A, XX/XX/XXXX]

13.14.7.21 [RESERVED]

[4/1/1993; 13.14.7.21 NMAC - Rn, 13 NMAC 14.7.21, 5/15/2000; Repealed, 7/1/2005]

13.14.7.22 LIMITED PRE-FORECLOSURE TITLE INSURANCE POLICY: A limited pre-foreclosure title insurance policy (NM form 41) and, if desired, a limited pre-foreclosure title insurance policy down date endorsement (NM form 42) may be issued upon receipt of a bona fide order from an attorney, trustee, mortgagee or their agent in anticipation of the filing of an action to judicially foreclose a mortgage, deed of trust or other lien or security instrument encumbering title to real property in New Mexico, or to non-judicially foreclose a deed of trust.

No binder shall be issued in connection with said policy. The amount of coverage shall be equal to the amount of the unpaid principal indebtedness due under the lien or note secured by the security instrument to be foreclosed. The policy shall be furnished solely for the purpose of facilitating the filing of the action referred to in schedule A of the policy. The promulgation of this form shall not preclude, nor affect, the issuance of a title search and report by an agent.

[4/3/1995; 13.14.7.22 NMAC - Rn, 13 NMAC 14.7.22, 5/15/2000; A, 7/1/2004; A, 9/15/2010; A, 3/1/2016; A, 7/1/2018]

13.14.7.23 ALTA RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY: Upon request, a title agent or insurer may issue an ALTA Residential Limited Coverage Junior Loan Policy (NM form 45) if all of the conditions required by this section exist. Use of the limited search policy is optional and no agency ~~and/or~~ or insurer need issue this form even if requested and the transaction meets all the requirements of these rules.

A. The real property to be insured under the policy is one to four family residential as defined in Subsection A of 13.14.1.21 NMAC;

B. The real property is located within a county recorded subdivision as defined in Subsection B of 13.14.6.20 NMAC;

C. The agent or insurer has a complete copy of all schedules of an owner's policy issued in favor of the person(s) shown as vestee(s) in the proposed policy;

D. The loan to be made by lender is less than or equal to \$75,000 and is a junior equity line of credit or second mortgage; and

E. The policy is issued in conformance with the underwriting standards issued by the title insurance company.

[6/1/1997; 13.14.7.23 NMAC - Rn, 13 NMAC 14.7.23, 5/15/2000; A, XX/XX/XXXX]

13.14.7.24 [RESERVED]

[13.14.7.24 NMAC - N, 7/1/2004; Repealed, 9/15/2009]

13.14.7.25 [RESERVED]

[13.14.7.25 NMAC - N, 7/1/2004; A, 7/1/2005; Repealed, 9/15/2009]

13.14.7.26 CLOSING PROTECTION LETTERS: The closing protection letter - single transaction (NM form 81) and the closing protection letter multiple transactions (NM form 81.1) may be issued with the approval of the underwriter, in addition to issuance of any policy. Unless specifically requested by a party and approved by the underwriter, the closing protection letter- single transaction (NM form 81) shall be issued. Each insurer shall establish written instructions and underwriting standards preceding the use of these forms.

[13.14.7.26 NMAC - N, 9/15/2010; A, 10/1/2012; A, 3/1/2016]

13.14.7.27 RESIDENTIAL LIMITED COVERAGE MORTGAGE MODIFICATION POLICY:

A. Upon payment of the premium [~~provided for in 13.14.9.42 NMAC~~] established in the title rate case, a residential limited coverage mortgage modification policy as described in NM form 90 may be issued in the amount of the outstanding principal balance of the loan on the date of the policy. The policy may not be issued to increase coverage if an additional advance is included in the agreement for the modification of mortgage.

B. This policy shall only be issued on properties that are defined as "one to four family residential property."

C. In order to issue a residential limited coverage modification policy, proof of the previous policy shall be in the possession of the company issuing the policy prior to the commencement of the title search for said policy. Proof, as used in this context, shall mean a copy of the previous policy, which shall include the following information: issuing company/underwriter, policy number, date of issue, policy amount, legal description of insured property, name of insured, as well as complete copies of schedules A and B (and C, if applicable), and any attached endorsements.

[13.14.7.27 NMAC - N, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

HISTORY OF 13.14.7 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.
SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. [RESERVED]

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.7, Loan, Leasehold Loan, and Construction Loan Policies, effective 11/01/1996.

13 NMAC 14.7, Loan, Leasehold Loan, and Construction Loan Policies (filed 10/2/1996), was renumbered reformatted, amended and replaced by 13.14.7 NMAC, Loan, Leasehold Loan, and Construction Loan Policies, effective 5/15/2000, amended effective 7/31/2014.

13 NMAC 14.7, Loan, Leasehold Loan, and Construction Loan Policies effective 7/31/2014, amended effective 3/1/2016.

13.14.7 NMAC, Loan, Leasehold Loan, and Construction Loan Policies effective 3/1/2016, amended effective 7/1/2018.

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 9 GENERAL RATE PROVISIONS

13.14.9.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”) [~~Title Insurance Bureau~~].
[4/1/1996; 13.14.9.1 NMAC - Rn & A, 13 NMAC 14.9.1, 5/15/2000; A, 8/15/2014; A, XX/XX/XXXX]

13.14.9.2 SCOPE: This rule applies to all title insurers and all title insurance agents conducting title insurance business in New Mexico.
[3/1/1974...11/1/1996; 13.14.9.2 NMAC - Rn, 13 NMAC 14.9.2, 5/15/2000]

13.14.9.3 STATUTORY AUTHORITY: [~~Sections 59A-30-4 and 59A-30-6 NMSA 1978~~]
Section 59A-2-9 NMSA 1978, Section 59A-30-4 NMSA 1978, Section 59A-30-6 NMSA 1978, and Section 59A-30-7 NMSA 1978.
[3/1/1974...11/1/1996; 13.14.9.3 NMAC - Rn, 13 NMAC 14.9.3, 5/15/2000; A, XX/XX/XXXX]

13.14.9.4 DURATION: Permanent.
[4/1/1996; 13.14.9.4 NMAC - Rn, 13 NMAC 14.9.4, 5/15/2000]

13.14.9.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[3/1/1974, 11/1/1996; 13.14.9.5 NMAC - Rn & A, 13 NMAC 14.9.5, 5/15/2000]

13.14.9.6 OBJECTIVE: The purpose of this rule is to [~~establish~~] identify rates for title insurance policies that will be set in the title rate case.
[11/1/1996; 13.14.9.6 NMAC - Rn & A, 13 NMAC 14.9.6, 5/15/2000; A, XX/XX/XXXX]

13.14.9.7 DEFINITIONS: See 13.14.1 NMAC.
[3/1/1974...11/1/1996; 13.14.9.7 NMAC - Rn, 13 NMAC 14.9.7, 5/15/2000]

13.14.9.8 SCHEDULE OF PREMIUM RATES: [~~The superintendent of insurance~~] For original owner’s policies of title insurance, the schedule of premium rates shall be [establish a schedule of premium rates for original owner’s policies of title insurance] established in the title rate case. Said premium rates, sometimes called the schedule of basic premium rates, shall apply to all policies of title insurance issued on New Mexico properties unless the same be specified or modified in other applicable rate regulations.
[6/16/1986; 13.14.9.8 NMAC - Rn, 13 NMAC 14.9.8.1, 5/15/2000; A, XX/XX/XXXX]

13.14.9.9 COMBINATIONS OF CREDITS OR DISCOUNTS: In no event shall two or more rate regulations (or separately lettered or numbered paragraphs thereof) granting credits, reductions or discounts in premiums be combined in the calculation of the premium or premiums for a single transaction, unless one original owner policy premium in the largest amount is charged; provided, however, that a simultaneous issue rate regulation may be combined with any appropriate single issue rate regulation.
[6/16/1986; 13.14.9.9 NMAC - Rn, 13 NMAC 14.9.8.2, 5/15/2000]

13.14.9.10 PREMIUM RATES INCLUSIVE: The premium policy rates established [~~by these rules include~~] in the title rate case shall constitute all permissible [all] premiums for title insurance, examination of the title or titles to be insured, determining that each insured estate has been created, conveyed or modified as shown in the policy, and determining what exceptions, if any, to insert in or delete from the policies to be issued as provided in these rules.
[6/16/1986; 13.14.9.10 NMAC - Rn, 13 NMAC 14.9.8.3, 5/15/2000; A, 7/1/2018; A, XX/XX/XXXX]

13.14.9.11 PAYMENTS OF PREMIUM TO OTHERS: No portion, split or percentage of any premium shall be paid either directly or indirectly to any person, firm or organization for title insurance, title examination, or determining status of title as set forth above, except a division of premium between an insurer admitted to do title insurance business in New Mexico and its licensed New Mexico agent pursuant to their agency agreement, or between licensed New Mexico agents (or companies admitted or licensed in New Mexico who do not have agency agreements in a county where some of the property is located) who are cooperating to close a transaction involving

New Mexico property situated in more than one county to be insured in a single policy when each licensed agent or admitted company is rendering part of the services included in the premiums as set forth in 13.14.9.10 NMAC. Any agent which has cancelled its agency agreement or had its agency agreement cancelled by an underwriter may prepare endorsements to existing policies then in force at the time of cancellation upon request by the insured and approval by the underwriter. Said endorsements shall be signed by an officer of the underwriter. The premium for such endorsement shall be collected by the cancelled agent and divided according to the controlling promulgated rates at the time of issuance of said endorsement(s). The payment or receipt of referral fees by or between licensed agents and/or admitted companies is prohibited.

[6/16/1986; 13.14.9.11 NMAC - Rn, 13 NMAC 14.9.10, 5/15/2000; A, 9/15/2010; A, 3/1/2016]

13.14.9.12 REBATES AND UNAUTHORIZED DISCOUNTS: No person or company shall charge for a policy, binder or commitment in one transaction and withhold issuance of said policy, binder or commitment, nor shall any person or company charge a premium for a policy, binder or commitment in one transaction and apply the charged premium in a subsequent transaction unless the same be specifically authorized by these rules. No person or company shall issue a binder or commitment for which a premium is prescribed, without making a full charge therefor nor shall such premium, or any part thereof, be applied toward the premium for any policy. No person or company shall issue a policy, for which a premium is prescribed, without making full charge therefor.

[6/16/1986; 13.14.9.12 NMAC - Rn, 13 NMAC 14.9.8.5, 5/15/2000]

13.14.9.13 ROUNDING TO THE NEAREST DOLLAR: All premiums charged for title insurance policies, endorsements, binders or commitments shall be rounded to the nearest dollar after all computations necessary have been performed. Fifty cents or more shall be rounded up; forty-nine cents or less shall be rounded down.

[6/16/1986; 13.14.9.13 NMAC - Rn, 13 NMAC 14.9.8.6, 5/15/2000; A, 3/1/2016]

13.14.9.14 FRACTIONAL THOUSAND DOLLARS OF LIABILITY: To compute any charge on a fractional thousand dollars of liability, consider any fraction of one thousand dollars (\$1,000) as a full one thousand dollars (\$1,000).

[6/16/1986; 13.14.9.14 NMAC - Rn, 13 NMAC 14.9.8.7, 5/15/2000]

13.14.9.15 NON-DISCRIMINATION IN AUTHORIZED DISCOUNTS: The discounts ~~[authorized in these rules]~~ established in the title rate case are the only discounts allowed and shall be offered on a non-discriminatory basis for like risks and like insureds.

[6/16/1986; 13.14.9.15 NMAC - Rn, 13 NMAC 14.9.8.8, 5/15/2000; A, XX/XX/XXXX]

13.14.9.16 ADDITIONAL CHARGES: ~~[In addition to the premiums specified in these rate regulations, the following non-premium]~~ Non-premium fees shall be charged ~~[whenever]~~ as established in the title rate case for situations in which the search or examination conducted for the issuance of the policy involves either an extra chain of title or other unusual complexity. ~~[(as those terms are defined in Subsection A of 13.14.1.11 NMAC and Subsection A of 13.14.1.27 NMAC): (1) for each additional chain of title, of platted tracts, a charge of fifty dollars (\$50); and, (2) for each tract of unusual complexity of search and examination, a charge of fifteen percent of the full basic premium rate on each such tract. If the separate values for each tract are not apportioned in the policy, their values for the purposes of this regulation shall be in the same proportions as their areas bear to the entire area insured.]~~

[6/16/1986, 3/1/1992; 13.14.9.16 NMAC - Rn, 13 NMAC 14.9.8.9, 5/15/2000; A, 7/1/2018; A, XX/XX/XXXX]

13.14.9.17 CANCELLATION FOR NON-PAYMENT OF PREMIUM: In the event that all premium due is not paid in full within 15 banking days of the issuance of any policy or endorsement, the underwriter shall cancel the said policy or endorsement; said cancellations shall be made upon written notice to the insured by certified mail, return receipt requested, to the last known address, and shall be effective not less than 10 days after mailing said notice to the insured. Agents shall promptly notify their underwriter(s) of the non-receipt of premiums within the period specified herein.

[6/16/1986; 13.14.9.17 NMAC - Rn, 13 NMAC 14.9.8.10, 5/15/2000]

13.14.9.18 [PREMIUM RATES FOR ORIGINAL OWNER'S POLICIES: The following schedule of premium rates for original owner's policies shall be in effect from the effective date of this rate rule until modified by the superintendent:

Liability Charge Up to:	Total Charge:	Liability Charge Up to:	Total Charge:	Liability Charge Up to:	Total Charge:
10,000	176	24,000	290	38,000	388
11,000	184	25,000	296	39,000	395
12,000	193	26,000	304	40,000	402
13,000	201	27,000	311	41,000	407
14,000	210	28,000	320	42,000	414
15,000	218	29,000	327	43,000	421
16,000	227	30,000	334	44,000	428
17,000	235	31,000	342	45,000	434
18,000	244	32,000	348	46,000	440
19,000	252	33,000	356	47,000	447
20,000	260	34,000	361	48,000	454
21,000	265	35,000	368	49,000	460
22,000	273	36,000	376	50,000	468
23,000	281	37,000	381		

For amounts of insurance (in thousands)	Portion of rate (per thousand) subject to agent commission, add	Agent retention percentage	Additional rate per \$1000 to be collected on policy amounts in excess of \$10 million (solely for underwriter)	Total Charged to Consumer
over \$50 to \$100	\$5.68	80%		\$5.68
over \$100 to \$500	\$4.47	80%		\$4.47
over \$500 to \$2,000	\$3.50	80%		\$3.50
over \$2,000 to \$5,000	\$2.82	75%		\$2.82
over \$5,000 to \$10,000	\$2.34	70%		\$2.34
over \$10,000 to \$25,000	\$2.01	65%	\$0.25	\$2.26
over \$25,000 to \$50,000	\$1.76	60%	\$0.25	\$2.01
over \$50,000	\$1.40	50%	\$0.25	\$1.65

[RESERVED]

[6/16/1986...4/3/1995; A, 5/1/1999; 13.14.9.18 NMAC - Rn, 13 NMAC 14.9.8.11 & A, 5/15/2000; A, 5/31/2000; A, 8/1/2000; A, 3/1/2002; A, 7/1/2003; A, 7/1/2004; A, 7/1/2005; A, 7/1/2006; A, 9/1/2007; A, 7/1/2008; A, 8/1/2009; A, 10/1/2012; A, 8/15/2014; A/E, 7/1/2018; A, 12/27/2018; Repealed, XX/XX/XXXX]

13.14.9.19 NON-POLICY RATES: The rates described in this section shall be established in the title rate case.

A. Commitments to insure. [The] There shall be a separate premium for each version of a commitment to insure (or an interim title insurance binder) [~~is one hundred dollars (\$100)~~] for the initial six months, and an additional [~~one hundred dollars (\$100)~~] premium for each additional six month (or portion thereof) renewal or extension. If the version of the commitment is issued to correct an error by the issuing agent, the version shall be issued at no charge.

B. Cancellation fee. If the transaction fails to close and no policy is issued by the company issuing its commitment (or binder), the company may charge a cancellation fee ~~[that it determines reasonable and appropriate considering the nature and extent of the services rendered by it].~~

C. Pro Forma Policies. ~~[The]~~ There shall be a premium for ~~[the issuance of any form of]~~ an owner's or loan pro forma policy ~~[is one hundred dollars (\$100) for each pro forma policy,]~~ issued pursuant to 13.14.5.13 NMAC. If the version of the pro forma is issued to correct an error by the issuing agent, the version shall be issued at no charge.

[6/16/1986...3/1/1989; 6/1/1997, 6/1/1998; 13.14.9.19 NMAC - Rn, 13 NMAC 14.9.9, 5/15/2000; A, 10/1/2012; A, 3/1/2016; A, 07/1/2018; A, XX/XX/XXXX]

3.14.9.20 ORIGINAL OWNER'S POLICY SINGLE ISSUE RATES: Original owner's policies issued not simultaneously with another policy or policies and not as a reissue of an owner's policy, shall be at the full basic premium rate according to the schedule in effect as of the date of the policy.

[6/16/1986; 13.14.9.20 NMAC - Rn, 13 NMAC 14.9.10.1, 5/15/2000]

13.14.9.21 ORIGINAL LEASEHOLD POLICY SINGLE ISSUE RATES: Original leasehold policies issued not simultaneously with another policy or policies and not as a reissue of a leasehold policy, shall be at the full basic premium rate according to the schedule in effect as of the date of the policy. Original leasehold policies which are reissues of original owner's policies (i.e. a sale and leaseback) shall qualify for the reissue rates ~~[specified in 13.14.6.18 NMAC]~~ established in the title rate case.

[6/16/1986; 13.14.9.21 NMAC - Rn, 13 NMAC 14.9.10.2, 5/15/2000; A, XX/XX/XXXX]

13.14.9.22 ORIGINAL FIRST MORTGAGE SINGLE ISSUE RATES: Premiums for an original first mortgage policy (loan policy) shall be ~~[ninety percent of the full basic premium rate according to the schedule in effect as of the date of the policy]~~ established in the title rate case.

[6/16/1986; 13.14.9.22 NMAC - Rn, 13 NMAC 14.9.10.3, 5/15/2000; A, XX/XX/XXXX]

13.14.9.23 SUBDIVIDERS OR NEW CONSTRUCTION BULK SINGLE ISSUE RATES: Any person, firm or organization qualified pursuant to 13.14.6.20 NMAC shall receive ~~[a twenty five percent]~~ the discount ~~[from the full basic premium rates according to the schedule in effect as of the date of each policy]~~ as established in the title rate case on all owner's policies issued by the same company on the lots or tracts which qualify pursuant to 13.14.6.20 NMAC; ~~provided, however, that notwithstanding the discount, no owner's policy shall be issued under this regulation for a premium less than ninety percent of the minimum basic premium according to the schedule in effect as of the date of the policy].~~

[6/16/1986; 13.14.9.23 NMAC - Rn, 13 NMAC 14.9.10.4, 5/15/2000; A, XX/XX/XXXX]

13.14.9.24 ABSTRACT RETIREMENT CREDIT: When the applicant for an owner's policy transfers, at the time of application for the policy, to the agent or insurer ownership of the abstract of title covering all or part of the premises to be insured, a credit ~~[of twenty five percent of the appropriate premium for said owner's policy, up to a maximum credit of one hundred dollars (\$100), will]~~ shall be allowed as established in the title rate case.

[6/16/1986; 13.14.9.24 NMAC - Rn, 13 NMAC 14.9.10.5, 5/15/2000; A, XX/XX/XXXX]

13.14.9.25 SINGLE ISSUE GOVERNMENT CERTIFICATES AND POLICIES: Certificates of title or United States policies will be issued to the United States government (or one of its branches such as the United States postal service) at the basic premium rates according to the schedule in effect as of the date of issuance.

[6/16/1986; 13.14.9.25 NMAC - Rn, 13 NMAC 14.9.10.6, 5/15/2000]

13.14.9.26 REPLACEMENT POLICY RATE: When an authorized insurer is placed in permanent or temporary receivership for purpose of liquidation with a finding of insolvency by a court of competent jurisdiction (insolvent insurer), and a replacement owner's or mortgagee's title insurance policy is issued pursuant to 13.14.6.22 NMAC or 13.14.7.20 NMAC, the premium shall be ~~[thirty five percent of the full basic premium rate according to the rate schedule in effect as of the date of issuance of the replacement policy]~~ as established in the title rate case.

The replacement policy may be issued through either a licensed title agent or through an authorized insurer directly. If a licensed title insurance agent issues the title insurance policy, the agent's division of premium shall be computed ~~[in accordance with 13.14.3.11 NMAC]~~ as established in the title rate case. If an authorized insurer issues the policy directly, said insurer shall retain the ~~[full]~~ portion of premium established in the title rate case.

[6/15/1991; 13.14.9.26 NMAC - Rn, 13 NMAC 14.9.10.7, 5/15/2000; A, XX/XX/XXXX]

13.14.9.27 [RESERVED]

13.14.9.28 SINGLE ISSUE FORECLOSURE TITLE INSURANCE POLICY: The premium for a foreclosure title insurance policy shall be ~~[fifty-five percent of the full basic premium rate according to the schedule in effect as of the date of the policy]~~ as established in the title rate case. If an owner's policy is issued following completion of the foreclosure, the owner's policy shall qualify for a re-issue rate ~~[of fifty-five percent of the full basic premium rate]~~ as established in the title rate case. All liability insured above this amount of the foreclosure title insurance policy for a new owner's policy must be computed at the basic premium rates in the applicable bracket. If the litigation or non-judicial foreclosure is terminated by the security instrument being reinstated, and a new owner's policy is issued to a new purchaser within one year of the date of the foreclosure title insurance policy, ~~[fifty percent]~~ a portion of the premium paid for the foreclosure title insurance policy shall be credited toward the new owner's policy premium, as established in the title rate case.

[4/3/1995; 13.14.9.28 NMAC - Rn, 13 NMAC 14.9.10.9, 5/15/2000; A, 7/1/2004; A, 09/15/2010; A, XX/XX/XXXX]

13.14.9.29 SINGLE ISSUE RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY: The premium for a residential limited coverage junior loan policy shall be ~~[forty percent of the full basic premium rate according to the schedule in effect as of the date of the policy, but shall not be less than a minimum of \$65]~~ as established in the title rate case.

[6/1/1997; 13.14.9.29 NMAC - Rn, 13 NMAC 14.9.10.10, 5/15/2000; A, XX/XX/XXXX]

13.14.9.30 SIMULTANEOUS ISSUE OWNER'S AND MORTGAGEE POLICIES:

A. When issuing an owner's and mortgagee (loan) policy or policies (or leasehold owner's and leasehold mortgagee policies) wherein the mortgagee policy or policies insure part or all of the land insured in the owner's policy the rate for the owner's policy bearing the same date as and specifically excepting to the liens insured in each mortgagee policy issued pursuant to this regulation shall be the applicable owner's rate ~~[determined by Sections 20, 21, 23, 24 or 35 of 13.14.9 NMAC]~~ as established in the title rate case.

B. The rates for each loan policy so simultaneously issued and naming as vestee the same insured owner ~~[will]~~ shall be ~~[one hundred dollars (\$100.00) for the aggregate amount of insurance not in excess of the owner's policy]~~ as established in the title rate case. The rate on the amount of each mortgagee policy exceeding the owner's policy in the aggregate is the difference between the original first mortgage rate for the owner's policy amount and the original first mortgage rate for the owner's policy plus the amount of liability by which the mortgagee policy exceeds the owner's policy ~~[according to the schedule in effect as of the date of the policies].~~

[6/16/1986, 2-16-87; 13.14.9.30 NMAC - Rn, 13 NMAC 14.9.11.1, 5/15/2000; A, XX/XX/XXXX]

13.14.9.31 SIMULTANEOUS ISSUE OWNER'S AND LEASEHOLD POLICIES:

A. When an owner's and leasehold policy or policies wherein the leasehold policy or policies issued insure part or all of the land insured in the owner's policy bearing the same date as and specifically excepting to the leases creating the estates insured in each leasehold policy issued pursuant to this regulation, the rate for the owner's policy shall be ~~[determined by Sections 20, 21, 23, 24 or 35 of 13.14.9 NMAC]~~ as established in the title rate case.

B. The rate for each leasehold policy so simultaneously issued ~~[will]~~ shall be ~~[thirty percent of the rate for the owner's policy up to the amount of the owner's policy]~~ as established in the title rate case. The rate on the aggregate amount of any leasehold policy exceeding the owner's policy is the difference between the basic premium rates ~~[according to the schedule in effect as of the date of the policies]~~ as established in the title rate case in the same manner as excess is computed in 13.14.9.30 NMAC.

[6/16/1986; 13.14.9.31 NMAC - Rn, 13 NMAC 14.9.11.2, 5/15/2000; A, XX/XX/XXXX]

13.14.9.32 SIMULTANEOUS ISSUE MULTIPLE OWNER'S POLICIES ON SAME LAND: When two or more owner's policies (including leasehold owner's policies) covering the same land are:

A. issued simultaneously by the same title insurer and title agent to different insureds (i.e., a buyer and a seller who was not furnished an owner's policy when he purchased or a fee estate and easement on the fee), the applicable owner's rate shall apply to the policy in the largest amount and the rate on the other policies shall be ~~[thirty percent of the basic premium rate according to the schedule in effect as of the date of the policies]~~ as established in the title rate case; or

B. issued to different insureds where a policy is issued in one transaction and one or more policies are issued within 30 days in a subsequent transaction or transactions, provided, (a) each transaction covers identical land; (b) all conveyances relating to the land to be insured in the subsequent transaction(s) are recorded no more than 30 days after the conveyances of the first transaction are recorded and all policies are issued by the same title insurer and title agent and no later than 30 days after the first transaction; and (c) an owner's policy is issued insuring the interest of each and every owner created by the subsequent transaction(s), the premium for the first policy shall be the applicable owner's rate in effect as of the date of the first policy and the premium for each subsequently issued policy shall be ~~[thirty percent of the full basic premium rate according to the schedule in effect as of the date of the subsequently issued policy or policies]~~ as established in the title rate case. If any subsequently issued policy exceeds the amount of insurance written in the first policy, the premium for the difference must be computed at the basic premium rates by brackets.

[4/1/1996; 13.14.9.32 NMAC - Rn, 13 NMAC 14.9.11.3, 5/15/2000; A, XX/XX/XXXX]

13.14.9.33 SIMULTANEOUS ISSUE DUPLICATE ORIGINAL POLICIES: When an insured requests the issuance of a duplicate original policy, the premium ~~[therefore]~~ shall be ~~[twenty five dollars (\$25)]~~ as established in the title rate case if such duplicate original policy is issued simultaneously with the original policy. If issued at any time other than simultaneously, the premium for such duplicate original policy shall be ~~[sixty five dollars (\$65)]~~ as established in the title rate case. Each insurer shall establish its written underwriting standards governing the issuance of duplicate original policies and establishing the language to be placed on such policy to clearly identify the policy as a duplicate original.

[3/1/1989; 13.14.9.33 NMAC - Rn, 13 NMAC 14.9.11.4, 5/15/2000; A, XX/XX/XXXX]

13.14.9.34 [RESERVED]

13.14.9.35 REISSUE OWNER'S OR LEASEHOLD RATES: The applicable discount to be used when computing a reissue owner's, leasehold, or contract purchaser's policy shall be ~~[determined using the schedule below]~~ as established in the title rate case. If more insurance is desired or required under the reissue policy than was written in the original policy, the difference must be computed at the basic premium rates in the applicable bracket or brackets in the same manner as excess liability is computed in 13.14.9.30 NMAC. See 13.14.6.18 NMAC for qualifications for reissue rates on owner's and leasehold policies. If two or more previous policies insuring different properties are presented to the title agent or insurer for a reissue discount on the purchase of a policy containing the same properties as shown in said previous policies the discount will be computed as follows: Title agent or insurer shall base the discount on the date of issue of the oldest previous policy and upon a liability amount equal to the sum of the liability amounts of the previous policies. If the previous policies contain more or less property than is insured under the previous policies, 13.14.9.37 NMAC applies. In no event shall the premium collected be less than the regular minimum promulgated rate for an owner's policy.

AGE IN YEARS OF PREVIOUS OWNER'S POLICY	PERCENTAGE OF BASIC PREMIUM RATES
3 years or more	90
2 years or more but less than 3 years	85
more than 1 year but less than 2 years	80
1 year or less	75

[6/16/1986...4/3/1995; 6/1/1998; 13.14.9.35 NMAC - Rn, 13 NMAC 14.9.12.1, 5/15/2000; A, 3/1/2002; A, XX/XX/XXXX]

13.14.9.36 SECOND MORTGAGES OR SUBSEQUENT ISSUES: A loan policy insuring any mortgage granted by the owner of property subsequent to the original date of his owner's policy insuring said property, shall be issued ~~[at sixty percent (60%) of the full basic premium rates according to the schedule as of the date of the subsequent loan policy, up to the face amount of the owner's policy less the face amount of all liens of record not released upon issuance of the subsequent loan policy]~~ as established in the title rate case. All liability insured above that amount shall be at ~~[ninety percent (90%) of the current basic premium rates by brackets]~~ premium rates as established in the title rate case. ~~[In no event shall the premium collected be less than the regular minimum promulgated rate for an owner's policy.]~~

[6/16/1986, 4/3/1995, 6/1/1998; 13.14.9.36 NMAC - Rn, 13 NMAC 14.9.12.2, 5/15/2000; A, XX/XX/XXXX]

13.14.9.37 COMPUTATION OF RATES WHEN INSURED PROPERTY IS NOT IDENTICAL:

When only a portion of the land previously insured is being insured by a reissue owner's or reissue leasehold owner's policy or by a subsequent issue loan policy, or when the land previously insured is only a portion of the land being insured by a reissue owner's or reissue leasehold owner's policy or by a subsequent issue loan policy, the rates provided in 13.14.9.35 NMAC and 13.14.9.36 NMAC shall be adjusted in proportion to the areas insured in the original policy and the current policy. For example, if the original policy insured one acre and the current policy insures three acres, the reissue rates will apply to one-third of the current value up to the face amount of the original policy; but, if the situation is reversed, the reissue rates will only apply up to one-third of the face amount of the original policy. In no event shall the reissue rates be applied to allow more than one hundred percent of the face amount of the original policy to be used cumulatively in the computation of reissue rates.

[6/16/1986; 13.14.9.37 NMAC - Rn, 13 NMAC 14.9.12.3, 5/15/2000]

13.14.9.38 COMPUTATION OF RATES UPON CONVERSION OF LEASEHOLD OWNER'S POLICY TO STANDARD OWNER'S POLICY:

When a leasehold owner's policy is converted to a standard owner's policy pursuant to 13.14.6.9 NMAC, the premium for such conversion shall be ~~[fifty percent of the basic premium rate in effect at the time of such conversion]~~ as established in the title rate case, up to the face amount of the leasehold owner's policy. ~~[If more insurance is desired or required under the standard owner's policy than was written in the leasehold owner's policy, the difference must be computed at the basic premium rates in the applicable bracket or brackets in the same manner as excess liability is computed in 13.14.9.30 NMAC.]~~

[3/1/1989; 13.14.9.38 NMAC - Rn, 13 NMAC 14.9.12.4, 5/15/2000; A, XX/XX/XX]

13.14.9.39 SUBSTITUTION RATE ON LOANS TO TAKE UP, RENEW, EXTEND OR SATISFY AN EXISTING INSURED LOAN:

A. ~~[For purpose of the]~~ The premium discount on refinanced property ~~[pursuant to]~~ shall be as set forth in Section 59A-30-6.1 NMSA 1978. ~~[, the following discount shall apply:~~

~~(1) forty percent of the current basic premium rate applies to any amount up to the amount of the previous policy insuring the mortgage or deed of the trust being refinanced, if the new policy is issued within three years from the date of the prior policy;~~

~~(2) fifty percent of the basic premium rate applied to any amount up to the amount of the previous policy insuring the mortgage or deed of trust being refinanced, if any new policy is issued more than three years but less than five years from the date of the prior policy;~~

~~(3) sixty percent of the basic premium rate applied to any amount up to the amount of the previous policy insuring the mortgage or deed of trust being refinanced, if any new policy is issued more than five years but less than 10 years from the date of the prior policy;~~

~~(4) eighty percent of the current basic premium rate applied to any amount up to the amount of the previous policy insuring the mortgage or deed of trust being refinanced, if the new policy is issued more than twenty years from the date of the prior policy; or~~

~~(5) the premium for insurance coverage above the amount of the previous policy shall be ninety percent of the current basic premium rate as set by rule. In no promulgated or approved rate for a loan policy.]~~

B. The term "same borrower" in Section 59A-30-6.1 NMSA 1978 shall have the same meaning as "insured" as defined in Paragraph 1 (D) of the conditions set forth in NM form1.

C. The term "same property" in Section 59A-30-6.1 NMSA 1978 shall mean the identical property or any portion thereof. The reduction in rate pursuant to Section 59A-30-6.1 NMSA 1978 shall not apply in any case where any additional property not covered by the original policy or policies is included in the policy to be issued.

D. If two or more previous loan policies insuring different properties are presented to the title agent or insurer for a refinance discount pursuant to Section 59A-30-6.1 NMSA 1978, and provided that the new policy will contain the same properties as shown in said previous policies, the discount ~~[will]~~ shall be computed as follows: title agent or insurer shall base the discount on the date of issue of the oldest previous policy and upon a liability amount equal to the sum of the liability amounts of the previous policies. ~~[In no event shall the premium collected be less than the regular minimum promulgated rate for an owner's policy.]~~

E. This rule, may be applied in connection with the issuance of a series of mortgage policies issued by reason of noted being apportioned to individual units in connection with a master policy covering the aggregate indebtedness, including improvements. Individual mortgagee policies must be issued at the original first mortgage rate.

[4/3/1995; 13.14.9.39 NMAC - Rn, 13 NMAC 14.9.12.5, 5/15/2000; A, 7/1/2005; A, 8/15/2014; A, 7/1/2018; A, XX/XX/XXXX]

13.14.9.40 INSURING CONSTRUCTION LOANS AND DELETING STANDARD EXCEPTION 4 IN LOAN POLICIES:

A. Loan policy with two-year claims made limitation. A loan policy may be issued to insure a construction loan mortgage for a premium, [~~of thirty dollars (\$30) plus one dollar (\$1.00) per thousand calculated upon the face amount of the construction mortgage~~] as established in the title rate case, if the loan policy contains the following two-year claims made limitation: “Notwithstanding any other provision of this policy, the company shall be liable only for such loss or damage insured against by this policy which is actually sustained by the insured and reported to the company as provided in the conditions and stipulations on or before two years after the recording of the mortgage described in schedule A. (Upon payment to the company of the required full loan policy premium prior to the expiration of said policy, the term limitation may be deleted from this policy).”

B. Extension endorsement rates. A construction loan policy or a loan policy containing the two-year claims made limitations pursuant to Subsection A of 13.14.9.40 NMAC may be extended beyond its initial two-year term pursuant to 13.14.7.18 NMAC for an additional premium [~~of twenty five dollars (\$25) per six month endorsement~~] as established in the title rate case.

C. No subsequent credit on substitution loan. The issuance of a construction loan policy, or a standard loan policy with a two-year claims made limitation, may not be used as the basis for claiming a credit or discount on a refinanced property premium pursuant to Section 59A-30-6.1, NMSA 1978; a subsequent issue loan pursuant to 13.14.9.36 NMAC; or a substitution issue loan pursuant to 13.14.9.39 NMAC.

D. Endorsement “A” rates. An “A” endorsement may be issued at the same time and attached to a construction loan policy pursuant to 13.14.7.14 NMAC for an additional extra hazard risk premium [~~of five dollars (\$5.00) per thousand of the face amount of the policy~~] as established in title rate case. At the time of each subsequent disbursement and upon a date down of the title having been made to the date thereof, an additional endorsement “A” may be issued pursuant to 13.14.7.17 NMAC at an additional premium [~~of twenty five dollars (\$25) per endorsement~~] as established in the title rate case.

E. Mechanics’ and materialmen’s lien coverage in a loan policy. The standard exception numbered 4 in 13.14.5.9 NMAC may be deleted from any loan policy pursuant to 13.14.7.14 NMAC. The premium for deletion of the exception shall be [~~fifty dollars (\$50.00) when the insurer’s underwriting requirements for evidence of priority have been met or five dollars (\$5.00) per thousand of the face amount of the policy if said requirements have not been met as provided in 13.14.7.14 NMAC~~] as established in the title rate case.

[6/16/1986...4/1/1994; 6/1/1997; 6/1/1998; 13.14.9.40 NMAC - Rn, 13 NMAC 14.9.13, 5/15/2000; A, 3/1/2002; A, 9/1/2007; A, 10/1/2012; A, 8/15/2014; A, 3/1/2016; A, XX/XX/XXXX]

13.14.9.41 SINGLE POLICY MULTIPLE COUNTIES: In the event a proposed insured requests that a single policy be issued insuring multiple New Mexico properties that may be located in more than one county, the amount of insurance shall be allocated to each county based upon a supported amount as provided in writing by the proposed insured. The premium shall be calculated as if a policy was being issued separately in each county and the aggregated gross premiums shall be combined to determine the gross premium for the single policy. A New Mexico licensed agent (“agent”) or admitted company that maintains an agent or direct operation in one of the counties in which the property is located (“direct operation”) (collectively “issuing company”) must issue the policy and disburse, or direct the payee to disburse, the gross premium attributable to each county to the agent or direct operation in such county for such policy to be remitted to the insurer in accordance with the division of premium rule in effect at the time of issuance. The policy schedules applicable to the land located in each county shall be countersigned by the agent or direct operation and provided to the issuing company. The issuing company shall provide each agent or direct operation with a complete copy of the final policy which shall be maintained in accordance with underwriter and regulations requirements. Each agent or direct operation shall report the policy utilizing the combined policy number but only the gross premium it received attributable to the property within its county shall be reported. Issuance of a single policy shall not be used when the transaction involves property outside of New Mexico. This rule shall not be interpreted to allow title insurance underwriters to issue what is commonly referred to as home office issued policies.

[13.14.9.41 NMAC - N, 10/1/2012; A, 3/1/2016]

13.14.9.42 RESIDENTIAL LIMITED COVERAGE MORTGAGE MODIFICATION POLICY: When a residential limited coverage mortgage modification policy (NM form 90) is issued, the premium shall be [~~one~~

~~hundred seventy five (\$175.00) for each policy issued in an amount of \$0 \$1,000,000 and an additional one hundred seventy five (\$175.00) for each \$500,000 of policy amount above \$1,000,000 or part thereof up to \$20,000,000] as established in the title rate case.~~

[13.14.9.42 NMAC - N, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

HISTORY OF 13.14.9 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.

SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.

SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. [RESERVED]

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.9, General Rate Provisions, effective 11/01/1996.

13 NMAC 14.9, General Rate Provisions (filed 10/2/1996), was renumbered, reformatted, amended and replaced by

13.14.9 NMAC, General Rate Provisions, effective 5/15/2000, amended effective 8/15/2014.

13.14.9 NMAC, General Rate Provisions, effective 8/15/2014, amended effective, 3/1/2016.

13.14.9 NMAC, General Rate Provisions, effective 3/1/2016, amended effective, 7/1/2018.

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 10 ENDORSEMENT RATES

13.14.10.1 ISSUING AGENCY: Office of Superintendent of Insurance (“OSI”) [~~Title Insurance Bureau~~].
[4/1/1996; 13.14.10.1 NMAC - Rn & A, NMAC 14.10.1, 5/15/2000; A, 7/31/2014; A, XX/XX/XXXX]

13.14.10.2 SCOPE: This rule applies to all title insurers and all title insurance agents conducting title insurance business in New Mexico.
[3/1/1974...11/1/1996; 13.14.10.2 NMAC - Rn, 13 NMAC 14.10.2, 5/15/2000]

13.14.10.3 STATUTORY AUTHORITY: [~~Sections 59A-30-4 and 59A-30-6 NMSA 1978~~] Section 59A-2-9 NMSA 1978, Section 59A-30-4 NMSA 1978, Section 59A-30-6 NMSA 1978 and Section 59A-30-7 NMSA 1978.
[3/1/1974...4/1/1996; 13.14.10.3 NMAC - Rn, 13 NMAC 14.10.3, 5/15/2000; A, XX/XX/XXXX]

13.14.10.4 DURATION: Permanent.
[4/1/1996; 13.14.10.4 NMAC - Rn, 13 NMAC 14.10.4, 5/15/2000]

13.14.10.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6/16/1986, 11/1/1996; 13.14.10.5 NMAC - Rn & A, 13 NMAC 14.10.5, 5/15/2000]

13.14.10.6 OBJECTIVE: The purpose of this rule is to [~~establish rates for~~] identify permissible endorsements to title insurance policies.
[3/1/1974...11/1/1996; 13.14.10.6 NMAC - Rn & A, 13 NMAC 14.10.6, 5/15/2000; A, XX/XX/XXXX]

13.14.10.7 DEFINITIONS: See 13.14.1 NMAC.
[11/1/1996; 13.14.10.7 NMAC - Rn, 13 NMAC 14.10.7, 5/15/2000]

13.14.10.8 SCHEDULE OF PREMIUM RATES FOR ENDORSEMENTS TO TITLE INSURANCE POLICIES: The superintendent will establish in the title rate case a schedule of required premium rates for endorsements to title insurance policies. Said premium rates shall apply to all endorsements to policies of title insurance issued on New Mexico properties.
[13.14.10.8 NMAC – N, XX/XX/XXXX]

~~[13.14.10.8]~~ **13.14.10.9 ASSIGNMENTS OF MORTGAGES:** When a mortgage upon which a loan policy has been issued is assigned, each successive assignee may obtain an assignment endorsement, NM form 24, or an assignment and date down endorsement, NM form 24.1 from the insuring company certifying the title to include the date of recording the assignment, for a premium [~~of twenty five dollars (\$25) if issued within six months of the date of the policy or date of the last endorsement reflecting an earlier assignment, or a premium of sixty five dollars (\$65) if issued more than six months from the date of the policy or last endorsement reflecting an earlier assignment, if any, whichever is later~~] as established in the title rate case.
[13.14.10.9 NMAC – Rn & A, 13.14.10.8 NMAC, XX/XX/XXXX]

~~[13.14.10.9]~~ **13.14.10.10 MECHANICS’ LIEN COVERAGE IN OWNER’S POLICY (PERIOD NOT EXPIRED):** Owner’s policies may be issued with no exception to possible unfiled mechanics’ or materialmen’s liens upon compliance with 13.14.6.15 NMAC, for a premium as established in the title rate case. [~~and payment of the following additional premium:~~
A. ~~When all improvements have been fully completed and the statutory period for filing mechanics’ or materialmen’s liens has expired, this endorsement shall be issued for a premium of fifty dollars (\$50.00) and,~~
B. ~~When new construction is involved, construction of the improvements has been fully completed and accepted by the insured owner and the period for filing mechanics’ or materialmen’s liens has not expired, this endorsement shall be issued for an extra hazard premium of three dollars (\$3.00) per thousand calculated on the face amount of the owner’s policy]~~ as established in the title rate case.
[13.14.10.10 NMAC – Rn & A, 13.14.10.9 NMAC, XX/XX/XXXX]

~~[13.14.10.10]~~ **SURVEY COVERAGE:**

~~A. An owner's policy may be endorsed pursuant to 13.14.6.14 NMAC to provide survey coverage upon the payment of an additional premium equal to fifteen percent of the full basic premium rate for the said policy according to the schedule in effect as of the date of the endorsement.~~

~~B. A loan policy may be endorsed pursuant to 13.14.7.13 NMAC to provide survey coverage upon the payment of a premium of fifty dollars (\$50.00).]~~

[6/16/1986; 13.14.10.10 NMAC - Rn, 13 NMAC 14.10.10, 5/15/2000; A, 7/1/2018; Repealed, XX/XX/XXXX]

13.14.10.11 ADDITIONAL ADVANCES UNDER OPEN END MORTGAGES: A loan policy may be endorsed to insure the validity and priority of the lien of the additional advance, ~~[upon payment of an endorsement premium of twenty five dollars (\$25) plus an additional premium calculated by determining the sum of: 1) the difference between the charge for a loan policy in the amount of the unpaid principal balance due to the lender before the advance is made and the charge for a loan policy in the amount of the principal balance due after the advance has been made utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement; and 2) for all endorsements for which the premium is calculated as a percentage of the policy premium or otherwise based on the policy amount, the difference between the charge for endorsements issued with the original loan policy in the amount of the unpaid principal balance due to the lender before the advance is made and the charge for such endorsements calculated on the principal balance due to the lender after the advance has been made, utilizing the appropriate rates identified in 13.14.10 NMAC in effect as of the date of the endorsements. The minimum combined charge for this endorsement is one hundred dollars (\$100.00)]~~ for a premium as established in the title rate case.

[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.11 NMAC - Rn, 13 NMAC 14.10.11, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.12 VARIABLE RATE, NEGATIVE AMORTIZATION AND REVOLVING CREDIT LOAN ENDORSEMENTS: The premium for the issuance of either a variable rate mortgage endorsement, negative amortization endorsement or a revolving credit loan endorsement, ~~[when such endorsement is issued at the same time as and attached to its loan policy, the charge shall be twenty five dollars (\$25) for each such endorsement issued. Should any such endorsement be issued at the request of the insured subsequent to the issuance of the loan policy, the premium for each endorsement issued is fifty dollars (\$50)]~~ shall be as established in the title rate case.

[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.12 NMAC - Rn, 13 NMAC 14.10.12, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.13 MANUFACTURED HOUSING ENDORSEMENT: When a manufactured housing endorsement, NM form 16, a manufactured housing unit - conversion (loan), NM form 16.1, or a manufactured housing unit - conversion owner's NM form 16.2 is issued the premium for each endorsement shall be ~~[seventy five dollars (\$75.00) in addition to the premium charged for the policy whether the endorsement is attached at issuance of the policy or thereafter]~~ as established in the title rate case.

[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.13 NMAC - Rn, 13 NMAC 14.10.13, 5/15/2000; A, 5/31/2000; A, 7/1/2004; A, 7/1/2006; A, 8/17/2009; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.14 CONDOMINIUM ENDORSEMENT ALL ASSESSMENTS: A condominium endorsement all assessments, NM form 12, may be issued at the same time as and attached to an owner's or a loan policy, ~~[for a premium of twenty five dollars (\$25)]~~ and a premium shall be charged as established in the title rate case.

Paragraph (3) of NM form 12 may be deleted at the option of the insurer. Each insurer shall establish its written underwriting requirements for such deletion and shall furnish its agent(s) written instructions relating thereto.

[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.14 NMAC - Rn, 13 NMAC 14.10.14, 5/15/2000; A, 5/31/2000; A, 8/17/2009; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.15 PLANNED UNIT DEVELOPMENT (PUD) ENDORSEMENT: A planned unit development endorsement all assessments NM form 13, and the planned unit development endorsement unpaid assessments NM form 13.1 may be issued at the same time and attached to a policy, ~~[for a premium of twenty five dollars (\$25)]~~ and a premium shall be charged as established in the title rate case.

[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.15 NMAC - Rn, 13 NMAC 14.10.15, 5/15/2000; A, 5/31/2000; A, 8/17/2009; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.16 [RESERVED]

13.14.10.17 CORRECTION ENDORSEMENT: There is no charge for the issuance of an endorsement correcting a commitment, binder or policy containing an error or omission not caused by the insured. If the correction results in additional liability for which the correct premium has not already been charged, the premium for the endorsement shall be the premium due and payable for the additional liability. Likewise, if the correction results in the application of a different or additional rate regulation(s) than was applied to the policy or its endorsements, the premium due and payable for this endorsement shall be the balance of premium unpaid after application of the appropriate rate regulation(s) following the correction. ~~[In addition, if]~~ If the correction is caused by the insured (i.e., inaccurate loan closing instructions), an additional premium ~~[of twenty five dollars (\$25) shall be collected for this endorsement]~~ shall be as established in the title rate case.
[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.17 NMAC - Rn, 13 NMAC 14.10.17, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.18 DOWN DATE ENDORSEMENT: Any down date (or date down) endorsement, including the NM form 22 pending disbursement down date endorsement, and the NM form 84 disbursement endorsement, to a loan policy containing a two-year claims made limitation or to a construction loan policy, shall be issued for a premium ~~[of twenty five dollars (\$25)]~~ as established in the title rate case.
[6/16/1986..4-3-95; 6/1/1998; 13.14.10.18 NMAC - Rn, 13 NMAC 14.10.18, 5/15/2000; A, 5/31/2000; A, 09/15/10; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.19 LEASEHOLD ENDORSEMENTS TO OWNER'S OR LOAN POLICIES: A leasehold owner's endorsement or leasehold loan endorsement shall be attached to a standard owner's policy or loan policy insuring a leasehold interest for no additional premium.
[6/16/1986; 13.14.10.19 NMAC - Rn, 13 NMAC 14.10.19, 5/15/2000]

13.14.10.20 RENEWAL, EXTENSION AND PARTIAL RELEASE ENDORSEMENT: Upon request of the named insured and the proper recording of all necessary documents at the expense of the insured, the insuring company or its agent may endorse its loan policy to reflect the renewal, extension, reinstatement, modification, partial release, release of additional collateral or release from personal liability of an insured lien in the manner prescribed by Subsection E of 13.14.8.8 NMAC, for a premium ~~[of twenty five dollars (\$25) if issued within six months from the date of the policy or date of the last endorsement reflecting an earlier assignment, renewal, etc., or a premium of sixty five dollars (\$65) if issued more than six months from the date of the policy or last such endorsement, if any, whichever is later]~~ as established in the title rate case.
[6/16/1986, 2/16/1987, 6/1/1998; 13.14.10.20 NMAC - Rn, 13 NMAC 14.10.20, 5/15/2000; A, 5/31/2000; A, 10/1/2012; A, 7/31/2014; A, 8/15/14; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.21 NON-IMPUTATION ENDORSEMENT: When a non-imputation endorsement - full equity transfer (NM form 28), a non-imputation endorsement - additional insured (NM form 28.1), or a non-imputation endorsement - partial equity transfer, (NM form 28.2) is issued pursuant to 13.14.8.11 NMAC, the premium therefore shall be ~~[one dollar (\$1.00) per thousand for each thousand dollars of insurance set forth in schedule A]~~ as established in the title rate case.
[2/6/1987, 4/1/1994; 13.14.10.21 NMAC - Rn, 13 NMAC 14.10.21, 5/15/2000; A, 8/17/2009; A, XX/XX/XXXX]

13.14.10.22 ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT: Upon request of an insured lender or its assignee, the company may issue an environmental protection lien endorsement (NM form 29) for a premium ~~[of twenty five dollars (\$25)]~~ as established in the title rate case.
[5/1/1988...4/3/1995; 6/1/1998; 13.14.10.22 NMAC - Rn, 13 NMAC 14.10.22, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.23 PENDING IMPROVEMENTS ENDORSEMENT: When a pending improvements endorsement (NM form 23) is issued pursuant to 13.14.6.8 NMAC, the premium for the endorsement shall be ~~[twenty five dollars (\$25.00) in addition to the premium charged for the policy]~~ as established in the title rate case.
[3/1/1989, 6/1/1998; 13.14.10.23 NMAC - Rn, 13 NMAC 14.10.23, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.24 CONDOMINIUM ENDORSEMENT UNPAID ASSESSMENTS: A condominium endorsement unpaid assessments, NM form 30, may be issued at the same time as and attached to an owner's or loan policy for a premium ~~[of twenty five dollars (\$25)]~~ as established by the title rate case. Paragraph (3) of NM form 30 may be deleted at the option of the insurer. Each insurer shall establish its written underwriting requirements for such deletion and shall furnish its agent(s) written instructions relating thereto.
[3/1/1989, 6/1/1998; 13.14.10.24 NMAC - Rn, 13 NMAC 14.10.24, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, 07/1/2018; A, XX/XX/XXXX]

13.14.10.25 – 13.14.10.29 [RESERVED]

13.14.10.30 REVOLVING CREDIT - INCREASED CREDIT LIMIT ENDORSEMENT: A loan policy insuring a revolving loan may be endorsed to increase the amount of insurance (provided the original mortgage complies with Section 48-7-9 NMSA 1978, and a modification of mortgage - modification agreement is properly executed and recorded), ~~[upon payment of an endorsement premium of twenty five dollars (\$25) plus an additional premium calculated by determining the difference between the charge for a loan policy in the amount of the current amount of insurance before the credit limit is increased, and the charge for a loan policy in the amount of the increased credit limit utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement. The minimum combined charge for this endorsement is fifty dollars (\$50)]~~ for a premium as established in the title rate case.
[4/1/1996, 6/1/1998; 13.14.10.30 NMAC - Rn, 13 NMAC 14.10.30, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.31 [RESERVED]
[6/1/1997; 13.14.10.31 NMAC - Rn, 13 NMAC 14.10.31, 5/15/2000; Repealed, 7/1/2018]

13.14.10.32 DOWN DATE ENDORSEMENT TO RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY JR 1:

A. The down date endorsement to residential limited coverage junior loan policy JR1, NM form 46, may be issued one or more times after issuance of an ALTA residential limited coverage junior loan policy (NM form 45) for a premium as established in the title rate case. ~~[The premium for the issuance of each NM form 46 endorsement is twenty five dollars (\$25).]~~ NM form 46 may not be issued more than one year after the date of policy stated in the ALTA residential limited coverage junior loan policy (NM form 45).

B. Paragraph B of NM form 46 shall describe the insured mortgage setting forth the date of recording of the insured's mortgage. This endorsement may also be issued solely for update purposes, prior to recordation of the insured mortgage by inserting the word "None" at the end of Paragraph B and by deleting the phrase "date of endorsement is the date shown above or the date of recording of the insured's mortgage, whichever is later" (if it appears on the NM form 46 endorsement after "date of endorsement").

C. Upon request of the named insured and the proper recording of all necessary documents meeting insurer's underwriting standards, the amount of the loan secured by the insured's mortgage insurance previously stated in the ALTA residential limited coverage junior loan policy (NM form 45) may be increased by adding a Paragraph D. It shall read as follows: "D. The amount of insurance of the policy is hereby amended to be \$____," subject to the payment of the applicable premium for the additional insurance. ~~[The additional premium (in addition to the premium for the NM form 46) shall be the difference between the premium from the amount of insurance stated in the ALTA residential limited coverage junior loan policy (NM form 45) and the amount of insurance stated in Paragraph D of NM form 46, calculated pursuant to 13.14.9.29 NMAC.]~~
[6/1/1998; 13.14.10.32 NMAC - Rn, 13 NMAC 14.10.32, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.33 REVOLVING CREDIT/VARIABLE RATE ENDORSEMENT TO RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY: The revolving credit/variable rate endorsement to residential limited coverage junior loan policy JR2 (future advance), NM form 47, may be issued when NM form 46 is issued. It may also be issued when it is incorporated in NM form 46 by describing the insured's mortgage in Paragraph B and checking the appropriate box in Paragraph C. The premium for the issuance of NM form 47, or its incorporation into NM form 46, [is twenty five dollars (\$25)] shall be as established in the title rate case.
6/1/1998; 13.14.10.33 NMAC - Rn, 13 NMAC 14.10.33, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.34 RESTRICTIONS, ENCROACHMENTS, AND MINERALS ENDORSEMENTS: NM forms 50, 50.1, 56, 56.1, 57, and 57.1 shall not be issued on residential properties with four or fewer units. The premium charge for issuance of these endorsements shall be ~~[ten percent of the full basic premium rate. Agents shall receive commissions for liabilities up to \$27,000,000; agents' retention shall be zero for liabilities greater than \$27,000,000. In no case shall the premium charge for the issuance of NM forms 50, 50.1, 56, 56.1, 57, or 57.1 be less than \$250]~~ as established in the title rate case.

[6/1/1998; 13.14.10.34 NMAC - Rn, 13 NMAC 14.10.34, 5/15/2000; A, 7/15/2002; A, 8/17/2009; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.35 [RESERVED]

13.14.10.36 LAND ABUTS STREET ENDORSEMENT: When a "land abuts street" endorsement, NM form 51, is issued pursuant to 13.14.8.17 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.36 NMAC - N, 5/15/2000; A, 5/31/2000; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.37 LOCATION ENDORSEMENT: When a "location" endorsement, NM form 52, is issued pursuant to 13.14.8.18 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.37 NMAC - N, 5/15/2000; A, 5/31/2000; A, 9/15/09; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.38 SAME AS SURVEY ENDORSEMENT: When a "same as survey" endorsement, NM form 78, or a "same as portion of survey" endorsement, NM form 79, is issued pursuant to 13.14.8.19 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.38 NMAC - N, 5/15/2000; A, 5/31/2000; A, 09/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.39 CONTIGUITY OF PARCELS ENDORSEMENTS: When a contiguity single parcel endorsement, NM form 54, or a contiguity multiple parcels endorsement, NM form 66, is issued pursuant to 13.14.8.20, the premium for each endorsement shall be ~~[one hundred dollars (\$100) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.39 NMAC - N, 5/15/2000; A, 7/1/2006; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.40 NAMED INSURED ENDORSEMENT: When a named insured endorsement, NM form 55, is requested for an owner's policy or leasehold owner's policy issued on or after August 15, 2001, there shall be no charge for the endorsement. When a named insured endorsement, NM form 55, is issued or requested for an owner's policy or leasehold owner's policy issued prior to August 15, 2001, the premium charge for issuance of the endorsement shall be ~~[twenty five dollars (\$25)]~~ as established in the title rate case.

[13.14.10.40 NMAC - N, 8/1/2001; A, 3/1/2002; A, 8/17/2009; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.41 FIRST LOSS -MULTIPLE PARCEL TRANSACTIONS ENDORSEMENT: When a first loss - multiple parcel transactions endorsement, NM form 58, is issued pursuant to 13.14.8.21 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.41 NMAC - N, 7/1/2003; A, 10/1/2012; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.42 [RESERVED]

13.14.10.43 AGGREGATION ENDORSEMENT: When an aggregation endorsement, NM form 60 or NM form 60.1, is issued pursuant to 13.14.8.23 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.43 NMAC - N, 7/1/2003; A, 10/1/2012; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.44 FOUNDATION ENDORSEMENT: When a foundation endorsement, NM form 61, is issued pursuant to 13.14.8.24 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25) for one to four family residential policies and fifty dollars (\$50.00) for commercial policies in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.44 NMAC - N, 7/1/2004; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.45 ASSIGNMENT OF RENTS OR LEASES ENDORSEMENT: When an assignment of rents or leases endorsement, NM form 62, is issued pursuant to 13.14.8.25 NMAC, the premium for each endorsement shall be ~~[one hundred dollars (\$100) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.45 NMAC - N, 7/1/2004; A, 3/1/2016; A, XX/XX/XXXX]

13.14.10.46 [RESERVED]

13.14.10.47 ZONING, UNIMPROVED LAND ENDORSEMENT: When a NM form 64, zoning unimproved land endorsement or a NM form 64.1, zoning - unimproved land - no applicable zoning ordinances endorsement is issued pursuant to 13.14.8.26 NMAC, the premium shall be ~~[fifteen percent of the full basic premium rate. Agents shall receive commissions pursuant to 13.14.3.11 NMAC for liabilities up to \$27,000,000; agents' retention shall be zero for liabilities greater than \$27,000,000. In no case shall the premium charge for the issuance of NM form 64 or NM form 64.1 be less than \$250]~~ as established in the title rate case. When issuing multiple zoning endorsements simultaneously on an owner's policy and a loan policy or loan policies in a single transaction, only one premium shall be charged calculated on the policy with the highest amount of insurance.

[13.14.10.47 NMAC - N, 7/1/2005, A, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.48 ZONING-COMPLETED STRUCTURE ENDORSEMENT, ZONING - LAND UNDER DEVELOPMENT ENDORSEMENT, AND ZONING COMPLETED STRUCTURE - NO APPLICABLE ZONING ORDINANCES ENDORSEMENT: When a NM form 65, zoning - completed structure endorsement, a NM form 65.1, zoning - land under development endorsement or a NM form 65.2, zoning - completed structure - no applicable zoning ordinances endorsement is issued pursuant to 13.14.8.27 NMAC, the premium shall be ~~[twenty three percent of the full basic premium rate. Agents shall receive commissions pursuant to 13.14.3.11 NMAC for liabilities up to \$27,000,000; agents' retention shall be zero for liabilities greater than \$27,000,000. In no case shall the premium charge for the issuance of NM form 65, NM form 65.1 or NM form 65.2, be less than \$250]~~ as established in the title rate case. When issuing multiple zoning endorsements simultaneously on an owner's policy and a loan policy in a single transaction, only one premium shall be charged calculated on the policy with the highest amount of insurance.

[13.14.10.48 NMAC - N, 7/1/2005; A, 7/31/2014; A, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

13.14.10.49 ACCESS AND ENTRY ENDORSEMENT: When an access and entry endorsement, NM form 67, is issued pursuant to 13.14.8.28 NMAC, the premium for the endorsement ~~[for each street, road, or highway]~~ shall be ~~[twenty five dollars (\$25.00)]~~ as established in the title rate case.

[13.14.10.49 NMAC - N, 7/1/2006; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.50 INDIRECT ACCESS AND ENTRY ENDORSEMENT: When an "indirect access and entry" endorsement, NM form 68, is issued pursuant to 13.14.8.29 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.50 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.51 UTILITY ACCESS ENDORSEMENT: When a "utility access" endorsement, NM form 69, is issued pursuant to 13.14.8.30 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.

[13.14.10.51 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.52 COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT: When a "commercial environmental protection lien" endorsement, NM form 70, is issued pursuant to 13.14.8.31 NMAC on

either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.52 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.53 REVERSE MORTGAGE ENDORSEMENT: When a reverse mortgage endorsement (NM form 71) is issued pursuant to 13.14.8.32 NMAC, the premium for the endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.53 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.54 SINGLE TAX PARCEL ENDORSEMENT: When a "single tax parcel" endorsement, NM form 72, is issued pursuant to 13.14.8.33 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25.00) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.54 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.55 MULTIPLE TAX PARCEL ENDORSEMENT: When a "multiple tax parcel" endorsement, NM form 73, is issued pursuant to 13.14.8.34 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.55 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.56 DOING BUSINESS ENDORSEMENT: When a "doing business" endorsement, NM form 74, is issued pursuant to 13.14.8.35 NMAC on loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.56 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.57 SUBDIVISION ENDORSEMENT: When a "subdivision" endorsement, NM form 75, is issued pursuant to 13.14.8.36 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.57 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.58 EASEMENT - DAMAGE OR ENFORCED REMOVAL ENDORSEMENT: When a "easement-damage or forced removal" endorsement, NM form 76, is issued pursuant to 13.14.8.37 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.58 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.59 CO-INSURANCE - SINGLE POLICY ENDORSEMENT: When a "co-insurance single policy" endorsement, NM form 77, is issued pursuant to 13.14.8.38 NMAC on either owner's policies or loan policies, the premium for each endorsement shall be ~~[twenty five dollars (\$25) in addition to the premium charged for the policy]~~ as established in the title rate case.
[13.14.10.59 NMAC - N, 9/15/2010; A, 7/31/2014; A, 8/15/2014; A, XX/XX/XXXX]

13.14.10.60 ENERGY PROJECT ENDORSEMENTS: When any one or more of the energy project endorsements (NM forms 88 through 88.8) is issued, the premium shall be ~~[ten percent of the full basic premium rate for all endorsements issued with respect to each owner's policy and ten percent of the full basic premium rate for all endorsements issued with respect to each loan policy issued in a single transaction. Agents shall receive commissions for liabilities up to \$27,000,000; agents' retention shall be zero for liabilities greater than \$27,000,000. In no case shall the premium charge for the issuance of any one of the NM forms 88 through 88.8 be less than \$250]~~ as established in the title rate case.
[13.14.10.60 NMAC - N, 3/1/2016; A, XX/XX/XXXX]

13.14.10.61 MORTGAGE MODIFICATION ENDORSEMENTS:
A. When a mortgage modification endorsement (NM form 80) or a modification with subordination endorsement (NM form 80.1) is issued, the premium shall be ~~[one hundred twenty five dollars (\$125.00) for each endorsement issued]~~ as established in the title rate case.

B. When a mortgage with additional amount of insurance endorsement (NM form 80.2) is issued, the premium shall be ~~[one hundred twenty five dollars (\$125.00) plus an additional premium calculated by determining the sum of: 1) the difference between the charge for a loan policy in the amount of the current amount of insurance before the amount of insurance is increased, and the charge for a loan policy in the amount of the increased insurance utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement; and 2) for all endorsements for which the premium is calculated as a percentage of the policy premium, or otherwise based on the policy amount, the difference between the charge for the endorsements issued for a loan policy in the amount of the current amount of insurance before the amount of insurance is increased and the charge for such endorsements calculated on the amount of the loan policy in the amount of increased insurance, utilizing the appropriate brackets in the schedule of basic premium rates in effect as of the date of the endorsement. The minimum combined charge for the NM form 80.2 endorsement is one hundred seventy five dollars (\$175.00) for each endorsement issued]~~ as established in the title rate case.

[13.14.10.61 NMAC - N, 3/1/2016; A, 7/1/2018; A, XX/XX/XXXX]

[13.14.10.63] 13.14.10.62 OWNER'S CONTRACT PURCHASER'S CONVERSION

ENDORSEMENT: When a contract purchaser's policy is converted to a fee simple owner's policy by use of the contract purchaser's conversion endorsement, NM form 91, pursuant to 13.14.6.10 NMAC, the premium for such endorsement shall be ~~[fifty percent of the basic premium rate in effect at the time of issuance of such endorsement, up to the face amount of the contract purchaser's policy. If more insurance is desired or required under the endorsement than was written in the contract purchaser's policy, the difference must be computed at the basic premium rates in the applicable bracket or brackets in the same manner as excess liability is computed in 13.14.9.30 NMAC]~~ as established in the title rate case.

[13.14.10.62 NMAC - Rn & A, 13.14.10.63 NMAC, XX/XX/XXXX]

[13.14.10.64] 13.14.10.63 PARTIAL COVERAGE ENDORSEMENT: When a partial coverage endorsement, NM form 26, is issued pursuant to 13.14.8.41 NMAC, the premium for each endorsement shall be ~~[twenty five dollars (\$25.00)]~~ as established in the title rate case.

[13.14.10.63 NMAC - Rn & A, 13.10.64 NMAC, XX/XX/XXXX]

HISTORY OF 13.14.10 NMAC:

Pre-NMAC History.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates, filed 3/7/1974.
SCC-85-6, Insurance Department Regulation 30 - Title Insurance, filed 9/6/1985.
SCC-86-1, Insurance Department Regulation 30 - Title Insurance, filed 5/9/1986.

History of Repealed Material. [RESERVED]

Other History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance (filed 5/9/1986) and renumbered, reformatted and replaced as 13 NMAC 14.10, Endorsement Rates, effective 11/1/1996.

13 NMAC 14.10, Endorsement Rates (filed 10/2/1996), was renumbered, reformatted, amended and replaced by 13.14.10 NMAC, Endorsement Rates, effective 5/15/2000, amended effective 7/31/2014; amended effective 8/15/2014.

13.14.10 NMAC, Endorsement Rates, effective 8/15/2014, amended effective 3/1/2016.

13.14.10 NMAC, Endorsement Rates, effective 3/1/2016, amended effective 7/1/2018.