

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

13.14.9.1 ISSUING AGENCY: Office of Superintendent of Insurance, 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]

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: NMSA 1978 Sections 59A-30-4 and 59A-30-6.
[3/1/1974...11/1/1996; 13.14.9.3 NMAC - Rn, 13 NMAC 14.9.3, 5/15/2000]

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 rates for title insurance policies.
[11/1/1996; 13.14.9.6 NMAC - Rn & A, 13 NMAC 14.9.6, 5/15/2000]

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 shall establish a schedule of premium rates for original owner's policies of title insurance. 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]

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 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]

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 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]

13.14.9.16 ADDITIONAL CHARGES: In addition to the premiums specified in these rate regulations, the following non-premium fees shall be charged whenever 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]

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:
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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

[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]

13.14.9.19 NON-POLICY RATES:

A. Commitments to insure. The 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) 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 premium for the issuance of any form of 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]

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.

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

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.

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

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 discount from the full basic premium rates according to the schedule in effect as of the date of each policy 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]

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 be allowed.

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

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. 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. If an authorized insurer issues the policy directly, said insurer shall retain the full premium.

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

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. 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. 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 of the premium paid for the foreclosure title insurance policy shall be credited toward the new owner's policy premium.

[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]

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

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.

B. The rates for each loan policy so simultaneously issued and naming as vestee the same insured owner will be one hundred dollars (\$100.00) for the aggregate amount of insurance not in excess of the owner's policy. 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]

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.

B. The rate for each leasehold policy so simultaneously issued will be thirty percent of the rate for the owner's policy up to the amount of the owner's policy. 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 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]

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; 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. 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]

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) 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). 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]

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. 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]

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. All liability insured above that amount shall be at ninety percent (90%) of the current basic premium rates by brackets. 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]

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, 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]

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

A. For purpose of the premium discount on refinanced property pursuant to 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 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]

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 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.

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. 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.

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.

[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]

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.

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

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.