

TITLE 13 INSURANCE
CHAPTER 14 TITLE INSURANCE
PART 2 LICENSING AND REPORTING REQUIREMENTS

13.14.2.1 ISSUING AGENCY: Office of Superintendent of Insurance, Title Insurance Bureau.
[4-1-96; 13.14.2.1 NMAC - Rn, 13 NMAC 14.3.1 & A, 5-15-00; A, 3-1-16]

13.14.2.2 SCOPE: This rule applies to all title insurers and title insurance agents conducting title insurance business in New Mexico.
[4-1-96, 11-1-96; 13.14.2.2 NMAC - Rn, 13 NMAC 14.3.2, 5-15-00]

13.14.2.3 STATUTORY AUTHORITY: Sections 59A-30-4, 59A-30-7, and 59A-30-12 NMSA 1978.
[6-16-86...11-1-96; 13.14.2.3 NMAC - Rn, 13 NMAC 14.3.3, 5-15-00]

13.14.2.4 DURATION: Permanent.
[4-1-96; 13.14.2.4 NMAC - Rn, 13 NMAC 14.3.4, 5-15-00]

13.14.2.5 EFFECTIVE DATE: June 16, 1986, unless a later date is cited at the end of a section.
[6-16-86, 11-1-96; 13.14.2.5 NMAC - Rn, 13 NMAC 14.3.5 & A, 5-15-00]

13.14.2.6 OBJECTIVE: The purpose of this rule is to establish licensing and reporting requirements.
[11-1-96; 13.14.2.6 NMAC - Rn, 13 NMAC 14.3.6 & A, 5-15-00]

13.14.2.7 DEFINITIONS: See 13.14.1 NMAC.
[11-1-96; 13.14.2.7 NMAC - Rn, 13 NMAC 14.3.7, 5-15-00]

13.14.2.8 LICENSING:

A. Abstracts and title plants: Licensed New Mexico title insurance agents, or authorized title insurers in the case of direct operations must own, operate, or control an abstract or title plant meeting the requirements of Section 59A-12-13 NMSA 1978. Such abstract or title plant must be maintained for a period of not less than twenty (20) years immediately prior to date of application for license of certificate of authority, in the case of direct operations, or date of inspection of such abstract or title plant by the superintendent of insurance as provided for in Subsection B of 13.14.3.8 NMAC. No such abstract or title plant may be more than thirty (30) days in arrears in posting unless such arrearage is caused by delay in indexing of the public records in the county for which such plant is maintained, or by other factors that the superintendent deems as being undue hardships in obtaining the public records or facsimiles thereof, in which event the abstract or title plant must at least be current with the public records as then indexed.

B. Inspection and approval of abstract or title plants. The superintendent of insurance shall inspect, or cause to be inspected, each and every abstract or title plant owned, operated, or controlled within this state, and if such plant is not in compliance with the provisions of Section 59A-12-13 NMSA 1978 and Subsection A of 13.14.3.8 NMAC at the time of such inspection, shall require that such plant be brought into compliance within a period of time, which in his discretion is appropriate and sufficient. A title insurance agent shall not rely on a new or inactive title plant in the issuance of a policy of title insurance without the title plant first being inspected.
[3-1-89, 6-1-98; 13.14.2.8 NMAC - Rn, 13 NMAC 14.3.8, 5-15-00; A, 10-1-12]

13.14.2.9 TITLE INSURANCE AGENT'S LICENSE: An "agent" or "nonresident agent," as defined by Section 59A-12-2 NMSA 1978, who is (1) appointed by a title insurer; (2) is transacting the business of title insurance as defined by Section 59A-30-3C and (3) NMSA 1978 who owns, operates or controls a title abstract plant as defined in Section 59A-12-13A NMSA 1978, must hold a title insurance agent's license. The scope of such license is limited to property located in a county or counties for which the licensee has the necessary title abstract plant as specified in Section 59A-12-13 NMSA 1978. For purposes of this definition, the terms "owns, operates, or controls" include the following activities:

A. "Owns" - holding legal or equitable title or controlling interest in a title abstract plant, either as sole or joint proprietor, any partner of a general partnership, or the general partner of a limited partnership, holder of more than ten percent (10%) of the voting stock of a corporation, or as a lessee under a written lease agreement or lease-purchase agreement.

B. “Operates” - directly responsible for the maintenance, updating or retrieval of information contained in a title abstract plant or the searching, abstracting, or examining of title to real property or preparation of abstracts, searches, or commitments relating to real property derived from research from a title abstract plant.

C. “Controls” - ultimate regulating authority or any intermediate supervisory authority over any person directly responsible for the operation of a title abstract plant, who promulgates or administers the general policies providing for the direction and management of a title abstract plant, including general policies of maintenance, updating, and retrieval of information from a title abstract plant or the purchase, sale, or leasing of a title abstract plant.

D. All corporations, partnerships, joint ventures, or other business entities (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, or who receive or collect premium for title insurance policies, must hold a title insurance agent license. Applications for a title insurance agent license shall comply with Section 59A-12-15B NMSA 1978.

E. Title insurers transacting the business of title insurance in New Mexico shall notify the superintendent of insurance in writing, within thirty (30) days of the effective date of the cancellation of any appointment of any individual or entity as an agent of said insurer.

F. Title agents engaged in the business of title insurance in New Mexico shall provide written notification to title insurers that have currently appointed them as an agent, within thirty (30) days of the effective date of the termination of any employee appointed as an individual agent by said title insurer.
[3-1-90; 13.14.2.9 NMAC - Rn, 13 NMAC 14.3.9, 5-15-00; A, 10-1-12; A, 3-1-16]

13.14.2.10 TITLE INSURANCE AGENT LICENSE FOR ESCROW OFFICER: The escrow officer shall be licensed as a title insurance agent.

[3-1-90; 13.14.2.10 NMAC - Rn, 13 NMAC 14.3.10, 5-15-00; Rp, 3-1-16]
[This section shall have an effective date of October 1, 2016.]

13.14.2.11 [Reserved]

[3-1-90; 13.14.2.11 NMAC - Rn, 13 NMAC 14.3.11, 5-15-00; A, 10-1-12; Repealed, 3-1-16]

13.14.2.12 MAINTENANCE ASSESSMENTS AND FEES: The maintenance fee assessment authorized by Section 59A-30-12 NMSA 1978 on policies written during the preceding calendar year insuring property or interests in property in New Mexico shall be established for each fiscal year commencing on July 1 and ending on June 30 by directive of the superintendent. The directive shall be issued at least thirty (30) days before it is to become effective, and shall contain or be accompanied by a brief statement as to how the maintenance fee was determined. Title insurers shall correctly calculate their assessments based upon their New Mexico gross premiums for the most recent preceding full calendar year and shall remit the same to the superintendent of insurance on or before May 1 or such other date as may be specified in the superintendent’s directive. Any person aggrieved by the superintendent’s directive may appeal to the superintendent in accordance with Section 59A-4-15 NMSA 1978 within thirty (30) days after the date of the directive. Title insurers’ assessments may be rounded to the nearest dollar after computation has been performed. Fifty cents or more may be rounded up; forty-nine cents or less may be rounded down.

[2-16-87...4-3-95; 13.14.2.12 NMAC - Rn, 13 NMAC 14.3.12, 5-15-00; A, 3-1-16]

13.14.2.13 UNDERWRITER’S EXPERIENCE REPORT: Each underwriter shall maintain such minimum basic records on each New Mexico transaction as shall be necessary to accurately report such transactions annually pursuant to the New Mexico Title Insurance Underwriter’s Experience Report, 13.14.17 NMAC, and incorporated herein by reference. The superintendent shall annually fix the date and location for the filing of each company’s Underwriter’s Experience Report of transactions during the preceding year and shall notify each company of the same at least sixty (60) days prior to the filing deadline.

[6-16-86...4-3-95, 7-1-97; 13.14.2.13 NMAC - Rn, 13 NMAC 14.3.13.1, 5-15-00]

13.14.2.14 AGENT’S STATISTICAL REPORT: Each title insurance agent, including agents which are independent or direct operations of insurers, shall report income and expenses annually on both county-by-county and summary-of-all-counties bases using the agent’s statistical report form set forth in 13.14.16 NMAC, Agent’s Statistical Report. The superintendent shall annually fix the date and location for the filing of each agent’s statistical report for the calendar year and shall notify each agent of the date at least sixty (60) days prior to the filing deadline;

provided, however, that in no event shall an agent be required to file its statistical report prior to May 15th of the year following the end of the calendar year being reported.

[6-16-86...4-3-95, 7-1-97; 13.14.2.14 NMAC - Rn, 13 NMAC 14.3.13.3 & A, 5-15-00; 13.14.2.14 NMAC - A, 1-1-01; A, 3-1-02; A, 7-1-05]

13.14.2.15 AUDITS: On a random basis, agent and insurers experience reporting will be audited in order to confirm the accuracy of their reports, and not as, or in lieu of, an examination pursuant to Chapter 59A, Article 4, NMSA 1978 et seq. The cost of said examination will be paid by the Title Maintenance Fund. The superintendent may bill the agent or insurer for all or part of the cost of said audit if insufficiency of the records of the agent or insurer causes excess difficulty or time in performing the audit.

[3-1-91; Rn, 13 NMAC 14.3.13.4, 7-1-97; 13.14.2.15 NMAC - Rn, 13 NMAC 14.3.14, 5-15-00]

13.14.2.16 [RESERVED]

[4-1-96; Rn, 13 NMAC 14.3.13.5, 7-1-97; 13.14.2.16 NMAC - Rn, 13 NMAC 14.3.15, 5-15-00; Repealed, 1-1-01]

HISTORY OF 13.14.2 NMAC:

Pre-NMAC History.

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

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

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

NMAC History.

Re-promulgated a portion of SCC-86-1, Insurance Department Regulation 30 - Title Insurance, as 13 NMAC 14.3, Licensing and Reporting Requirements, filed 10-2-96

Recompiled 13 NMAC 14.3, Licensing and Reporting Requirements, as 13.14.2 NMAC, Licensing and Reporting Requirements, filed 4-28-00

13.14.2 NMAC, Licensing and Reporting Requirements, filed 5-15-00, amended 3-1-16

History of Repealed Material.

ID 74-1, Article 10, Chapter 58, Rule 2, Regulations for Filing Title Insurance Forms and Rates - Superseded 9-6-85

SCC-85-6, Insurance Department Regulation 30 - Title Insurance - Superseded 5-9-86

13 NMAC 14.3.13.2 - Repealed 7-1-97

13.14.2.16 NMAC - Repealed 1-1-01

13.14.2.11 NMAC - Repealed 3-1-16