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SENATE BILL 972

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MANNY M ARAGON

AN ACT

RELATING TO TITLE INSURANCE; ENACTING THE TITLE INSURANCE  
GUARANTY ACT; AMENDING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE. -- Sections 1  
through 18 of this act may be cited as the "Title Insurance  
Guaranty Act".

Section 2. [NEW MATERIAL] PURPOSE. -- The purpose of the  
Title Insurance Guaranty Act is to provide a mechanism for  
continuation of coverage and payment of covered claims under  
certain title insurance policies, to avoid excessive delay in  
payment and avoid financial loss to policyholders because of  
insolvency of a title insurer, to assist in detection and  
prevention of title insurer insolvencies and to provide an  
association to assess the cost of such protection among title

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1 insurers.

2 Section 3. [NEW MATERIAL] SCOPE. --The Title Insurance  
3 Guaranty Act applies to all insurers authorized to transact  
4 title insurance business in New Mexico.

5 Section 4. [NEW MATERIAL] DEFINITIONS. --As used in the  
6 Title Insurance Guaranty Act:

7 A. "account" means an account created by Section 5  
8 of the Title Insurance Guaranty Act;

9 B. "association" means the title insurance guaranty  
10 association;

11 C. "covered claim" means any unpaid claim of an  
12 insured in excess of one thousand dollars (\$1,000) covered under  
13 and not in excess of the applicable limits of a title insurance  
14 policy insuring land located in New Mexico issued by an  
15 insolvent insurer, if the insurer is found insolvent pursuant to  
16 Paragraph (2) of Subsection D of this section after the  
17 effective date of the Title Insurance Guaranty Act. Subject to  
18 applicable policy limits, the association's liability for  
19 covered claims shall not exceed two hundred fifty thousand  
20 dollars (\$250,000) per claim and does not include any amount in  
21 excess of two hundred fifty thousand dollars (\$250,000) per  
22 claim. The total amount that may be recovered from the  
23 association by any one claimant for all covered claims shall not  
24 exceed five hundred thousand dollars (\$500,000). "Covered  
25 claim" does not include any amount due by or for the benefit of

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1 any reinsurer, insurer, insurance pool or underwriting  
2 association, as subrogation recoveries or otherwise; provided,  
3 that any such claim asserted against a person insured by an  
4 insolvent insurer that, if it were not a claim by or for the  
5 benefit of a reinsurer, insurer, insurance pool or underwriting  
6 association, would be a covered claim, may be filed directly  
7 with the receiver of the insolvent insurer. In no event may any  
8 such claim be asserted in any legal or administrative action  
9 against the insolvent insurer's insured unless that claim is  
10 based on the insured's fraud. "Covered claim" does not include  
11 the amount of any claim that an insured recovers from any  
12 person, including an agent, regardless of whether an assignment  
13 is taken. "Covered claim" does not include supplementary  
14 payment obligations, including but not limited to adjustment  
15 fees and expenses, attorney's fees and expenses and court costs,  
16 nor does it include punitive, exemplary, extracontractual or  
17 bad-faith damages awarded by a court judgment against an  
18 insurer;

19 D. "insolvent insurer" means an insurer:

20 (1) authorized to transact title insurance  
21 business in New Mexico at the time the title insurance policy  
22 was issued; and

23 (2) against which an order of liquidation with  
24 a finding of insolvency has been entered after the effective  
25 date of the Title Insurance Guaranty Act by a court of competent

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1 jurisdiction in the insurer's state of domicile, or in this  
2 state, which has not been stayed or been the subject of a writ  
3 of supersedeas or other comparable order;

4 E. "member insurer" means any insurer authorized to  
5 transact title insurance business in New Mexico;

6 F. "net written premiums" means gross premiums  
7 written in this state on title insurance policies. "Net written  
8 premiums" does not include premiums on contracts between  
9 insurers or reinsurers;

10 G. "person" means an individual or other legal  
11 entity;

12 H. "superintendent" means the superintendent of  
13 insurance; and

14 I. "title insurance policy" or "policy" means those  
15 terms as defined in Section 59A-30-3 NMSA 1978 with respect to  
16 policies issued on land located in New Mexico.

17 Section 5. [NEW MATERIAL] ORGANIZATION OF ASSOCIATION. --  
18 All member insurers shall remain members of the association as a  
19 condition of their authority to transact insurance in this  
20 state. The association shall may take the form of any  
21 appropriate legal entity under New Mexico law, including a  
22 corporation, partnership or unincorporated association, as  
23 approved by the superintendent. For purposes of administration  
24 and assessment, the association shall have two separate  
25 accounts:

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1           A. the administrative account; and

2           B. the title guaranty account.

3           Section 6. [NEW MATERIAL] BOARD OF DIRECTORS. --

4           A. The association's board of directors shall  
5 consist of not less than five nor more than eleven appointed  
6 members serving terms as provided in the association's plan of  
7 operation, and the superintendent or his designated  
8 representative as an ex-officio member. Appointed board members  
9 shall be selected by member insurers, subject to the  
10 superintendent's approval. A majority of the appointed members  
11 shall be employed by member insurers. Vacancies shall be filled  
12 for the remaining term by majority vote of the remaining board  
13 members, subject to the superintendent's approval.

14           B. Board members may be reimbursed from the  
15 administrative account for expenses incurred in their capacities  
16 as board members.

17           Section 7. [NEW MATERIAL] DUTIES AND POWERS OF THE  
18 ASSOCIATION. --

19           A. The association shall:

20                   (1) be obligated to the extent of covered  
21 claims arising from policies of an insolvent insurer issued  
22 prior to the finding of insolvency, except that the association  
23 shall not be obligated as to policies replaced by another title  
24 insurance policy that covers the claim. In no event shall the  
25 association be obligated to a policyholder in an amount in

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1 excess of the obligation of the insolvent insurer under the  
2 policy;

3 (2) be deemed the insolvent insurer to the  
4 extent of the insurer's obligation on covered claims and to such  
5 extent shall have all rights, duties and obligations of the  
6 insurer as if the insurer had not become insolvent; provided  
7 that the association shall have no liability for any past claims  
8 based on negligence of the insurer or its agents in searching  
9 and reporting the condition of any title, on bad faith of the  
10 insolvent insurer, on the closing of any transaction or for  
11 exemplary or punitive damages;

12 (3) pay for the administration and operation of  
13 the association from the administrative account, through  
14 proceeds received from an annual guaranty fee to be collected in  
15 the amounts and manner established by regulation of the  
16 superintendent;

17 (4) allocate claims payments, loss and  
18 adjustment expense and administrative expense to the appropriate  
19 accounts and assess member insurers, separately for each  
20 account, amounts necessary to pay the association's obligations  
21 subsequent to any insolvency. Assessments shall not be made in  
22 any year in which guaranty fee proceeds, together with  
23 unencumbered account balances and other assets, will be  
24 sufficient to satisfy the association's obligations.

25 Assessments shall be made against each member insurer in the

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1 proportion that the member insurer's net written premiums for  
2 the last full calendar year bears to net written premiums of all  
3 member insurers for that calendar year. Each member insurer  
4 shall be notified of the assessment not later than thirty days  
5 before it is due. No member insurer may be assessed in any year  
6 an amount greater than two percent of that member insurer's net  
7 written premiums for the preceding calendar year. If it appears  
8 that the maximum assessment available, together with  
9 unencumbered account balances and other assets, will be  
10 insufficient in any year to make all necessary payments, the  
11 association's obligations shall be paid pro rata and the unpaid  
12 portion shall be paid as soon as additional assessment proceeds  
13 or other funds become available. The association may pay claims  
14 in any order that it deems reasonable, including payments as  
15 claims are received or by groups or categories of claims. The  
16 association may exempt or defer, in whole or in part, the  
17 assessment of any member insurer if the assessment would cause  
18 the member insurer's financial statement to reflect amounts of  
19 capital or surplus less than the minimum amounts required for a  
20 certificate of authority in any jurisdiction in which the member  
21 insurer is authorized to transact insurance. Each member  
22 insurer acting as a servicing facility may set off against any  
23 assessment any authorized payments made on covered claims and  
24 expenses incurred in the payment of the claims by such member  
25 insurer if they are chargeable to the account for which the

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1 assessment is made;

2 (5) investigate claims and adjust, compromise,  
3 settle and pay covered claims to the extent of the association's  
4 obligations, and deny all other claims. The association may  
5 review settlements, releases and judgments to which the  
6 insolvent insurer or its insureds are parties to determine the  
7 extent to which such settlements, releases and judgments may be  
8 properly contested;

9 (6) notify such persons as the superintendent  
10 may direct pursuant to Section 9 of the Title Insurance Guaranty  
11 Act;

12 (7) receive, handle, adjust and pay claims  
13 through its employees or through one or more insurers or other  
14 persons designated as servicing facilities, subject to the  
15 superintendent's approval; provided that a member insurer may  
16 decline any such designation;

17 (8) reimburse each servicing facility for  
18 obligations of the association paid by the facility and for  
19 reasonable expenses incurred by the facility for handling claims  
20 on behalf of the association, and pay other expenses of the  
21 association authorized by the Title Insurance Guaranty Act; and

22 (9) refund excess funds in any account to  
23 member insurers in proportion to the contribution of each member  
24 insurer to that account, when the board of directors estimates  
25 that the assets in the account will exceed the liabilities for



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1 the coming year.

2 B. The association may:

3 (1) employ persons or contract with servicing  
4 facilities necessary to handle claims and to perform other  
5 association duties;

6 (2) borrow funds necessary to effectuate the  
7 purposes of the Title Insurance Guaranty Act in accordance with  
8 the plan of operation, subject to the superintendent's approval;

9 (3) sue or be sued, and intervene in any court  
10 or other forum having jurisdiction over an insolvent insurer or  
11 its insureds;

12 (4) negotiate and enter into contracts  
13 necessary to carry out the purposes of the Title Insurance  
14 Guaranty Act; and

15 (5) perform all other acts necessary or proper  
16 to effectuate the purposes of the Title Insurance Guaranty Act.

17 Section 8. [NEW MATERIAL] PLAN OF OPERATION. --

18 A. The association shall submit to the  
19 superintendent a plan of operation and any amendments to the  
20 plan necessary or suitable to assure the fair, reasonable and  
21 equitable administration of the association. The plan of  
22 operation and any amendments shall become effective upon the  
23 superintendent's written approval. If, at any time, the  
24 association fails to submit the plan or suitable amendments to  
25 the superintendent, he shall, after notice and hearing, adopt

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1 necessary or advisable regulations to effectuate the provisions  
2 of the Title Insurance Guaranty Act. The regulations shall  
3 continue in force until the superintendent modifies them or they  
4 are superseded by a plan or amendments submitted by the  
5 association and approved by the superintendent.

6 B. All member insurers shall comply with the  
7 association's plan of operation.

8 C. The association's plan of operation, among other  
9 things, shall establish all procedures for conducting the  
10 association's business, for handling its assets, for receiving,  
11 handling, adjusting and paying claims, for keeping records and  
12 for the conduct of other activities necessary to carry out the  
13 association's powers and duties.

14 D. The association's plan of operation may provide  
15 that any of the association's powers and duties, except those  
16 specified in Paragraph (3) of Subsection A and Paragraph (2) of  
17 Subsection B of Section 7 of the Title Insurance Guaranty Act,  
18 be delegated to a corporation, association or other organization  
19 that performs or will perform functions similar to those of the  
20 association in two or more states. Such a corporation,  
21 association or organization shall be reimbursed as a servicing  
22 facility and paid for performing any other function.

23 Section 9. [NEW MATERIAL] DUTIES AND POWERS OF  
24 SUPERINTENDENT. --

25 A. The superintendent shall:

1 (1) promptly forward to the association a copy  
2 of any complaint or petition seeking an order of liquidation  
3 with a finding of insolvency against a title insurer;

4 (2) notify the association that a title insurer  
5 has been found to be an insolvent insurer not later than three  
6 days after he receives notice of the finding; and

7 (3) upon request of the board of directors,  
8 provide the association with a statement of the net written  
9 premiums of each member insurer.

10 B. The superintendent may:

11 (1) require that the association or an  
12 insolvent insurer's licensed New Mexico agents notify the  
13 insurer's New Mexico insureds and any other interested parties  
14 of the finding of insolvency and of their rights under the Title  
15 Insurance Guaranty Act. Notification shall be made by mail at  
16 the last known address; provided that if sufficient information  
17 for notification by mail is not available, notice by publication  
18 in one or more newspapers of general circulation in the state  
19 shall be sufficient;

20 (2) suspend or revoke, after notice and  
21 hearing, any member insurer's certificate of authority if the  
22 insurer fails to pay any assessment within thirty days after it  
23 was due or fails to comply with the association's plan of  
24 operation. In the alternative, the superintendent may impose a  
25 civil penalty not to exceed five percent of the unpaid

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1 assessment per month; provided that no civil penalty shall be  
2 less than one hundred dollars (\$100) per month; and

3 (3) revoke the designation of any servicing  
4 facility if he finds that claims are not being handled  
5 satisfactorily.

6 Section 10. [NEW MATERIAL] EFFECT OF PAID CLAIMS. --

7 A. Any person recovering under the Title Insurance  
8 Guaranty Act shall be deemed to have assigned his rights and  
9 claims under the insolvent insurer's policy to the association  
10 to the extent of his recovery from the association. Every  
11 insured seeking the protection of the Title Insurance Guaranty  
12 Act shall cooperate with the association to the same extent as  
13 required to cooperate with the insurer. The association shall  
14 have no cause of action against an insured for any sums it has  
15 paid out except such causes of action as the insurer would have  
16 had. In the case of an insolvent insurer operating on a plan  
17 with assessment liability, payments of claims by the association  
18 do not operate to reduce the liability of the insured to the  
19 receiver, liquidator or statutory successor for unpaid  
20 assessments.

21 B. The court having jurisdiction shall grant claims  
22 assigned pursuant to Subsection A of this section and the claims  
23 expenses of the association or similar organization in another  
24 state the same priority as the claims had before assignment.  
25 The association may make application to the court for

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1 reimbursement of such claims and expenses and, upon proper  
2 application, the court shall order appropriate disbursement to  
3 be made.

4 C. The association shall, within the time set by the  
5 receivership court, file with the receiver or liquidator of the  
6 insolvent insurer, statements of paid claims and claims expense  
7 and reserves for unpaid claims and claims expense.

8 Section 11. [NEW MATERIAL] NONDUPLICATION OF RECOVERY. --  
9 Any person having a claim under any other title insurance policy  
10 that is not an insolvent insurer's policy, which is also a  
11 covered claim, shall first exhaust his rights under such other  
12 title insurance policy. Any amount payable for a covered claim  
13 shall be reduced by the amount of any recovery under such other  
14 title insurance policy.

15 Section 12. [NEW MATERIAL] PREVENTION OF INSOLVENCIES. --

16 A. To aid in the detection and prevention of title  
17 insurer insolvencies, the association's board of directors may,  
18 upon majority vote:

19 (1) make recommendations to the superintendent  
20 for the detection and prevention of insolvencies; and

21 (2) respond to requests by the superintendent  
22 to discuss and make recommendations regarding the status of any  
23 member insurer whose financial condition may be hazardous to  
24 policyholders or the public. Recommendations pursuant to this  
25 paragraph shall not be available for public inspection.

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1           B. The superintendent shall report to the  
2 association's board of directors when he has reasonable cause to  
3 believe that any title insurer may be insolvent or in a  
4 financial condition hazardous to its policyholders or the  
5 public. The report, and any subsequent meetings, activities,  
6 recommendations and decisions of the board of directors as  
7 required or permitted in this section, shall not be open to the  
8 public or available for public inspection.

9           C. At the conclusion of any domestic title insurer  
10 insolvency for which the association was obligated to pay  
11 covered claims, the association's board of directors may prepare  
12 a report on the history and causes of such insolvency, based on  
13 the information available to the association, and submit the  
14 report to the superintendent. The report, and any subsequent  
15 meetings, activities, recommendations and decisions of the board  
16 of directors as required or permitted in this section, shall not  
17 be open to the public or available for public inspection.

18           Section 13. [NEW MATERIAL] EXAMINATION OF ASSOCIATION--  
19 FINANCIAL REPORTS. --The association is subject to the  
20 superintendent's examination and regulation pursuant to Chapter  
21 59A, Article 4 NMSA 1978. The board of directors shall submit,  
22 not later than June 30 each year, a financial report for the  
23 preceding calendar year prepared by an independent certified  
24 public accountant acceptable to the superintendent. The  
25 financial report shall be in a form approved by the

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1 superintendent.

2 Section 14. [NEW MATERIAL] APPEALS. --

3 A. Any insured whose claim is denied in whole or in  
4 party by the association may request the receivership court, or  
5 the ancillary receivership court in this state, to review the  
6 association's decision. The request for review shall be filed  
7 within thirty days after the date of denial. The receivership  
8 court and ancillary receivership court in this state shall have  
9 exclusive jurisdiction of all such claims. The decision of the  
10 court shall be binding on both the claimant and the association.

11 B. Any member insurer may appeal to the  
12 superintendent from any action of the association's board of  
13 directors by filing a notice of appeal within thirty days after  
14 the date of the action appealed from

15 C. Any final order of the superintendent pursuant to  
16 Subsection B of this section is subject to judicial review by an  
17 action in the district court of Santa Fe county to set aside the  
18 order as unlawful or not supported by substantial evidence. If  
19 judicial review is not sought within thirty days after the date  
20 of the superintendent's order, the order shall be final and not  
21 subject to appeal.

22 Section 15. [NEW MATERIAL] RECOGNITION OF ASSESSMENT IN  
23 RATES. --The title insurance rates and premiums promulgated by  
24 the superintendent shall include amounts sufficient to recoup  
25 within three years after assessment a sum equal to the amounts

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1 paid to the association by the member insurers, less any amounts  
2 returned to the member insurers by the association. Rates shall  
3 not be deemed excessive because they contain an amount  
4 reasonably calculated to recoup assessments paid by the member  
5 insurers. Rates shall be deemed inadequate if they do not  
6 contain such an amount. The entire amount of any such  
7 recoupment shall be passed through to insurers.

8 Section 16. [NEW MATERIAL] IMMUNITY--CONFIDENTIALITY.--

9 A. There shall be no liability on the part of, and  
10 no cause of action of any nature shall exist against, any member  
11 insurer, the association or its agents or employees, the board  
12 of directors, any individual director or the superintendent or  
13 his representative for any action taken by them in connection  
14 with carrying out their powers and duties under the Title  
15 Insurance Guaranty Act or failure to prevent any insolvency.  
16 The association or the attorney general shall defend all actions  
17 alleging such liability.

18 B. The meetings, activities, recommendations and  
19 decisions of the board of directors pursuant to the Title  
20 Insurance Guaranty Act shall not be open to the public or  
21 available for public inspection; provided that no representative  
22 of a member insurer shall be excluded from any meeting of the  
23 board of directors, with the exception of any representative of  
24 an insolvent insurer.

25 Section 17. [NEW MATERIAL] STAY OF PROCEEDINGS--



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1 REOPENING OF DEFAULT JUDGMENTS. -- All proceedings in which the  
2 insolvent insurer is a party or is obligated to defend a party  
3 in any court in New Mexico shall be stayed for not to exceed six  
4 months from the date of a finding of insolvency to permit proper  
5 defense by the association of all pending causes of action. As  
6 to any covered claims arising from a judgment under any  
7 decision, verdict or finding resulting from the default of the  
8 insolvent insurer or its failure to defend an insured, the  
9 association, either on its own behalf or on behalf of the  
10 insured, may apply to have the judgment, order, decision,  
11 verdict or finding set aside by the same court, administrator or  
12 arbitrator that made it and may defend against the claim on its  
13 merits.

14 Section 18. [NEW MATERIAL] TERMINATION-- DISTRIBUTION OF  
15 FUNDS. --

16 A. The superintendent shall by order terminate the  
17 operation of the association if he finds, after hearing, that  
18 there is in effect a statutory or voluntary plan that:

19 (1) is a permanent plan that is adequately  
20 funded or for which an adequate means of funding is provided;  
21 and

22 (2) extends or will extend, to New Mexico title  
23 insurance policyholders and residents, protection and benefits  
24 with respect to insolvent insurers not less favorable than the  
25 protection provided under the Title Insurance Guaranty Act.

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1           B. If the association's operation is terminated, the  
2 association, as soon as possible, shall distribute the balance  
3 of money and assets remaining, after discharge of the functions  
4 of the association with respect to prior insurer insolvencies  
5 not covered by another plan, to member insurers that are then  
6 writing title insurance policies in this state, pro rata upon  
7 the basis of the aggregate of payments and assessments made by  
8 the respective insurers during the five years next preceding the  
9 date of the order.

10           Section 19. Section 59A-30-6 NMSA 1978 (being Laws 1985,  
11 Chapter 28, Section 6) is amended to read:

12           "59A-30-6. PREMIUMS--AGENCY AGREEMENTS--DUTY TO FIX  
13 RATES--EXCEPTION.--

14           A. The superintendent shall promulgate the premium  
15 rates of title insurers and title insurance agents for title  
16 insurance policies and the percentage of premium to be retained  
17 by title insurers under agency agreements, except that premium  
18 rates for reinsurance as between title insurers shall not be  
19 promulgated by the superintendent. No premium ~~[which]~~ that has  
20 not been promulgated by the superintendent shall be charged for  
21 any title insurance policy. The superintendent shall not  
22 promulgate charges of title insurers and title insurance agents  
23 other than premium rates for title insurance policies and the  
24 percentage of premium to be retained by title insurers under  
25 agency agreements.

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1           B. The superintendent shall promulgate additional  
2 premium rates for searches or examinations of title conducted or  
3 performed for the purpose of issuance of a title insurance  
4 policy when the search or examination involves more than one  
5 chain of title or other unusual complexity.

6           C. Premium rates promulgated by the superintendent  
7 shall not be excessive, inadequate or unfairly discriminatory  
8 and shall contain an allowance permitting a profit that is not  
9 unreasonable in relation to the riskiness of the business of  
10 title insurance. Premium rates shall include an allowance for  
11 recoupment of assessments made pursuant to the Title Insurance  
12 Guaranty Act. "

13           Section 20. Section 59A-30-11 NMSA 1978 (being Laws 1985,  
14 Chapter 28, Section 11) is amended to read:

15           "59A-30-11. UNDERWRITING STANDARDS AND RECORD RETENTION. --

16           A. No title insurance policy may be written unless  
17 the title insurer or its title insurance agent has caused to be  
18 conducted a reasonable search and examination of the title using  
19 an abstract plant meeting the requirements of Section 59A-12-13  
20 NMSA 1978 and has caused to be made a determination of  
21 insurability of title in accordance with sound underwriting  
22 practices. The duty to search and examine imposed by this  
23 section is solely for the purpose of enhancing the financial  
24 stability of title insurers for the benefit of insureds under  
25 title insurance policies. The New Mexico Title Insurance Law is

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1 not intended and should not be construed to create any duty to  
2 search and examine that runs to the benefit of, or to create any  
3 right or cause of action in favor of, any person other than a  
4 title insurer.

5 B. Evidence of the examination of title and  
6 determination of insurability shall be preserved and retained in  
7 the files of the title insurer or its title insurance agent for  
8 a period of not less than fifteen years after the title  
9 insurance policy has been issued. Instead of retaining the  
10 original evidence, the title insurer or title insurance agent  
11 may in the regular course of business establish a system whereby  
12 all or part of the evidence is recorded, copied or reproduced by  
13 any process that accurately and legibly reproduces or forms a  
14 durable medium for reproducing the contents of the original.

15 This subsection shall not apply to:

16 (1) a title insurer assuming liability through  
17 a contract of reinsurance; or

18 (2) a title insurer acting as coinsurer if one  
19 of the other coinsuring title insurers has complied with this  
20 section. "

21 Section 21. Section 59A-30-14 NMSA 1978 (being Laws 1985,  
22 Chapter 28, Section 14) is amended to read:

23 "59A-30-14. OTHER PROVISIONS APPLICABLE. --To the extent  
24 not in conflict with the New Mexico Title Insurance Law, the  
25 following articles and provisions of the Insurance Code shall

1 also apply to title insurers, title insurance agents and the  
2 business of title insurance:

3 Article 1. Scope of Code; Initial Definitions; General Penalty.

4 Article 2. Department of Insurance.

5 Article 3. State Insurance Board.

6 Article 4. Examinations, Hearings and Appeals.

7 Article 5. Authorization of Insurers and General Requirements.

8 Article 6. Fees and Taxes.

9 Article 7. Kinds of Insurance; Limits of Risk; Reinsurance.

10 Article 8. Assets and Liabilities.

11 Article 9. Investments.

12 Article 10. Administration of Deposits; Trusteed Assets of  
13 Alien Insurer.

14 Article 11. Licensing Procedures, Agents, Solicitors, Brokers,  
15 Adjusters and Others.

16 Article 12. Insurance Agents, Brokers and Solicitors.

17 Article 15. Unauthorized Insurers.

18 Article 16. Trade Practices and Frauds.

19 Title Insurance Guaranty Act. "

1 FORTY-THIRD LEGISLATURE  
2 FIRST SESSION, 1997  
3  
4

5 February 26, 1997  
6

7 Mr. President:  
8

9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to  
10 whom has been referred  
11

12 SENATE BILL 972  
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14 has had it under consideration and reports same with  
15 recommendation that it DO PASS.  
16

17 Respectfully submitted,  
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22 Roman M. Maes, III, Chairman  
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25 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

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Date \_\_\_\_\_

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Fidel, Kidd, Robinson

Absent: None

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FORTY-THIRD LEGISLATURE

FIRST SESSION

February 28, 1997

SENATE FLOOR AMENDMENT number \_\_\_\_\_ to SENATE BILL 972

Amendment sponsored by Senator Manny M Aragon

1. On page 4, line 20, strike "shall".

2. On page 5, line 15, after "for" insert "any reasonable and necessary".

3. On page 5, line 16, after "members" insert ", but the amount of such reimbursement shall not exceed guidelines provided by the approved plan of operation".

4. On page 14, line 7, strike "section" and insert in lieu thereof "subsection".

5. On page 15, line 4, strike "party" and insert in lieu

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FORTY-THIRD LEGISLATURE  
FIRST SESSION

SF1/HB 972

Page 25

thereof "part".

6. On page 16, lines 5 and 6, strike "Rates shall be deemed inadequate if they do not contain such an amount.".

7. On page 16, line 16, strike "or the attorney general".

8. On page 16, line 17, after "liability" insert "except that the attorney general shall defend any such actions against the superintendent or his representatives".

9. On page 17, line 2, strike "defend" and insert in lieu thereof "represent".

10. On page 17, line 5, strike "defense" and insert in lieu thereof "representation".

11. On page 21, between lines 18 and 19, insert:

"Article 34. Domestic and Mutual Insurers.

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FORTY-THIRD LEGISLATURE  
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Page 26

Article 37. Insurance Holding Companies. "

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Adopted \_\_\_\_\_

Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

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FORTY-THIRD LEGISLATURE  
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# **State of New Mexico House of Representatives**

**FORTY-THIRD LEGISLATURE**

**FIRST SESSION, 1997**

**March 15, 1997**

**Mr. Speaker:**

**Your JUDICIARY COMMITTEE, to whom has been referred**

**SENATE BILL 972, as amended**

**has had it under consideration and reports same with  
recommendation that it DO PASS.**

**Respectfully submitted,**

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**Thomas P. Foy, Chairman**

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**FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997**

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 8 For 1 Against

Yes:           8

No:           King

Excused: M P. Garcia, Luna, Rios, Sanchez

Absent:   None

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