

SANTA FE COUNTY

Resolution No. 2008 - 4

A Resolution in Support of Title Insurance Reform Legislation

WHEREAS, the Board of County Commissioners is tasked to represent and address the needs of Santa Fe County residents; and

WHEREAS, in 1985 the title insurance industry wrote New Mexico's Title Insurance Law in order to evade a price-fixing action by President Ronald Reagan's Federal Trade Commission; and

WHEREAS, that law requires state government to annually promulgate a single rate schedule for title insurance, which, in effect, prohibits price competition to the detriment of homebuyers; and

WHEREAS, New Mexico has the eighth highest title insurance rates in the nation when measured as a percentage of median monthly income, according to Bankrate.com and U.S. Census data; and

WHEREAS, the industry collected more than \$133 million in premiums in New Mexico in 2006; and

WHEREAS, only approximately 5 cents of every dollar of title insurance premiums collected is used to pay, adjust, dispute and deny title insurance claims (the loss ratio), according to A.M. Best; and

WHEREAS, five national title insurers control 93 percent of the total title insurance market, according to Fitch Ratings; and

WHEREAS, reports prepared by both the U.S. Government Accountability Office and UNM Assistant Professor Dante DiGregorio have concluded that price competition in the title insurance industry needs to be encouraged nationally, regionally and locally; and

WHEREAS, title insurance policies frequently fail to protect homebuyers against claims, consumers are overcharged on policies for re-financed mortgages and the Title Insurance Law immunizes the industry for negligent searches and examinations; and

WHEREAS, reform legislation would convert the single rate schedule to a maximum rate schedule and permit price competition and end title insurers' negligence immunity; and

WHEREAS, all five members of the Public Regulation Commission, Attorney General Gary King and Think New Mexico have requested that Governor Richardson place the issue of title insurance reform on his call for the 48th Legislature in 2008;

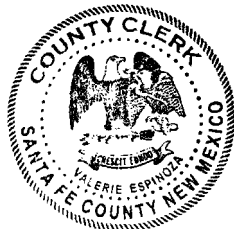
PASSED, APPROVED AND ADOPTED this 29th day of January, 2008.


Jack Sullivan, Chair

Valerie Espinoza, Santa Fe County Clerk




Stephen C. Ross, Santa Fe County Attorney



Deputy Marcella L. Gos Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM