



Title Insurance Quick Facts

From 1993 through 2006 the premium rates for title insurance in New Mexico have been reduced eight times and increased four times and remained the same one year.

At a time when homeowners insurance and automobile insurance are increasing in price, the cost of title insurance is lower than it has been in a decade. The premium for an owner's policy for \$100,000.00 in 1996 was \$823.00; in 2006 the premium for a \$100,000.00 policy was \$751.00.

The price of a loan policy for a purchase money mortgage when the owner is getting an owner's policy is only \$30.00, the lowest premium for a loan policy in any state.

A recent study by the American Land Title Association finds that in 33% of all real estate transactions that title companies handle nationally, the title company finds a significant problem that needs to be corrected before title is insurable.

In addition to insuring the title to one's property, the investigative process discovers almost all of the title problems that need to be fixed before the consumer buys a property or borrows money against it. Title insurance is primarily about loss prevention, not loss reimbursement.

When one buys a homeowner's insurance policy to insure his or her home in the event of fire or other damage, the premium is paid annually. With title insurance to insure the title to your home, the premium is paid only once. If a loan policy is purchased for the lender in the purchase money loan, the premium the owner/borrower pays is only \$30.00. If the owner later refinances, the borrower has significant discounts when purchasing a policy for the new lender.

Over \$8,000,000 was spent in New Mexico for losses and lost adjustment expenses in 2005.

The cost of operating the Department of Insurance Title Insurance Division is paid by the title insurers as a Maintenance Assessment Fee. It does not come from the taxes on the citizens of the state of New Mexico.

There are 96 New Mexico title companies located in 53 communities in New Mexico, supporting approximately 5,000 New Mexico citizens with a payroll and benefits in excess of \$72,000,000.

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