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**OUR VIEW**

# Guv, put title insurance on legislative 'call'

*Properly done, that reform could save  
New Mexicans \$40 million a year.*

**T**itle-insurance reform for too long has languished in the New Mexico Legislature, dying in one committee or the other at the behest of an industry licensed at its own behest to make bundles of bucks.

How it got that license, along with one absolving property-title insurers from liability for their own negligence, is a murky tale of back-room dealing for which the Roundhouse is renowned.

But now we've got a public-regulation chairman declaring he's fed up with the title-insurance industry driving the policies which are supposed to be regulating it. We've got a governor who won't settle for business as usual when it comes to New Mexico's emaciated middle class. We've got lawsuits filed by someone who smells a rat in the regulatory attic. And we see that Think New Mexico is on the case.

A bipartisan, action-oriented public-policy research group, Think may be thanked for its effective efforts toward the end of sales tax on food, the beginning of full-day kindergarten, lottery reform that's putting more money into scholarships to our state's colleges, and creation of a strategic river reserve.

Now Think thinks it's time to place a three-tined fork in the fat that is title insurance:

◆ **Deregulate premium rates.** Today the state sets them — at the behest of the title-insurance industry — and all companies must charge the same. We're one of only three states where there's no competition in rates. New Mexicans pay more than folks in most states do — and title insurance can amount to 10 percent and more of a family's closing costs.

◆ **Make the mortgage lenders get their own title insurance.** The banks, after all, are the ones demanding title insurance — and in the rare cases where there's a claim, it's the lenders who stand to collect. They could use their mass-buying power to lower the cost of premiums.

◆ **Repeal an outrageous 1999 law** allowing title-insurance companies immunity from their own negligence, including failure to disclose problems with a property's title.

Victor Marshall, a former state senator from Albuquerque, has filed lawsuits seeking some kind of equity — any kind of equity — for victims of the good-ol'-boy system that enriches an industry mostly controlled by a handful of companies nationwide — through mom-and-pop local fronts. A Republican, he's especially offended by the rate-fixing. "The consumer," he says, "is getting ripped off."

As for immunity from negligence suits, lawyers statewide are scratching their heads over that one; how did it slip through the legislative process?

The Legislature convenes in January for its biannual "short" session — 30 days dedicated to passing a budget and dealing with whatever else the governor puts on "the call."

Title-insurance reform should be on the call — and in the governor's state-of-the-state speech.

Properly done, that reform could save New Mexicans \$40 million a year in premiums for insurance the very need of which should be part of the debate.

Ben Ray Luján, chairman of the state Public Regulation Commission, declared a few months ago that he's "tired of the industry mandating to us what we are going to do." Count on him to testify for title-insurance reform. New Mexicans should also be able to count on his dad, House Speaker Ben Luján, to make short work of this overdue reform.

Now's the time for Gov. Richardson to serve notice on our senators and representatives: They've been doing this industry's bidding far too long; time to look after the interests of our state's consumers.