

# RIO GRANDE SUN

Española, New Mexico 87532

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## Title Insurance Stinks

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They're at it again. And it's amazing how Fred Nathan and Think New Mexico continue to fight for reform in areas that affect so many New Mexicans.

Nathan will be leading the charge in the 2008 legislative session to force title insurance companies to compete. New Mexico is on yet another one those lists where we don't want to be. We are one of three states in the country where the state insurance superintendent sets the title insurance rate instead of insurance companies doing what they do best: compete and set the rate themselves.

When you shop for car insurance, among other things, insurance companies take into account your age, driving record, type of car, age of your car(s) and the area in which you live. Then they charge you a rate they believe will make them a little money and they're prepared to repair or replace your car, should you be in an accident.

Same for life insurance. Same for homeowners insurance.

But title insurance is simply set by the state. It's a percent of the purchase price. For example, if you purchase a \$100,000 piece of real estate, you will pay \$751 in

title insurance. It doesn't matter what sits on the dirt, who held it before you or for how long. It doesn't matter how many clean title searches have been done in the last millennia or how many times it's been surveyed. You're going to pay \$751 for insurance in all likelihood you will never use.

And to be clear, this isn't insurance for you. It's for the lender. It doesn't protect you at all. You could lose your property in a quiet title battle and the bank would get the money. They just make you buy the insurance.

Title insurance stinks. But since we have to buy it when purchasing a home, we should have the option of insurance companies fighting for our business. It will drive the cost down, make insurance companies and banks get a little more realistic about values and needs and provide a better service to the borrower.

Once again, Think New Mexico is on the attack for a good cause. When they sit down to divvy up our money in January, be sure to tell your legislator to support Think's legislation. If you run into one of them at a function, bend their ear. That's what it's there for.