

This is an amendment to 13.14.6.8 and 13.14.6.9 NMAC.

13.14.6.8 OWNER'S POLICIES:

A. Owner's Policies shall be written to protect the estate or interest in land held by the Insured (e.g., fee simple, easement, etc.). Except as otherwise provided herein, all Owner's Policies shall be issued for the amount of the current sales price of the land and any existing improvements appurtenant thereto, plus, at the option of the insured, the cost of improvements immediately contemplated to be erected thereupon.

B. If no sale is being made, at time of issuance of policy, all Owners' Policies shall be issued for an amount equal to the value of the land and any existing improvements appurtenant thereto, with the same option concerning immediately contemplated improvements.

C. In either instance, an Owner's Policy insuring such contemplated improvements shall contain a Pending Improvements clause or endorsement. In the event the Owner's Policy is issued at the time of payoff of a real estate contract and recording of a warranty deed, the Owner's Policy shall be issued for the amount of the contract price, except if the Purchaser requests, and provides evidence of value, then it may be issued for the amount equal to the value of the land and any existing improvements appurtenant thereto.

D. An Owner's Policy may be endorsed to reflect the current value of the estate insured (upon payment of the current Basic Premium according to the Schedule less the amount previously paid for said policy) if the Insurer's Underwriting standards are met; provided, however, that the effective date of the policy shall remain unchanged and no affirmative coverages or down dates shall be added to the policy. Owner's Policies may insure multiple tracts acquired from different parties at the same or different times.

E. NM Form 55, Named Insured Endorsement, shall be attached to all Owner's Policies issued after August 15, 2001 and shall be provided to all insureds requesting the endorsement on Owner's Policies previously issued without the endorsement.

[6-16-86...3-1-91; 13.14.6.8 NMAC – Rn, 13 NMAC 14.6.8, 5-15-00; 13.14.6.8 NMAC – A, 8-1-01; A, 3-1-02]

13.14.6.9 LEASEHOLD OWNER'S POLICIES:

A. Leasehold Owner's Policies shall be issued to insure leasehold estates and in the amount, at the option of the Insured, of either (1) the total amount of the rentals payable under the lease contract, or (2) the value of the land and any existing improvements, or (3) the value of the land and any existing improvements and the cost of the improvements immediately contemplated to be erected thereupon. In the latter case, the leasehold policy must contain a Pending Improvements clause or endorsement.

B. Unless otherwise specifically stated, a Leasehold Owner's Policy shall contain the same standard exceptions, be subject to the same premium rates and be subject to deletion of the same standard exceptions in the same manner as an Owner's Policy.

C. ~~[At the option of the Insurer, a]~~ A Leasehold Owner's Endorsement ~~[may]~~ shall be attached to an Owner's Policy to ~~[modify it to]~~ create a Leasehold Owner's Policy. A Leasehold Owner's Policy may be converted to a standard Owner's Policy by the issuance of an Owner's Leasehold Conversion Endorsement NM Form 31 if the owner of the leasehold interest acquires the fee title interest within three (3) years of the effective date of the leasehold Owner's Policy.

D. In addition to the Owner's Leasehold Conversion Endorsement NM Form, the issuing Insurer or title insurance agent shall issue a Multipurpose Endorsement, NM Form 11, reflecting the change of the estate insured and adding or deleting exceptions, and otherwise modifying the policy to accurately reflect the condition of title of the estate insured. The premium for such conversion shall be as prescribed by 13.14.9.38 NMAC, and no additional premium shall be charged for either endorsement.

E. NM Form 55, Named Insured Endorsement, shall be attached to all Leasehold Owner's Policies issued after August 15, 2001 and shall be provided to all insureds requesting the endorsement on Leasehold Owner's Policies previously issued without the endorsement.

[6-16-86, 3-1-89; 13.14.6.9 NMAC – Rn, 13 NMAC 14.6.9, 5-15-00; 13.14.6.8 NMAC – A, 8-1-01; A, 3-1-02]