

Your Exam Content Outline

The following outline describes the content of one of the New Mexico insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

New Mexico Examination for Title Insurance Series 18-33

50 questions – One-hour time limit
Effective April 29, 2022

1.0 Insurance Regulation 12% (6 Items)

1.1 Licensing

Requirements for licensure (59A-12-6, 12, 13)

Maintenance and duration

Expiration and renewal (59A-11-10, 11; Reg 13.4.2.13; Reg 13.4.

2.27; Reg 13.4.2.28)

Continuing education (59A-12-26; Reg 13.4.7.9, .12)

Disciplinary actions

Suspension, revocation or refusal to renew (59A-11-8, 10, 14-16, 18)

Cease and desist orders (59A-16-27)

Penalties and fines (59A-1-18; 59A-11-17, 21; 59A-16-29)

1.2 State regulation

Superintendent's general duties and powers (59A-2-8; 59A-30-4)

Insurer regulation

Rates (59A-30-6, 15; Reg 13.14.9.8-.11)

Forms (59A-30-5, 15); Reg 13.14.18.1-.13

Examination of title required (59A-30-11)

Insurance Producer regulation

Gross negligence of Insurance Producer (Reg 13.14.3.8(A))

Disregard of written instructions (Reg 13.14.3.8(B))

Unfair trade practices and frauds (Reg 13.14.3.8(C))

Misrepresentation (59A-16-4, 23)

Illegal inducements (59A-12-11)

Charges to be made for all services (Reg 13.14.3.13)

Failure to act as fiduciary (59A-12-22; Reg 13.14.4.8)

Consumer information privacy (59A-2-9.3; Reg 13.1.3.1-.28)

Reporting requirements, examination of books and records (59A-4-3, 4; Reg 13.14.16.8; Reg 13.14.17.8)

1.3 Federal regulation

Fair Credit Reporting Act (15 USC 1681-1681d)

Fraud and false statements (18 USC 1033, 1034)

2.0 General Insurance 4% (2 Items)

2.1 Insurance Producers and general rules of agency

Insurer as principal

Insurance Producer/insurer relationship

Authority and powers of Insurance Producers

Express

Implied

Apparent

Responsibilities to the applicant/insured

2.2 Contracts

Elements of a legal contract

Offer and acceptance

Consideration

Competent parties

Legal purpose

3.0 Real Property 20% (10 Items)

3.1 Concepts, principles and practices

- Definition of real property
- Types of real property
- Title to real property
- Marketable title

3.2 Acquisition and transfer of real property

- Conveyances
- Encumbrances
- Adverse possession
- Condemnation
- Escheats
- Abandonment
- Judicial sales
- Decedent's estates
 - Intestate
 - Testate
- Trusts
- Types of joint ownership
 - Tenants in common
 - Joint tenancy
 - Community property
- Acknowledgments
- Legal capacity of parties
 - Individuals
 - Corporations
 - General partnerships
 - Limited partnerships
 - Fictitious names
 - Trust agreements
 - Limited Liability Company (LLC)

3.3 Legal descriptions

- Types of legal descriptions
- Types of measurements used
- Language of legal descriptions

3.4 Escrow principles

- Escrow terminology
- Fiduciary responsibilities of escrow Insurance Producers

3.5 Recording

- Requirements to record
- Presumptions

4.0 Title Insurance 36% (18 Items)

4.1 Title insurance principles

- Risks covered by title insurance
 - Risk of error in public records
 - Hidden off-record title risks
 - Risk of omission and commission by Insurance Producer

- Entities that can be insured; need for insurance

 - Individual
 - Commercial

- Interests that can be insured

 - Fee simple estate
 - Estate in common
 - Leasehold estate
 - Life estate
 - Easements

- Title insurance forms

 - Promulgated forms (Reg 13.14.8.10; 13.14.18.8)
 - Commitments
 - Owner's policy
 - Loan policy
 - Leasehold policies
 - Replacement policy

- Title insurance policy structure and provisions

 - Insuring provisions
 - Schedule A
 - Schedule B — exceptions from coverage
 - Exclusions from coverage
 - Conditions and stipulations
 - Endorsements

- Title Insurance General Rate Provisions

 - Inclusive
 - Payments of premium to others
 - Rebates and unauthorized discounts

Reissue Owner's or leasehold rates

Refinance

Endorsements

4.2 Title searching techniques

Hard copy index

Computer index

Chain sheet

5.0 Title Exceptions and Procedures for Clearing Title 28% (14 Items)

5.1 Principles and concepts

General exceptions

Voluntary and involuntary liens

Federal liens

Mortgage

Deed of trust

Judgments

Taxes and assessments

Recent surveys

Condominiums

Water rights

Mineral rights

Equitable interests

Executions

Covenants

Conditions

Restrictions

Access

5.2 Special problem areas and concerns

Acknowledgments

Mechanic's lien

Bankruptcy

Probate

Good faith

Foreclosure

Claims against the title

Lis pendens

Tribal Land Access

5.3 Principles of clearing title

Releases

Assignments

Subordinations

Affidavits

Quiet Title

5.4 Settlement or closing procedures

Real Estate Settlement Procedures Act (RESPA) Sections 8 & 9

Insured closing protection

Available funds

Interest bearing trust account

Requirements

Books & Records

Accounting Procedures

Agreed-Upon Procedures Review

Escrow Compliance