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HOUSE BILL 311

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Doreen Y. Gallegos and Raymundo Lara

AN ACT

RELATING TO INSURANCE; PROHIBITING AN INSURER FROM INCREASING
THE PREMIUM FOR RESIDENTIAL PROPERTY INSURANCE WITHOUT NOTICE;
PROVIDING FOR APPEAL OF A PREMIUM INCREASE; PROVIDING FOR
REIMBURSEMENT OF AN INSURANCE PREMIUM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of Chapter 59A, Article 18 NMSA
1978 is enacted to read:

"[NEW MATERIAL] NOTICE.--

A. An insurer who issues residential property
insurance policies in this state shall not increase the premium
on a residential property insurance policy based upon a change
in a public protection classification, community grading,
building code effectiveness classification or fire suppression
rating schedule unless the insurer provides the policyholder

underscoring material = new
~~bracketed material~~ = delete

underscoring material = new
~~[bracketed material] = delete~~

1 written notice of the proposed increase and the basis for the
2 proposed increase at least one hundred twenty days before the
3 effective date of the increase. The notice shall be mailed to
4 the insured unless the insured has agreed to an alternative
5 method of delivery.

6 B. A policyholder who receives a notice required
7 under Subsection A of this section may within one hundred
8 twenty days following the date of the notice submit to the
9 insurer a written response informing the insurer that the
10 stated reason for the proposed premium increase is not
11 supported by the empirical evidence.

12 C. If the insurer proceeds with the premium
13 increase, the policyholder may request a hearing pursuant to
14 Section 59A-4-15 NMSA 1978. If the superintendent finds that
15 the stated reason for the premium increase is not supported by
16 empirical evidence as of the effective date of the premium
17 increase, the superintendent shall order the insurer to refund
18 any increased premium amount to the policyholder and to any
19 other policyholder similarly situated."