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SENATE BILL 325

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO INSURANCE; PROHIBITING CERTAIN ACTIONS BY INSURERS  
OF MOTOR VEHICLES.

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

Section 1. A new section of Chapter 59A, Article 32 NMSA  
1978 is enacted to read:

"[NEW MATERIAL] PROHIBITION AGAINST CHARGING AN INCREASED  
PREMIUM BECAUSE OF RECEIPT OF AN UNSATISFACTORY CREDIT REPORT  
ON INSURED- - PROHIBITION AGAINST CANCELING POLICY BECAUSE OF  
RECEIPT OF AN UNSATISFACTORY CREDIT REPORT ON INSURED. - -

A. An insurer shall not increase the premium for a  
vehicle insurance policy or initially charge a higher premium  
for the policy because the insurer has received an  
unsatisfactory credit report on the insured as long as the  
policy is in good standing and the payment of premiums is

underscoring material = new  
[bracketed material] = delete

1 current.

2 B. An insurer shall not cancel a vehicle insurance  
3 policy because it has received an unsatisfactory credit report  
4 on the insured as long as the policy is in good standing and  
5 the payment of premiums is current."

6 Section 2. EFFECTIVE DATE. --The effective date of the  
7 provisions of this act is July 1, 2003.

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