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SENATE BILL 359

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

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

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, 2005.

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