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FISCAL IMPACT REPORT

ORIGINAL DATE 2/24/19

SPONSOR HSEIC LAST UPDATED _____ HB 311/HSEICS

SHORT TITLE Home Insurance Increase Notice and Appeals SB _____

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses NOT Received From

Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Bill

House State Government, Elections, and Indian Affairs Committee substitute for House Bill 311 requires organizations that publish information regarding the effectiveness of community fire protection or building code information, including public protection classifications, community grading, building code effectiveness classifications or fire suppression rating schedules for use by residential property insurers in this state, shall provide notice of any unfavorable change in a community's classification to the Office of Superintendent of Insurance

Once the Office of the Superintendent of Insurance receives a notice of an unfavorable change in a community's public protection classification, community grading, building code effectiveness classification or fire suppression rating schedule, OSI shall issue a bulletin notifying insurers of the change and the communities affected and instructing insurers to notify customers who may be adversely affected by the unfavorable change within 90 days of the publication of the bulletin.

FISCAL IMPLICATIONS

HB311 carries no appropriation and will not have an impact on the Superintendent of Insurance's operating budget.

SIGNIFICANT ISSUES

Administrative burdens imposed on insurers may discourage insurers from relying on community surveys to adjust rates, which could result in rates that do not reflect true risks and could discourage communities from improving services.

JM/gb/al