

AN ACT

RELATING TO INSURANCE; AMENDING A SECTION OF THE NMSA 1978
TO CHANGE PROVISIONS FOR DELINQUENCY CHARGES ON PREMIUM
FINANCE AGREEMENT INSTALLMENT PAYMENTS.

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

Section 1. Section 59A-45-10 NMSA 1978 (being Laws
1984, Chapter 127, Section 841) is amended to read:

"59A-45-10. DELINQUENCY CHARGES.--A premium finance
agreement may provide for the payment by the insured of a
delinquency charge on each installment in default for a
period of more than ten days and in an amount not to exceed
five percent of each installment, or five dollars (\$5.00),
whichever is less, or in lieu thereof, interest after
maturity of each such installment not to exceed the highest
lawful contract rate; except that with respect to agreements
financing coverages for other than personal, family or
household purposes, the delinquency charge shall be an
amount equal to five percent of the unpaid installment, but
in
no event more than five hundred dollars (\$500). In
addition, such contract may provide for the payment of an
attorney's reasonable fee, where it is referred for
collection to an attorney not a salaried employee of the
person to whom the installment payment is due, and for court
costs and disbursements."
