

LFC Requester:

Noah Montano

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 2/10/2025

Check all that apply:

Bill Number: SB 319Original Correction Amendment Substitute Sponsor: DuhiggShort Title: Minimum Car InsuranceAmountsAgency Name
and Code

Number:

Person Writing

Phone: 505-690-0651Office of Superintendent of
Insurance - 440Timothy VigilEmail Timothy.vigil@osi.nm**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$0	\$0	\$0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 319 (SB0319) makes purchase of Uninsured and Underinsured Motorist (UM/UIM) coverage mandatory to meet “evidence of financial responsibility” as used in the Mandatory Financial Responsibility Act. Policyholders will no longer be able to reject UM/UIM coverage.

SB 319 prohibits offsetting underinsured motorist coverage based on the liability coverage limits paid by an underinsured tortfeasor. It requires underinsured coverage to be included in uninsured coverage.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

UM/UIM coverage is expensive. Based on recent rate filing data, the OSI estimates the additional cost of UM/UIM coverage would result in a 16% rate increase for a full coverage policyholder and a 43% rate increase for policyholders with only state minimum required coverages. Insurance affordability is a driving factor in high uninsured motorist population and introduction of this bill would exacerbate the problem. A higher uninsured motorist population in the state would ultimately lead to higher UM/UIM rates for the insured population.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.