HOUSE BILL 80

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

RELATING TO INSURANCE; PROHIBITING THE USE OF CREDIT, EDUCATION
AND OCCUPATION INFORMATION IN UNDERWRITING, RATING AND RENEWING
CERTAIN INSURANCE POLICIES.

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

SECTION 1. Section 59A-17A-1 NMSA 1978 (being Laws 2005,
Chapter 275, Section 1) is amended to read:

"59A-17A-1. SHORT TITLE.--[This act] Chapter 59A, Article
17A NMSA 1978 may be cited as the "Personal Insurance Credit
Information Act"."

SECTION 2. Section 59A-17A-4 NMSA 1978 (being Laws 2005,
Chapter 275, Section 4) is amended to read:

"59A-17A-4. USE OF CREDIT INFORMATION--LIMITS ON USE.--An
insurer or group of affiliated insurers authorized to do
business in New Mexico that uses credit information to

1   underwrite, rate or renew personal insurance coverage shall

2   not:

3   A.   use an insurance score that is calculated using

4   income, gender, address, race, color, national origin, religion

5   or marital status of the consumer as a factor;

6   B.   deny, cancel or fail to renew coverage, or base

7   a consumer's company placement, tier placement or rates, on the

8   basis of credit information or an insurance score without

9   consideration of other underwriting factors permitted by state

10   law;

11   C.   consider an absence of credit information or an

12   inability to calculate an insurance score in underwriting,

13   rating or renewing personal insurance coverage unless the

14   insurer:

15   (1)   classifies the consumer as having average

16   or better than average credit information for that insurer or

17   group of affiliated insurers; or

18   (2)   excludes the use of credit information as

19   a factor in rating or underwriting personal insurance coverage;

20   D.   take adverse action against a consumer based

21   upon credit information, or upon an insurance score calculated

22   from credit information, submitted more than ninety days before

23   the date of notice of the adverse action;

24   E.   use credit information upon renewal unless the

25   insurer obtains current credit information and recalculates the

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1   insurance score at least every thirty-six months. Upon the

2   request of a consumer, an insurer that uses credit information

3   upon renewal shall obtain current credit information and

4   recalculate an insurance score. An insurer shall not be

5   required to obtain current credit information or recalculate an

6   insurance score more frequently than every twelve months except

7   for the correction of an error as described in Section [6 of

8   the Personal Insurance Credit Information Act] 59A-17A-6 NMSA

9   1978. The Personal Insurance Credit Information Act does not

10   require an insurer to obtain current credit information or

11   recalculate an insurance score if:

12   (1)   an improved insurance score would not

13   cause the consumer to be placed in a more favorably priced

14   company or tier of the insurer; or

15   (2)   the insurer does not rely upon credit

16   information or an insurance score to underwrite, rate or renew

17   the consumer's personal insurance coverage;

18   F.   use an insurance score in whole or in part to

19   deny, restrict or alter the fees charged for a premium payment

20   plan; [or]

21   G.   use credit inquiries as a factor in any

22   insurance scoring methodology or to underwrite, rate or renew

23   personal insurance coverage; or

24   H.   use credit information, insurance scores or an

25   applicant's education or occupation to underwrite, rate or

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renew an insurance policy for a private passenger automobile,

motorcycle or recreational vehicle for personal use."

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