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SENATE BILL

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

INTRODUCED BY

Pat Woods

AN ACT

RELATING TO INSURANCE; REVISING REQUIREMENTS FOR RESIDENTIAL  
PROPERTY INSURANCE FOR PAYMENT OF DEPRECIATION.

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

SECTION 1. Section 59A-18-17 NMSA 1978 (being Laws 1984,  
Chapter 127, Section 346, as amended) is amended to read:

"59A-18-17. STANDARD PROVISIONS, IN GENERAL.--

A. Insurance contracts shall contain such standard  
or uniform provisions as are required by applicable provisions  
of the Insurance Code pertaining to contracts of particular  
kinds of insurance.

B. No policy shall contain a provision inconsistent  
with or contradictory to a standard or uniform provision used  
or required to be used, but the superintendent may approve a  
substitute provision that is, in the superintendent's opinion,

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1 not less favorable in any particular to the insured, owner or  
2 beneficiary than the provision otherwise required or that is  
3 designed to comply with Chapter 59A, Article 19 NMSA 1978.

4 C. Insurance coverage provided in residential  
5 property insurance policies shall provide coverage for the cost  
6 to repair or replace without deduction for depreciation. If  
7 the insured elects to effectuate repairs to the property by the  
8 insured's own self, a reasonable overhead expense shall be  
9 allowed. At the time of settlement, the insurer shall pay one  
10 hundred percent of the replacement cost less depreciation. The  
11 remainder of the cost to rebuild or replace shall be paid upon  
12 completion of the rebuild or replacement in an amount not to  
13 exceed replacement cost or policy limits.

14 D. In lieu of the provisions required by the  
15 Insurance Code for contracts for particular kinds of insurance,  
16 substantially similar provisions required by the laws of the  
17 domicile of a foreign or alien insurer may be used when  
18 approved by the superintendent.

19 E. A policy issued by a domestic insurer for  
20 delivery in another jurisdiction may contain any provision  
21 required or permitted under the laws of such jurisdiction.

22 F. To protect consumers as well as enhance the  
23 value of consumer information systems, the superintendent may  
24 specify minimum coverage provisions that homeowners insurance  
25 policies, private passenger non-fleet automobile insurance

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1 policies or other lines or kinds of insurance policies that are  
2 priced in a consumer information system shall contain; provided  
3 that such minimum coverage provisions are contained in the  
4 majority of policies in force in New Mexico for that line or  
5 kind of insurance. An insurer that does not offer a policy  
6 that contains the minimum coverage provisions specified by the  
7 superintendent for a line or kind of insurance shall not be  
8 included in a consumer information system for that line or kind  
9 of insurance. The superintendent shall not compel an insurer  
10 to offer a policy containing minimum coverage provisions  
11 specified by the superintendent."