

FORTY- SEVENTH LEGISLATURE
FIRST SESSION

March 1, 2005

SENATE FLOOR AMENDMENT number ___1___ to SENATE BILL 560, as amended

Amendment sponsored by Senator Carroll H. Leavell

1. Strike Senate Judiciary Committee Amendments 7 and 8.

2. On page 10, between lines 4 and 5, insert the following new subsections:

"C. In addition to the information described in Subsections A and B of this section, the notification shall include the following information prepared in substantially the following form:

"New Mexico state law requires specific notice in clear and concise language if an insurer takes one of the following actions based on credit history:

1. Cancels, denies or non-renews coverage;
2. Gives more limited coverage;
3. Limits benefits, such as eligibility for dividends;
4. Does not offer the best rate available; or
5. Adds a premium surcharge or does not offer a discount.

If your insurer takes one of these actions due to your credit history, it must also tell you the name of the credit bureau that supplied the information. You are also entitled to a free copy of your credit report from the credit bureau that supplied the credit information.

What can I do if there is incorrect information in my credit report?

If you report an error, the credit bureau must investigate the error and get back to you within thirty days. The credit bureau will

FORTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/SB 560, aa

Page 2

contact whoever reported the information. Credit information is often reported by banks, credit card companies, collection agencies or a court clerk. If the investigation shows the information is wrong or if there is no proof it is true, the credit bureau must correct your credit report.

You can ask the credit bureau to send a notice of the correction to any creditor or insurer that has checked your file in the past six months. Once the error is corrected, it is a good idea to get a new copy of your credit report several months later to make sure the incorrect information has not been reported again. If the error is not corrected, you may file a one-hundred-word statement explaining your side of the story to the credit bureau.

Make sure your insurance company has a copy of your statement, and ask if it will take your statement into account.

It is a good idea to get a copy of your credit report once a year. Since the national credit bureaus do not share information, it is also a good idea to get a copy of your credit report from each of them. Each report may have different errors. If you correct errors on one credit report, it may not fix the errors on the other credit reports.

The national credit bureaus are:

(names, phone numbers and web site information of national credit bureaus)

Tell your insurance company. Do not wait until the credit bureau investigates the errors to contact your insurer. Tell your insurance company right away and ask if the errors will make a difference in your insurance.

If the errors are significant, tell your insurer that you are disputing the information and ask if it will wait to use your credit

FORTY-SEVENTH LEGISLATURE
FIRST SESSION

SF1/SB 560, aa

Page 3

information until the errors are corrected. Small errors may not have much effect on your credit score. But if the errors are significant, it can make a big difference in your premium.

How can I improve my credit score?

You must find out what attributes of your credit history were used to calculate your credit score. Consumer reporting agencies provide insurance companies with up to four factors that have had a negative impact on your insurance credit score. The agent or company should be able to tell you which items in your credit history had the most impact on your score. "

D. The notification shall also include any other language prescribed by the superintendent in a rule. "

Carroll H. Leavell

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____