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FISCAL IMPACT REPORT

ORIGINAL DATE 3/13/07

SPONSOR Lujan LAST UPDATED _____ HM 98

SHORT TITLE Study Windshield Repair and Insurance Rates SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 98 requests that the Insurance Division of the Public Regulation Commission study the effects of deductibles for comprehensive coverage for windshield repair and replacement with respect to insurance rates, consumer safety and insurance industry practices with respect to premium or rate discounts for those consumers who maintain favorable claim histories over time. The Insurance Division would be authorized to request assistance and counsel of any parties that may be affected by or be knowledgeable about vehicle insurance. The report must be presented to the PRC by November 1, 2007.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

The memorial finds that:

- The availability of affordable insurance coverage is of public importance for consumers in New Mexico; and WHEREAS, deductibles and the waiver of such deductibles for comprehensive coverage for windshield repair and replacement coverage affect the cost of such coverage;

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- The failure of consumers to effectuate repairs or replacement of damaged windshields could affect the safety of operating motor vehicles with damaged windshields;
- Because consumer premiums and rates may be affected by deductibles and the waiver of such deductibles for comprehensive coverage for windshield repair and replacement coverage, this study should include insurance industry practices with respect to premium or rate discounts for those consumers who maintain favorable claim histories over time;

ADMINISTRATIVE IMPLICATIONS

There may be some administrative impact on the Insurance Division of the PRC, but the memorial authorized the use of outside resources.

BE/mt