

TITLE 13 INSURANCE
CHAPTER 8 INSURANCE POLICIES AND RATES
PART 6 PERSONAL INSURANCE CREDIT INFORMATION

13.8.6.1 ISSUING AGENCY: New Mexico Public Regulation Commission Insurance Division.
[13.8.6.1 NMAC - N, 1/1/06]

13.8.6.2 SCOPE: This rule applies to personal insurance written by an insurer or a group of affiliated insurers authorized to do business in New Mexico or written pursuant to the FAIR Plan Act, but does not apply to commercial insurance or any other types of insurance.
[13.8.6.2 NMAC - N, 1/1/06]

13.8.6.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978 and the Personal Insurance Credit Information Act, Chapter 59A, Article 17A NMSA 1978 (being Laws 2005, Chapter 275).
[13.8.6.3 NMAC - N, 1/1/06]

13.8.6.4 DURATION: Permanent.
[13.8.6.4 NMAC - N, 1/1/06]

13.8.6.5 EFFECTIVE DATE: January 1, 2006, unless a later date is cited at the end of a section.
[13.8.6.5 NMAC - N, 1/1/06]

13.8.6.6 OBJECTIVE: The purpose of this rule is to implement portions of the Personal Insurance Credit Information Act, Chapter 59A, Article 17A NMSA 1978 (being Laws 2005, Chapter 275).
[13.8.6.6 NMAC - N, 1/1/06]

13.8.6.7 DEFINITIONS: [Reserved]

13.8.6.8 ADVERSE ACTION NOTIFICATION:

A. The notification to consumers required by 59A-17A-8 NMSA 1978 and 13.8.6 NMAC shall be in one document, shall address the consumer by name and shall, in addition to the information described in Subsections A and B of 59A-17A-8 NMSA 1978, provide the consumer with the following information:

(1) the name, address, and telephone number of the consumer reporting agency or third party vendor that provided the information and how the consumer can obtain a free copy of his credit report from that entity;

(2) the insurer, and not the consumer reporting agency or third party vendor, made the decision regarding insurance and the consumer reporting agency or third party vendor cannot provide the consumer with the reasons for the adverse action;

(3) if the consumer finds inaccurate or incomplete information in his credit report and so notifies the consumer reporting agency or third party vendor, the consumer reporting agency is required to investigate and correct any information that it determines is inaccurate or incomplete, or concerning which the accuracy can no longer be verified;

(4) if the consumer reporting agency corrects any information in the credit report, the consumer must instruct the consumer reporting agency to notify the insurer in order for the insurer to know of this correction;

(5) how the consumer can obtain an annual free copy of his credit report from each of the major national consumer reporting agencies, under federal law; and

(6) the life circumstances considered by the insurer in its extraordinary life circumstances exception policy are those that have occurred within three years of the date of application for or renewal of personal insurance coverage and include the following:

- (a) an acute or chronic medical condition, illness, injury or disease;
- (b) divorce;
- (c) death of a spouse, child or parent;
- (d) involuntary loss of employment for more than three consecutive months;
- (e) identity theft; or
- (f) total or other loss that makes a home uninhabitable.

B. An insurer may provide the following language in the notice to comply with the requirements of Subsection A of 13.8.6.8 NMAC. A sample form of notice is posted on the public regulation commission, insurance division website, www.nmprc.state.nm.us, at “insurance”, then “property and casualty”.

- (1) Dear *(name of consumer)*:
 - (2) We have *(describe the specific adverse action taken by using one of the following)*:
 - (a) “given you less than our best rates”,
 - (b) “declined to renew your policy”,
 - (c) “declined to offer you a policy”,
 - (d) “canceled your policy”, or
 - (e) “restricted the coverage that we will provide you”) due in part to your credit information.
 - (3) The most important (insert the words “credit-related” if applicable) factors that negatively affected your insurance score are:
 - (a) *(list the most important factor)*;
 - (b) *(list the second most important factor, if applicable)*;
 - (c) *(list the third most important factor, if applicable)*; and
 - (d) *(list the fourth most important factor, if applicable)*.
 - (4) Your credit information was obtained from *(name the consumer reporting agency)* consumer credit reporting agency. You have a right to a free copy of your consumer credit report by contacting them at *(list their toll-free number)* or at *(list their mail address)* within 60 days. Please note that *(name the consumer reporting agency)* cannot provide you with the reasons for our decision regarding insurance with us.
 - (5) If you dispute information in your report, contact *(name the consumer reporting agency)*. *(Name the consumer reporting agency)* is required to investigate your dispute and get back to you in less than 60 days. If they find that the information is inaccurate, incomplete or can’t be verified, they are required to promptly correct your report.
 - (6) While some errors may have a noticeable impact on our decision regarding your insurance or on your premium, other errors may not. *(Name the consumer reporting agency)* might not alert us to the error correction unless you tell them to do so. You should also notify us once your report has been corrected.
 - (7) If you correct errors with one reporting agency it may not fix those errors with other reporting agencies. Therefore you may wish to check your consumer credit report from each of the major national reporting agencies.
 - (8) Once a year you can get a free copy of your report from each of the major reporting agencies by calling *(list toll-free phone number)*, by visiting *(list website)*, or by writing to *(list mailing address)*.
 - (9) If your credit information has been adversely impacted by an extraordinary life circumstance that has occurred within the last 3 years, you may request in writing that we consider this when using your credit information. These extraordinary life circumstances include:
 - (a) an acute or chronic medical condition, illness, injury or disease;
 - (b) divorce;
 - (c) death of a spouse, child or parent;
 - (d) involuntary loss of employment for more than three consecutive months;
 - (e) identity theft; or
 - (f) total or other loss that makes your home uninhabitable.
 - (10) If you believe any of these applies to you and has impacted your credit, please contact *(use one of the following: “us”, “your insurance agent”, “us or your insurance agent”)*. We may require you to provide reasonable documentation of this circumstance and explain how it has negatively affected your credit.
- [13.8.6.8 NMAC - N, 1/1/06]

13.8.6.9 INSURANCE SCORING FILINGS: Insurers shall include in the heading of the cover letter for filings made pursuant to 59A-17A-9 NMSA 1978 the following words in bold uppercase type: **CONFIDENTIAL INSURANCE SCORING FILING**.

[13.8.6.9 NMAC - N, 1/1/06]

HISTORY OF 13.8.6 NMAC: [RESERVED]