

# STATE OF NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE  
Russell Toal



DEPUTY SUPERINTENDENT  
Robert E. Doucette, Jr.

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**BULLETIN 2020-011**

**APRIL 29, 2020**

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NEW MEXICO  
OFFICE OF  
SUPERINTENDENT  
OF INSURANCE

**TO: ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, COUNTY MUTUALS, RECIPROCALLS, ASSOCIATIONS, LLOYD'S PLANS, OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN NEW MEXICO, INCLUDING WORKERS' COMPENSATION INSURANCE; AGENTS AND REPRESENTATIVES; PREMIUM FINANCE COMPANIES; AND OTHER RELEVANT PARTIES.**

**RE: COVID-19: COMMERCIAL PREMIUM ADJUSTMENTS AND MIDTERM PREMIUM AUDITS**

Governor Michelle Lujan Grisham has declared a public health emergency in response to the COVID-19 pandemic. The impact of the COVID-19 outbreak has been significant on many New Mexico businesses, causing them to reduce operating hours, convert sales arrangements, decrease or limit travel, reduce payroll and take other steps to survive through the social distancing rules imposed to control the pandemic. The New Mexico Superintendent of Insurance ("the Superintendent") expects insurers to work with commercial policyholders that have reduced operations due to the COVID-19 outbreak.

For policies calculated using an auditable exposure, such as payroll or sales, which may have changed as a result of the COVID-19 outbreak, the Superintendent encourages insurers to:

- Conduct midterm premium audits if requested by policyholders. Many policies permit midterm audits without an onsite visit.
- Consider any reduced risk for businesses that change operations or elect to continue paying employees when they are not working, and for workers' compensation carriers who are members of NCCI, to follow forthcoming NCCI guidance on this and other COVID-19 issues.
- Allow policyholders to self-audit and report changes in the auditable exposure the insurer used to calculate the premium.

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- Make such adjustments and take such actions as are necessary to reduce premiums appropriately given the new business realities.


The Superintendent recognizes that a midterm audit, self-audit, or other premium adjustment does not replace a final audit permitted or required by the policy.

Thank you for your cooperation with this Bulletin. The Superintendent reserves the right to take such actions as may be appropriate to ensure compliance.

Any person aggrieved by this Bulletin may request a hearing before the Superintendent of Insurance in accordance with Section 59A-4-15 NMSA 1978.

If you have questions regarding this Bulletin, please contact Anna Krylova at [anna.krylova@state.nm.us](mailto:anna.krylova@state.nm.us).

**ISSUED** this 29<sup>th</sup> day of April, 2020.



**RUSSELL TOAL**  
Superintendent of Insurance