



FOR IMMEDIATE RELEASE

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**STATE INSURANCE OFFICE HIGHLIGHTS CREDIT
PROTECTIONS DURING PANDEMIC**

SANTA FE, NM. – Recognizing that many New Mexicans are likely struggling to pay their bills during the COVID-19 pandemic, Superintendent of Insurance Russell Toal alerts consumers to federal and state protections that regulate how insurance companies can report and use a consumer’s credit history.

► The federal Coronavirus Aid, Relief and Economic Security (CARES) Act amends the Fair Credit Reporting Act and alters the duties of creditors when reporting the status of accounts provided with COVID-19 related payment accommodations.

Under the CARES Act:

- Creditors should provide assistance or relief to consumers affected by the COVID-19 pandemic, such as agreeing to defer one or more payments, agreeing to accept a partial payment, agreeing to forbear any delinquent amounts, or agreeing to modify a loan or contract.
- If a creditor provides such assistance or relief, the creditor must report any affected account as “current” as long as the account was current before the accommodation, and the consumer abides by the terms of the agreement with the creditor.

This credit-reporting provision will remain in force for 120 days after enactment of the CARES Act on March 27, or 120 days after the national coronavirus emergency is declared over, whichever occurs later.

► New Mexico also has protections that impact how insurers can use credit history to calculate how much consumers pay for auto and homeowners insurance.

New Mexico’s Personal Insurance Credit Information Act, Article 17A of the state’s Insurance Code, restricts how insurers can use credit information when determining who to offer coverage to and how much to charge someone. For example, insurers that use credit information to rate personal insurance coverage cannot:

- Use income, gender, address, race, color, national origin, religion or marital status of the consumer as a factor;
- Consider an absence of credit information as a factor; or
- Take adverse action against a consumer based on credit information that is more than 90 days old.

Additionally, the New Mexico Personal Insurance Credit Information Act requires:

- If an insurer uses credit information to help determine the premium rate it will charge, the insurer must disclose that fact to the consumer; and
- If an insurer takes an adverse action based upon credit information, the insurer must notify the consumer in writing of the nature of and the reasons for the adverse action.

“Insurers must only use credit information in compliance with the statute, or it becomes unfair,” said Toal. “This pandemic is creating massive financial stress, and we have to do what we can to protect New Mexicans from economic harm.”

As stated above, insurers must notify consumers if they use their credit information. Anyone who believes their credit information has been misused by their insurance company should contact the Consumer Assistance Bureau of the New Mexico Office of Superintendent of Insurance by calling 1-855-427-5674 or through the web at <https://www.osi.state.nm.us/index.php/contact-us/>.

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