

# STATE OF NEW MEXICO

## OFFICE OF SUPERINTENDENT OF INSURANCE

**SUPERINTENDENT OF INSURANCE**  
Russell Toal



**DEPUTY SUPERINTENDENT**  
Jennifer A. Catechis

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### **BULLETIN 2022-014**

**August 2, 2022**

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**TO: ALL INSURANCE COMPANIES COVERING PROPERTY OR CASUALTY RISKS LOCATED IN THE STATE OF NEW MEXICO**

**RE: RATING ERROR REPORTING AND REFUNDS**

The purpose of this Bulletin is to outline the procedure for insurance companies to follow when a rating error has been identified. This bulletin is issued in accordance with Sections 59A-2-8 and 59A-2-10 NMSA 1978, and with 13.1.2.9 NMAC.

When an insurer finds an error in its data or its calculations used to compute a rate, such that the rates charged to NM consumers were not consistent with what the company has on file with the NM Office of Superintendent of Insurance (OSI), the insurer shall notify (OSI) within 30 days of the discovery. The notice shall disclose the following items:

- 1) A full description of the rating error that occurred;
- 2) The number of affected NM policyholders and the total amount of the over- or under-charge (with an estimate if the exact amount is not yet available); and
- 3) The insurer's plan of action to prevent such errors in the future.

Furthermore, when policyholders have been overcharged and a refund is due, the insurer must pay interest on the amount to be refunded, at an annual rate of 15%, as authorized pursuant to NMSA 1978, § 56-8-3 (1983), which sets forth a maximum interest rate on amounts owed in the absence of a written contract fixing a different rate. The refunds shall be issued as a check or electronic funds transfer unless the policyholder indicates a preference for a policy credit.

Once the refunds have been processed, the insurer shall send a letter to OSI attesting that the required refunds have been issued and stating the total principal amount of the refunds the number of affected policyholders, and the number of policyholders who have received the refunds. Insurers

are expected to make a diligent effort to ensure that all policyholders receive their refunds. However, if there are policyholders that could not be reached, then the insurer must deposit such policyholders' refunds with the State of New Mexico Unclaimed Property Fund.

Notices of rating errors shall be sent to the attention of:

Anna Krylova, NMOSI Chief Actuary, at [anna.krylova@state.nm.us](mailto:anna.krylova@state.nm.us)


Melissa Robertson, P&C Filings Bureau Chief, at [melissa.robertson@state.nm.us](mailto:melissa.robertson@state.nm.us)

Margaret Caffey-Moquin, Chief Staff Counsel, at [margaret.moquin@state.nm.us](mailto:margaret.moquin@state.nm.us)

Jennifer Catechis, Deputy Superintendent, at [jennifer.catechis@state.nm.us](mailto:jennifer.catechis@state.nm.us)

Please direct any questions regarding this bulletin to Anna Krylova, NMOSI Chief Actuary, at (505) 827-4529, or via e-mail at [anna.krylova@state.nm.us](mailto:anna.krylova@state.nm.us).

**ISSUED this 2nd day of August, 2022.**



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**RUSSELL TOAL**  
Superintendent of Insurance