

## **Assessment Policy**

The New Mexico Property Insurance Program (“Program”), pursuant to N.M. Stat. Ann. Section 59A-29-2, shall assess member insurers on a fair and equitable basis, when necessary, in a manner consistent with the following policy:

- (1) All assessments by the Program shall be considered and approved by the Governing Committee of the Program. Assessments may be approved when there is a need to increase the Program’s operating cash base and for the settlement of claims. The Governing Committee may make an assessment upon the member insurers as may be necessary to maintain the financial stability of the Program.
- (2) The Governing Committee shall determine the total amount of any assessment. Assessments shall be made upon all member insurers (insurers authorized to write and writing essential property Insurance in New Mexico). Assessments shall be made upon member insurers in the same proportion as the member insurer’s total premiums written to the aggregate total premiums written by all the Insurers in the Program (“Participation Percentage”).
- (3) Upon request, all member insurers are to provide the company's previous calendar year's direct written premium as shown on its annual financial statement. All data from the member insurer’s direct written premium may be obtained by the Program from National Association of Insurance Commissioners. The data received by the Program will be compiled to create a Participation Percentage, and the data will be available on the Program’s website.
- (4) All member insurers shall pay the invoiced amount in full within 30 days from the date of receipt of the Assessment Letter. Any invoices outstanding after 30 days may be subject to a \$1,000 penalty.
- (5) The Governing Committee may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the Governing Committee, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. If an assessment against a member insurer is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth above. The member insurer receiving an abatement or deferment shall remain liable to the Program for the deficiency for three years.