

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE



SUPERINTENDENT OF INSURANCE
Alice T. Kane

BULLETIN 2023-022

August 9, 2023

TO: ALL INSURANCE COMPANIES THAT HAVE ISSUED PROPERTY INSURANCE POLICIES COVERING RISKS LOCATED IN THE STATE OF NEW MEXICO

RE: REQUIREMENTS FOR RESIDENTIAL PROPERTY COVERAGE ON MANUFACTURED HOMES

THIS BULLETIN reminds insurers that manufactured homes, while it is in a residential property situation, must be covered as such. This bulletin is issued in accordance with Section 59-2-8 NMSA 1978, 13.1.2 NMAC, 13.7.4, and 13.13.2 NMAC.

A manufactured home is defined in statute as “a movable or portable *housing structure* that exceeds either a width of eight feet or a length of 40 feet, constructed to be towed on its own chassis and *designed to be installed with or without a permanent foundation for human occupancy.*” NMSA 1978, § 66-1-4.11(B) [emphasis added]. When in transit, however, a manufactured home must be insured as a motor vehicle. NMSA 1978, §§ 66-3-1(A) and 66-3-19(F).

<u>Manufactured Home as Vehicle</u>	<u>Manufactured Home as Real Property</u>
<i>When driven or moved upon a highway, a manufactured home is subject to the registration and certificate of title provisions of the Motor Vehicle Code, which requires both a registration fee and a registration plate.</i>	<i>When placed on a permanent foundation and the tongue and axles have been removed, a manufactured home is no longer a vehicle. It is then real property, subject to real estate taxes.</i>

See also the New Mexico Motor Vehicle Division (“MVD”) website, at:

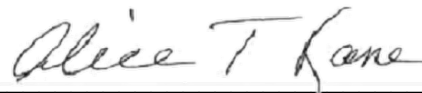
<https://www.mvd.newmexico.gov/chapter-17-manufactured-homes/>

A manufactured home, *while in use as residential property*, is subject to all of the requirements and benefits that pertain to residential insurance, including all residential coverage protections of the Insurance Code. Without limitation, the following sections of the Insurance Code, as codified in NMSA 1978, apply:

- § 59A-16-20, *Unfair claims practices defined and prohibited*, including Subsection F, which requires insurers to settle all catastrophic claims within 90 days of the date of a declaration of a catastrophe by the Superintendent;
- § 59A-16-20.1, *Homeowner's casualty insurance; premium rate and policy; protection after natural disaster*, including the prohibition against non-cancellation and non-renewal relating to natural disasters; and
- § 59A-18-17, *The Insurance Contract*, which, at Subsection C, states, “Insurance coverage provided in residential property insurance policies shall provide coverage for the cost to repair or replace without deduction for depreciation. If the insured elects to effectuate repairs to the property by the insured's own self, a reasonable overhead expense shall be allowed.”

Questions regarding this Bulletin should be directed to Anna Krylova at Anna.Krylova@osi.nm.gov

ISSUED this 8 day of Aug., 2023.



ALICE T. KANE
Superintendent of Insurance