



# LEGISLATIVE POSITION

PROFESSIONAL INSURANCE AGENTS OF NEW HAMPSHIRE INC.

25 Chamberlain St.  
PO Box 997  
Glenmont, NY  
12077-0997  
(800) 424-4244

**LEGISLATIVE  
REPRESENTATIVE**  
Sheehan Phinney  
Capitol Group

**DIRECTOR OF  
GOVERNMENT &  
INDUSTRY AFFAIRS**  
Bradford J. Lachut, Esq.

**EXECUTIVE  
DIRECTOR**  
Kelly K. Norris, CAE

PIANH opposes Senate Bill 36, *An act relative to residency under auto insurance policies.*

New Hampshire's automobile insurance market offers residents access to some of the lowest rates in the country, especially compared to neighboring states. Ensuring that only residents may purchase automobile insurance preserves the affordable rates for all consumers in the state.

Currently, an individual seeking coverage for their automobile in New Hampshire must sign a Statement of Residency prior to obtaining coverage in the state. This statement makes clear to the consumer that they must reside in New Hampshire to obtain insurance as a resident. Limited exceptions exist for active military members, college students and vehicles garaged in New Hampshire. It does make clear that anyone whose primary residency is outside New Hampshire cannot obtain automobile insurance as a state resident except under specific circumstances.

A Statement of Residency is only required on the application for automobile insurance. It does not create a burden on insurance agents. Policies continue to renew uninterrupted without need for an additional statement if no changes to residency occur.

The Statement of Residency required by RSA 417-A:3-b carries the gravitas to make the law clear to consumers. Informing a consumer of the law does not have the same effect as requiring a signed document confirming the consumer understands the consequences of violating the residency requirements. This is particularly true for consumers who may live near the state borders or have a secondary residence in the state. A legal statement, required and prescribed by state law, guarantees every person seeking to buy automobile insurance in New Hampshire has been made aware of this law and the consequences for violating it.

This legislation would repeal the Statement of Residency requirement and potentially disrupt New Hampshire's stable and very affordable automobile insurance market. The rates in the state reflect the risks of resident drivers; altering the rating pool with nonresident drivers could change the rates for consumers. Automobile carriers would still be able to deny coverage for losses by anyone who wrongfully claimed New Hampshire residency, further disrupting the marketplace with potential increases to uninsured motorists' claims. That would further risk rate increases for New Hampshire drivers, increasing the costs of automobile insurance across the state.

PIANH opposes S.B.36 and urges unfavorable consideration of this bill.