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SENATE BILL 805

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Mark Boitano

AN ACT

RELATING TO LICENSING; AUTHORIZING THE REQUIREMENT OF
PROFESSIONAL LIABILITY INSURANCE AS A CONDITION OF ISSUANCE
AND RENEWAL OF A REAL ESTATE BROKER'S LICENSE; ENACTING A NEW
SECTION OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new Section 61-29-4.2 NMSA 1978 is enacted
to read:

"61-29-4.2. [NEW MATERIAL] ADDITIONAL POWERS OF THE
COMMISSION--PROFESSIONAL LIABILITY INSURANCE--MAXIMUM COST OF
PREMIUM - MINIMUM COVERAGE. --

A. In addition to the powers and duties granted to
the commission pursuant to the provisions of Sections 61-29-4
and 61-29-4.1 NMSA 1978, the commission may adopt rules that
require professional liability insurance coverage and may

underscored material = new
[bracketed material] = delete

1 establish the minimum terms and conditions of coverage,
2 including limits of coverage and permitted exceptions. If
3 adopted by the commission, the rules shall require every
4 applicant for a license and licensee who applies for renewal
5 of a license to provide the commission with satisfactory
6 evidence that he has professional liability insurance coverage
7 that meets the minimum terms and conditions required by
8 commission rule.

9 B. The commission is authorized to solicit sealed,
10 competitive proposals from insurance carriers to provide a
11 group professional liability insurance policy that complies
12 with the terms and conditions established by commission rule.
13 The commission may approve one or more policies that comply
14 with the commission rules; provided that the maximum annual
15 premium shall not exceed one hundred fifty dollars (\$150) for
16 a licensee, that the minimum coverage shall not be less than
17 one hundred thousand dollars (\$100,000) for an individual
18 claim and not less than a five hundred thousand dollar
19 (\$500,000) aggregate limit per policy and that the deductible
20 shall not be greater than one thousand dollars (\$1,000).

21 C. Rules adopted by the commission shall permit a
22 licensee to satisfy any requirement for professional liability
23 insurance coverage by purchasing an individual policy.

24 D. Rules adopted by the commission shall provide
25 that there shall not be a requirement for a licensee to have

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[bracketed material] = delete

1 professional liability insurance coverage during a period when
2 a group policy, as provided in Subsection B of this section,
3 is not in effect. "

4 Section 2. EFFECTIVE DATE. --The effective date of the
5 provisions of this act is July 1, 2001.

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