

AN ACT
RELATING TO INSURANCE; AMENDING THE NEW MEXICO INSURANCE
CODE TO CHANGE CERTAIN LICENSE FEES AND TO PROVIDE FOR
NOTICE OF CHANGE OF ADDRESS.

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

Section 1. Section 59A-6-1 NMSA 1978 (being Laws 1984, Chapter 127, Section 101, as amended) is amended to read:

"59A-6-1. FEE SCHEDULE. -- The superintendent shall collect and receipt for, and persons so served shall pay to the superintendent, fees, licenses and miscellaneous charges as follows:

A. insurer's certificate of authority -

- (1) filing application for certificate of authority, and issuance of certificate of authority, if issued, including filing of all charter documents, financial statements, service of process, power of attorney, examination reports and other documents included with and part of the application \$1,000.00
- (2) annual continuation of certificate of authority, per kind of insurance, each year continued .200.00
- (3) reinstatement of certificate of authority, Section 59A-5-23 NMSA 1978 150.00
- (4) amendment to certificate of authority
. 200.00

B. charter documents - filing amendment to any charter document, as defined in Section 59A-5-3 NMSA	
1978	10.00
C. annual statement of insurer, filing 200.00	
D. service of process, acceptance by superintendent and issuance of certificate of service, where issued 10.00	
E. agents' licenses and appointments -	
(1) filing application for original agent license and issuance of license, if issued 30.00	
(2) appointment of agent -	
(a) filing appointment, per kind of insurance, each insurer	20.00
(b) continuation of appointment, each insurer, each year continued	20.00
(3) variable annuity agent's license -	
(a) filing application for license and issuance of license, if issued	30.00
(b) continuation of appointment each year	20.00
(4) temporary license as to life and health insurance or both 30.00	
(a) as to property insurance	30.00
(b) as to casualty/surety insurance	30.00

(c) as to vehicle insurance . . .	30.00
F. solicitor license -	
(1) filing application for original license and issuance of license, if issued	30.00
(2) continuation of appointment, per kind of insurance, each year	20.00
G. broker license -	
(1) filing application for license and issuance of original license, if issued	30.00
(2) annual continuation of license	30.00
H. insurance vending machine license -	
(1) filing application for original license and issuance of license, if issued, each machine . . .	25.00
(2) annual continuation of license, each machine	25.00
I. examination for license, application for examination conducted directly by superintendent, each grouping of kinds of insurance to be covered by the examination as provided by the superintendent's rules and regulations, and payable as to each instance of examination	50.00
J. surplus line insurer - filing application for qualification as eligible surplus lines insurer . .	1,000.00
K. surplus line broker license -	
(1) filing application for original license	

and issuance of license, if issued	100.00
(2) annual continuation of license	100.00
L. adjuster license -	
(1) filing application for original license	
and issuance of license, if issued	30.00
(2) annual continuation of license	30.00
M rating organization or rating advisory	
organization license -	
(1) filing application for license and	
issuance of license, if issued	100.00
(2) annual continuation of license . .	100.00
N. nonprofit health care plans -	
(1) filing application for preliminary	
permit and issuance of permit, if issued	100.00
(2) certificate of authority, application,	
issuance, continuation, reinstatement, charter documents -	
same as for insurers	
(3) annual statement, filing	200.00
(4) agents and solicitors -	
(a) filing application for original	
license and issuance of license, if issued	30.00
(b) examination for license conducted	
directly by superintendent, each instance of examination	
.	50.00
(c) annual continuation of appointment	

. 20.00

0. prepaid dental plans -

(1) certificate of authority, application, issuance, continuation, reinstatement, charter documents - same as for insurers

(2) annual report, filing 200.00

(3) agents and solicitors -

(a) filing application for original license and issuance of license, if issued 30.00

(b) examination for license conducted directly by superintendent, each instance of examination 50.00

(c) continuation of license, each year 20.00

P. prearranged funeral insurance - application for certificate of authority, issuance, continuation, reinstatement, charter documents, filing annual statement, licensing of sales representatives - same as for insurers

Q. premium finance companies -

(1) filing application for original license and issuance of license, if issued 100.00

(2) annual renewal of license 100.00

R. motor clubs -

(1) certificate of authority -

(a) filing application for original

certificate of authority and issuance of certificate of authority, if issued	200.00
(b) annual continuation of certificate of authority	100.00
(2) sales representatives -	
(a) filing application for registration or license and issuance of registration or license, if issued, each representative	30.00
(b) annual continuation of registration or license, each representative	30.00
S. bail bondsmen -	
(1) filing application for original license as bail bondsman or solicitor, and issuance of license, if issued	30.00
(2) examination for license conducted directly by superintendent, each instance of examination	50.00
(3) continuation of appointment, each year	20.00
T. securities salesperson license -	
(1) filing application for license and issuance of license, if issued	25.00
(2) renewal of license, each year	25.00
U. for each signature and seal of the superintendent affixed to any instrument	10.00

V. required filing of forms or rates - by all lines of business other than property or casualty

(1) rates 50.00

(2) major form - each new policy and each package submission which can include multiple policy forms, application forms, rider forms, endorsement forms or amendment forms 30.00

(3) incidental forms and rates - forms filed for informational purposes; riders, applications, endorsements and amendments filed individually; rate service organization reference filings; rates filed for informational purposes 15.00

W. health maintenance organizations -

(1) filing an application for a certificate of authority 1,000.00

(2) annual continuation of certificate of authority, each year continued 200.00

(3) filing each annual report 200.00

(4) filing an amendment to organizational documents requiring approval 200.00

(5) filing informational amendments 50.00

(6) agents and solicitors -

(a) filing application for original license and issuance of license, if issued 30.00

(b) examination for license, each

instance of examination 50.00

(c) annual continuation of appointment
. 20.00

X. purchasing groups and foreign risk retention
groups -

(1) original registration 500.00
(2) annual continuation of registration
. 200.00

(3) agent or broker fees - same as for
authorized insurers

Y. third party administrators -

(1) filing application for original
individual insurance administrator license 30.00

(2) filing application for original
officer, manager or partner insurance administrator license ~~30.00~~

(3) continuation or renewal of annual
license 30.00

(4) examination for license conducted
directly by the superintendent, each examination . . . 75.00

(5) each request for a duplicate license or
for each name change 30.00

(6) filing of annual report 50.00

(7) each seal or signature affixed to an
instrument 10.00.

Notwithstanding the fees required in this subsection,

an insurer shall be subject to additional fees or charges, termed retaliatory or reciprocal requirements, or both, whenever any form or rate-filing fees in excess of those imposed by the laws of this state are charged to insurers in New Mexico doing business in another state or whenever any condition precedent to the right to issue policies in another state is imposed by the laws of that state over and above the conditions imposed upon insurers by the laws of New Mexico; in those cases, the same form or rate-filing fees may be imposed upon every insurer from every other state transacting or applying to transact business in New Mexico so long as the higher fees remain in force in the other state. If an insurer fails to comply with the additional retaliatory or reciprocal requirement charges imposed under this subsection, the superintendent may refuse to grant or may withdraw approval of the tendered form or rate filing.

All fees are deemed earned when paid and are not refundable. "

Section 2. Section 59A-11-8 NMSA 1978 (being Laws 1984, Chapter 127, Section 187) is amended to read:

"59A-11-8. 187. ISSUANCE, REFUSAL OF LICENSE. --If the superintendent finds that the application is complete, that the applicant has passed all required examinations and is otherwise qualified for the license applied for, he shall

promptly issue the license. Otherwise, the superintendent shall refuse to issue the license and promptly notify the applicant and the appointing insurer, employer, or principal where applicable, of such refusal and stating the grounds therefor. "

Section 3. Section 59A-12-20 NMSA 1978 (being Laws 1984, Chapter 127, Section 221, as amended by Laws 1999, Chapter 272, Section 12 and also by Laws 1999, Chapter 289, Section 13) is amended to read:

"59A-12-20. PLACE OF BUSINESS--DISPLAY OF LICENSE. --

A. Every general lines agent shall have and maintain a place of business accessible to the public, wherein the licensee conducts transactions under the license. Nothing in this section shall prohibit maintenance of the place of business in the licensee's residence.

B. The licenses of the licensee and those of solicitors employed by him shall be conspicuously displayed in the place of business in a part customarily open to the public.

C. This section does not apply to life insurance, annuity contracts or health insurance. "

Section 4. Section 59A-12-26 NMSA 1978 (being Laws 1984, Chapter 127, Section 227, as amended by Laws 1999, Chapter 272, Section 16 and also by Laws 1999, Chapter 289, Section 17) is amended to read:

"59A-12-26. CONTINUED EDUCATION. --

A. For protection of the public and to preserve and improve competence of licensees, the superintendent may in his sole discretion require as a condition to continuation of license as agent, solicitor or broker under this article that during the twelve months next preceding expiration of the current license period the licensee has attended the minimum number of hours of formal class instruction, lectures or seminars required and approved by the superintendent covering the kinds of insurance for which licensed.

B. Such instruction shall be designed to refresh the licensee's understanding of basic principles and coverages involved, recent and prospective changes therein, applicable laws and rules and regulations of the superintendent, proper conduct of the licensee's business and duties and responsibilities of the licensee.

C. The superintendent may permit licensees who because of remoteness of residence or business cannot with reasonable convenience attend such formal instruction sessions to take and successfully complete an equivalent course of study and instruction by mail.

D. The superintendent shall promulgate rules and regulations for effectuation of the purposes and requirements of this section and may impose a penalty not to

exceed fifty dollars (\$50.00) for a licensee's failure to timely report continuing education credits.

E. For the purposes of this section, the superintendent shall charge, at the time of certifying each licensee's continuing education credits as a condition of continuation of license, a fee of one dollar (\$1.00) per credit hour of continuing education; provided that the superintendent may contract with an established and experienced independent agency to receive and review continuing education compliance reports and, in such a case, the fee shall be a reasonable amount, fixed by the superintendent and payable to the contracting agency.

F. This section shall not apply to holders of limited license issued under Section 59A-12-18 NMSA 1978. "

Section 5. A new section of Chapter 59A, Article 12 NMSA is enacted to read:

"CHANGE OF ADDRESS--NOTICE REQUIRED--PENALTY. --The address of the licensee's place of business shall appear on the application for the license and on the license, and the licensee shall promptly notify the superintendent in writing of any change of address. Failure to notify the superintendent of a change of address within twenty days shall subject the licensee to a penalty in the amount of fifty dollars (\$50.00). "

Section 6. Section 59A-13-2 NMSA 1978 (being Laws

1984, Chapter 127, Section 230, as amended) is amended to read:

"59A-13-2. DEFINITIONS. --

A. For the purposes of the Insurance Code:

(1) "adjuster" is any person:

(a) who or that investigates, negotiates, settles or adjusts losses or claims arising under insurance contracts on behalf of an insurer, insured or self-insurer, for fee, commission or other compensation; however, an adjuster acting on behalf of an insured shall not investigate, negotiate, settle or adjust any claims involving personal injury to the insured; and

(b) who advises the insured of his rights to settlement and his rights to settle, arbitrate and litigate the dispute;

(2) "staff adjuster" is an adjuster individual who is a salaried employee of an insurer, representing and adjusting claims solely under policies of the employer insurer; and

(3) "independent adjuster" is every adjuster not a staff adjuster and includes representatives and employees of such an independent adjuster.

B. Except as provided hereafter, "adjuster" does not include:

(1) an attorney-at-law who adjusts

insurance losses or claims from time to time incidental to practice of law and who does not advertise or represent himself to be an adjuster;

(2) a licensed agent or general agent of an authorized insurer, or an employee of such an agent or general agent, who adjusts claims or losses under specific authority from such insurer and solely under policies issued by such insurer;

(3) an agent or employee of a life or health insurer who adjusts claims or losses under such insurer's policies or contracts to administer policies or benefits of that type; or

(4) salaried or part-time claims agents or investigators employed by self-insured persons. "

Section 7. Section 59A-13-9 NMSA 1978 (being Laws 1984, Chapter 127, Section 237) is amended to read:

"59A-13-9. PLACE OF BUSINESS. -- Every licensed adjuster shall have in this state and while so licensed shall maintain a principal place of business easily accessible to the public and from which the adjuster principally conducts transactions under the license. The address of the principal place of business shall appear on the application for license and on the license. The licensee shall promptly notify the superintendent of any change of address of principal place of business. Failure to notify the

superintendent of a change of address within twenty days shall subject the licensee to a penalty in the amount of fifty dollars (\$50.00). "

Section 8. Laws 1996, Chapter 6, Section 3 is amended to read:

"NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--PURPOSE-- APPROPRIATION. --

A. The New Mexico finance authority may issue and sell revenue bonds in compliance with the New Mexico Finance Authority Act in installments or at one time in an amount not exceeding one million dollars (\$1,000,000) for the purpose of financing information and communication equipment, including computer hardware and software, for the insurance division of the public regulation commission.

B. The New Mexico finance authority may issue and sell revenue bonds authorized by this section when the superintendent of insurance certifies the need for issuance of the bonds. The net proceeds from the sale of the bonds are appropriated to the insurance division for the purposes described in Subsection A of this section.

C. The proceeds from the surcharge shall be distributed monthly to the New Mexico finance authority pursuant to Section 59A-6-1.1 NMSA 1978 to be pledged irrevocably for the payment of the principal, interest and any other expenses or obligations related to the bonds.

D. The surcharge proceeds distributed to the New Mexico finance authority shall be deposited in a separate fund or account of the authority. At the end of each fiscal year, any money remaining in the separate fund or account from distributions made to the authority during that fiscal year, after all principal, interest and any other expenses or obligations related to the bonds in that fiscal year are fully paid, may be appropriated by the legislature to the insurance division for acquisition, maintenance and operation of information and communication equipment, including computer hardware, software, systems planning, deployment and training. Upon payment of all principal, interest and any other expenses or obligations related to the bonds, the authority shall certify to the insurance division that all obligations for the bonds issued pursuant to this section have been fully discharged and direct the division to cease distributing money pursuant to Section 59A-6-1.1 NMSA 1978 to the authority.

E. Any law authorizing the imposition or distribution of the surcharge or that affects the surcharge shall not be amended, repealed or otherwise directly or indirectly modified so as to impair any outstanding revenue bonds that may be secured by a pledge of the surcharge collections, unless the revenue bonds have been discharged in full or provisions have been made for a full discharge. " ==

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