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FISCAL IMPACT REPORT

SPONSOR:	Leavell	DATE TYPED:	02/03/00	HB	
SHORT TITLE:	Definition of "Health" Insurance			SB	194
				ANALYST:	Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Public Regulation Commission (PRC)

Office of the Attorney General (AG)

SUMMARY

Synopsis of Bill

Senate Bill 194 amends Article 7 of the New Mexico Insurance Code. The bill clarifies the definition of "health" insurance to include stop-loss or excess-loss insurance to an employer or plan sponsor to limit expenses under an employee benefit plan.

Significant Issues

Stop-loss or excess-loss insurance policies limit the liability to self-insured employers for medical procedures that are in excess of a pre-determined amount. For instance, if a medical procedure cost \$100,000, the excess-loss insurance policy would pay for any costs over \$50,000, and the employer would be responsible for \$50,000.

As the law is currently written, these policies can be sold only by property or casualty insurance companies, as opposed to life or health insurance companies. However, clarifying the definition of "health" insurance clears up these jurisdictional issues and thus, life and health insurance companies would be able to sell these policies and the Public Regulation Commission would be able to better regulate the companies who provide these policies.

FISCAL IMPLICATIONS

Senate Bill 194 does not contain an appropriation. There would be no fiscal impact from enactment of this bill.

ADMINISTRATIVE IMPLICATIONS

Enactment of the bill would have only a minor administrative impact on the insurance division of the PRC.

MFV/gm