

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 406

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

AN ACT

RELATING TO HEALTH CARE; AMENDING THE NEW MEXICO INSURANCE CODE  
TO PROVIDE FOR MULTIPLE-EMPLOYER HEALTH CARE SELF-INSURANCE.

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

Section 1. Section 59A-15-20 NMSA 1978 (being Laws 1991,  
Chapter 125, Section 26) is amended to read:

"59A-15-20. MULTIPLE-EMPLOYER WELFARE ARRANGEMENTS--  
REGULATIONS. --

A. The superintendent, after a public hearing  
~~[thereon]~~, shall, ~~[make]~~ no later than October 1, 2001, adopt  
reasonable rules and regulations governing any employee welfare  
benefit plan that is a multiple-employer welfare arrangement.

The regulations at a minimum shall provide for:

- (1) registration of all such plans and

1 standards requiring the maintenance of specified levels of  
2 reserves; [~~and~~]

3 (2) minimum solvency requirements;

4 (3) accounting standards and reporting  
5 requirements;

6 (4) standards for appropriate investment of  
7 assets;

8 (5) standards for excess or stop-loss  
9 insurance coverage;

10 (6) specified levels of contributions that any  
11 such plan, or any trust established under such a plan, must  
12 meet;

13 (7) methods for equitable assessment of member  
14 employers for any funding shortfall; and

15 (8) standards for adequate governance.

16 B. The rules and regulations shall provide for  
17 compliance with the Patient Protection Act and provide  
18 standards for minimum benefits, including coverage of all  
19 benefits required of health insurance under other sections of  
20 the Insurance Code.

21 C. The rules and regulations shall provide that all  
22 employees or association members shall be eligible for  
23 participation in the plan.

24 D. Any [~~such~~] standards for determining or assuring  
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1 solvency shall not be applicable to plans that are fully  
2 insured by carriers authorized to transact insurance in New  
3 Mexico. If at any time a plan does not meet the standards  
4 established, [~~no benefits may be paid under the plan~~] the  
5 superintendent may take action pursuant to the Insurance Code."

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