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## FISCAL IMPACT REPORT

SPONSOR:	Leavell	DATE TYPED:	01/30/02	HB	
SHORT TITLE	E: Insurance License Fe	ees		SB	235
			ANALY	ST:	Valenzuela

### **REVENUE**

Estimat	ed Revenue		Recurring or Non-Rec	Fund Affected		
FY02	FY03					
	\$56.0	\$56.0	Recurring	Other State Funds		

(Parenthesis () Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files Public Regulation Commission (PRC)

#### SUMMARY

#### Synopsis of Bill

Senate Bill 235 amends the New Mexico Insurance Code by increasing and creating new fees placed on the industry. The bill also expands allowable uses of a special computer system fund for the Insurance Division.

#### Significant Issues

SB 235 addresses several issues related to collection and use of certain fees collected by the Insurance Division (see attached spreadsheet):

- (a) Motor club sales representative license fees are increased from \$20 to \$30, consistent with other agent licensing fees;
- (b) Various fees for third party administrators currently being collected under authority of rules adopted by the Superintendent are added to the statutory list of fees;
- (c) Provisions for mandatory collection of retaliatory fees are made discretionary;
- (d) Agent appointment fees for agents whose license application has been refused are made non-refundable;

- (e) Requirements for licensee notice of change of address are clarified and a \$50 penalty for failure to notify the Superintendent is created;
- (f) The definition of "adjuster" is clarified to specify that employees of a life or health insurer handling claims under that insurer's contracts to administer life or health claims for another entity are also not required to be licensed as adjusters;
- (g) The restricted use of surcharges collected on agent appointment fees for the purpose of purchasing computer hardware and software for the Insurance Division is extended to include related costs of maintenance, operation, systems planning, deployment, and training.

# FISCAL IMPLICATIONS

Senate Bill 235 does not carry an appropriation. However, the PRC estimates that enactment of the bill would increase its revenues by approximately \$56.0.

## **ADMINISTRATIVE IMPLICATIONS**

Enactment of the bill could have a minor administrative impact but one that could be absorbed with the current resources.

MFV/ar Attachment New Mexico Insurance Code: SB 235 proposed fee increase

									Additi	onal
Section	n 1 of bill					S	B 235	Number of	Esti	mated
Section 59-A-1 Type Fee		Type Fee	Purpose	Cur	rent Fee	Prop	osed Fee	clients	Rev	venue
	Subsection (R) 2a	Filing Fee	Motor club license or registration	\$	20.00	\$	30.00	300	\$	3.0
	Subsection (R) 2b	Annual renewal fee	Motor club license or registration	\$	20.00	\$	30.00	300	\$	3.0
	Subsection (Y) 1	License filing fee	3rd Party Administrator: Individual license	\$	30.00	\$	30.00	50	\$	-
	Subsection (Y) 2	License filing fee	3rd Party Administrator: Original officer/manager/partner	\$	30.00	\$	30.00	50	\$	-
	Subsection (Y) 3	Annual fee	3rd Party Administrator: License renewal	\$	30.00	\$	30.00	50	\$	-
	Subsection (Y) 4	Examination fee	3rd Party Administrator: examination for license	\$	75.00	\$	75.00	-	\$	-
	Subsection (Y) 5	Processing fee	3rd Party Administrator: duplicate license or name change	\$	30.00	\$	30.00	33	\$	-
	Subsection (Y) 6	Filing fee	3rd Party Administrator: annual report	\$	50.00	\$	50.00	50	\$	-
	Subsection (Y) 7	Notary fee	3rd Party Administrator: each notarized document	\$	10.00	\$	10.00	-	\$	
									\$	6.0
Section	n 2 of bill									
	Section 59A-12-20		No fiscal impact							
Section	n 3 of bill									
	Section 59A-12-XX	Penalty fee	Failure to notify Superintendent of address change	\$	-	\$	50.00	250	\$	12.5
Section	n 4 of bill									
	Section 59A-13-2		No fiscal impact							
0										
Section	n 5 of bill	Develte fee	Follows to polify Question does to food deeper above as	•		•	50.00	050	•	40 5
	Section 59A-13-9	Penalty fee	Failure to notify Superintendent of address change	\$	-	\$	50.00	250	\$	12.5
Castio	n 6 af bill									
Section	n 6 of bill		No final impact							
	Laws 1996, Ch. 6 (3)		No fiscal impact							

New Mexico Insurance Code: SB 235 proposed fee increase

									Additi	onal
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	Subsection (Y) 5	Processing fee	3rd Party Administrator: duplicate license or name change	\$	30.00	\$	30.00	33	\$	-
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