SENATE BILL 473

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO WORKERS' COMPENSATION; REVISING INVESTMENT

GUIDELINES FOR SELF-INSURED GROUPS; AMENDING A SECTION OF THE

GROUP SELF-INSURANCE ACT.

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

    Section 1. Section 52-6-16 NMSA 1978 (being Laws 1986,

Chapter 22, Section 90) is amended to read:

    "52-6-16. INVESTMENTS.--

        A. Funds not needed for current obligations may be

invested by the board of trustees in accordance with the

provisions of Chapter 59A, Article 9 [of the Insurance Code]

NMSA 1978 applicable to investments, except that an insurer may

invest in asset-backed securities an aggregate amount that does

not exceed twenty percent of the insurer's assets.

        B. As used in this section, "asset-backed security"

.165270.1

means a security or other instrument that evidences an

undivided interest in, or the right to receive payments from or

primarily from, distributions on a pool of financial assets

held by an unaffiliated business entity that meets the

following conditions:

(1)   the business entity is not a sole

proprietorship and is established solely for the purpose of

acquiring specific types of financial assets issuing securities

representing an undivided interest in or right to receive cash

flows from those assets, and engaging in activities required to

service those assets or rights; and

(2)   the pool of financial assets consists of

interest-bearing obligations or other contractual obligations

representing the right to receive payment from the assets."

Section 2.   EFFECTIVE DATE.--The effective date of the

provisions of this act is July 1, 2007.

underscored material = new
[bracketed material] = delete