

1 AN ACT

2 RELATING TO BUSINESS; INCREASING THE MAXIMUM ANNUAL PREMIUM
3 FOR PROFESSIONAL LIABILITY INSURANCE FOR REAL ESTATE BROKERS.

4
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

6 Section 1. Section 61-29-4.2 NMSA 1978 (being Laws
7 2001, Chapter 216, Section 1, as amended) is amended to read:

8 "61-29-4.2. ADDITIONAL POWERS OF THE COMMISSION--
9 PROFESSIONAL LIABILITY INSURANCE--MINIMUM COVERAGE.--

10 A. In addition to the powers and duties granted to
11 the commission pursuant to the provisions of Sections 61-29-4
12 and 61-29-4.1 NMSA 1978, the commission may adopt rules that
13 require professional liability insurance coverage and may
14 establish the minimum terms and conditions of coverage,
15 including limits of coverage and permitted exceptions. If
16 adopted by the commission, the rules shall require every
17 applicant for an active license and licensee who applies for
18 renewal of an active license to provide the commission with
19 satisfactory evidence that the applicant or licensee has
20 professional liability insurance coverage that meets the
21 minimum terms and conditions required by commission rule.

22 B. The commission is authorized to solicit sealed,
23 competitive proposals from insurance carriers to provide a
24 group professional liability insurance policy that complies
25 with the terms and conditions established by commission rule.

1 The commission may approve one or more policies that comply
2 with the commission rules; provided that the maximum annual
3 premium shall not exceed three hundred dollars (\$300) for a
4 licensee, that the minimum coverage shall not be less than
5 one hundred thousand dollars (\$100,000) for an individual
6 claim and not less than a five hundred thousand dollar
7 (\$500,000) aggregate limit per policy and that the deductible
8 shall not be greater than one thousand dollars (\$1,000).

9 C. Rules adopted by the commission shall permit an
10 active licensee to satisfy any requirement for professional
11 liability insurance coverage by purchasing an individual
12 policy.

13 D. Rules adopted by the commission shall provide
14 that there shall not be a requirement for a licensee to have
15 professional liability insurance coverage during a period
16 when a group policy, as provided in Subsection B of this
17 section, is not in effect."

18 Section 2. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2008. _____