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SENATE BILL 543

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Lisa A. Torraco

AN ACT

RELATING TO INSURANCE; ALLOWING FOR PAYMENT OF INSURANCE AGENT AND BROKER COMMISSIONS AND OTHER COMPENSATION TO THE AGENT'S OR BROKER'S ESTATE.

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

SECTION 1. Section 59A-12-24 NMSA 1978 (being Laws 1984, Chapter 127, Section 225, as amended by Laws 1999, Chapter 272, Section 14 and also by Laws 1999, Chapter 289, Section 15) is amended to read:

"59A-12-24. SHARING OF COMMISSIONS.--

A. An agent or broker shall share a commission or compensation for or on account of the solicitation or negotiation in this state of insurance on individuals or property or risks in this state only with the agent's duly licensed solicitor, or duly licensed agent of the insurer with

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1 which the insurance was placed, or duly licensed broker.

2 B. No such licensee shall share in commission or
3 compensation as to a kind of insurance for which not licensed.

4 C. Such sharing in commissions and compensation
5 between the same such licensees shall be infrequently only and
6 shall not unduly obviate the general necessity of appointment
7 of the agent by the insurer with which the insurance is placed.

8 D. Nothing in the Insurance Code shall be deemed to
9 prohibit payment, to or for the account of a former owner of an
10 insurance agency or brokerage, of commissions or part thereof
11 currently accruing on business of the agency or brokerage, as
12 part of the purchase price of the agency or brokerage, whether
13 or not such former owner is currently licensed as agent,
14 solicitor or broker.

15 E. Nothing in the Insurance Code shall be deemed to
16 prohibit payment of commissions, compensation or other valuable
17 consideration to an agent's or broker's estate if that agent or
18 broker, if living, would be entitled to the payment."