HOUSE BILL 235

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Tara L. Lujan

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO INSURANCE; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NEW MEXICO INSURANCE CODE.

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

SECTION 1. A new Section 59A-1-8.2 NMSA 1978 is enacted to read:

"59A-1-8.2. [NEW MATERIAL] DELIVER OR DELIVERY--DEFINITION.--"Deliver" or "delivery" means send to by:

underscored material = new
[~~bracketed material~~] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

A. email and retain an email delivery confirmation;

HCEDC→B. electronic transmission through a dedicated two-way communication portal and retain delivery confirmation;←HCEDC

HCEDC→~~B.~~←HCEDC HCEDC→C.←HCEDC fax and retain a fax delivery confirmation;

HCEDC→~~C.~~←HCEDC HCEDC→D.←HCEDC regular mail; or

HCEDC→~~D.~~←HCEDC HCEDC→E.←HCEDC personal delivery."

SECTION 2. Section 59A-2-8 NMSA 1978 (being Laws 1984, Chapter 127, Section 26, as amended) is amended to read:

"59A-2-8. GENERAL POWERS AND DUTIES OF SUPERINTENDENT.--The superintendent shall:

A. organize and manage the office of superintendent of insurance and direct and supervise all its activities;

B. execute the duties imposed upon the superintendent by the Insurance Code;

C. enforce those provisions of the Insurance Code that are administered by the superintendent;

D. have the powers and authority expressly conferred by or reasonably implied from the provisions of the Insurance Code;

E. conduct such examinations and investigations of insurance matters, in addition to those expressly authorized, as the superintendent may deem proper upon reasonable and probable cause to determine whether a person has violated a

provision of the Insurance Code or to secure information useful in the lawful enforcement or administration of the provision;

F. have the power to sue or be sued;

G. have the power to make, enter into and enforce all contracts, agreements and other instruments necessary, convenient or desirable in the exercise of the superintendent's powers and functions and for the purposes of the Insurance Code;

H. prepare an annual budget for the office of superintendent of insurance;

I. have the right to require performance bonds of employees as the superintendent deems necessary pursuant to the Surety Bond Act. The office of superintendent of insurance shall pay the cost of required bonds;

J. comply with the provisions of the Administrative Procedures Act; [~~and~~]

K. upon the invocation of a state of emergency under the All Hazard Emergency Management Act or the Public Health Emergency Response Act by the governor, take **HCEDC→** ~~all~~ **←HCEDC** such actions necessary to maintain affordable access to insurance and health care and to address other insurance-related needs due to or associated with the emergency. Such authority shall extend through the declared period **HCEDC→** ~~and for sixty days thereafter unless, after a hearing, the superintendent determines that the actions are~~

~~still necessary to respond to the emergency~~HCEDC ; and

[~~K.~~] L. have such additional powers and duties as may be provided by other laws of this state."

SECTION 3. Section 59A-4-15 NMSA 1978 (being Laws 1984, Chapter 127, Section 59, as amended by Laws 2011, Chapter 127, Section 3 and by Laws 2011, Chapter 144, Section 1) is amended to read:

"59A-4-15. HEARINGS--IN GENERAL.--

A. The superintendent may hold a hearing, without request by others, for any purpose within the scope of the Insurance Code.

B. The superintendent shall hold a hearing:

(1) if required by any other provision of the Insurance Code; or

(2) upon written request for a hearing by a person aggrieved by any act, threatened act or failure of the superintendent to act or by any report, rule or order of the superintendent, other than an order for the holding of a hearing or order on hearing or pursuant to such an order on a hearing of which the person had notice.

C. The request for a hearing shall briefly state the respects in which the applicant is so aggrieved, the relief to be sought and the grounds to be relied upon as basis for relief. The request shall be received by the superintendent no later than thirty days from the date of the act, threatened act

or failure of the superintendent to act or the date of the superintendent's report, rule or order.

D. If the superintendent finds that the request is made in good faith, that the applicant would be so aggrieved if the stated grounds are established and that such grounds otherwise justify the hearing, the superintendent shall commence the hearing within thirty days after filing of the request, unless postponed by mutual consent. No postponement shall be later than ninety days after the filing of the request.

E. Pending the hearing and decision, the superintendent may suspend or postpone the effective date of the action as to which the hearing is requested. If upon request the superintendent refuses to grant the suspension or postponement, the person requesting the hearing may apply no later than twenty days from the superintendent's refusal to the district court of Santa Fe county for a stay of the superintendent's action or proposed action pending the hearing and the superintendent's order.

F. Except as otherwise expressly provided, this section does not apply to hearings relative to matters arising under Chapter 59A, Article 17 NMSA 1978.

G. The superintendent may appoint a hearing officer to preside over hearings [~~on reconsideration of rate filings~~]. The hearing officer shall provide the superintendent with a

recommended decision on the matter assigned to the hearing officer, including findings of fact and conclusions of law."

SECTION 4. Section 59A-5-23 NMSA 1978 (being Laws 1984, Chapter 127, Section 90) is amended to read:

"59A-5-23. CONTINUANCE, EXPIRATION, REINSTATEMENT OF CERTIFICATE OF AUTHORITY.--

A. A certificate of authority shall continue in force as long as the insurer is entitled thereto under the Insurance Code, and until suspended or revoked by the superintendent or terminated at the insurer's request, subject, however, to continuance of the certificate by the insurer each year by:

(1) payment on or before March 1 of the continuation fee referred to in Section [~~101 (fee schedule) of the Insurance Code~~] 59A-6-1 NMSA 1978;

(2) due filing by the insurer of its annual statement for the next preceding calendar year as required by Section [~~96 of this article~~] 59A-5-29 NMSA 1978; and

(3) payment by the insurer when due of premium taxes with respect to the preceding calendar year.

B. If not so continued by the insurer its certificate of authority shall expire at midnight on the date of failure of the insurer to continue it in force, unless earlier revoked as provided in Sections [~~91 through 93 of this article~~] 59A-5-24 through 59A-5-26 NMSA 1978.

C. Upon the insurer's request made within three [~~(3)~~] months after expiration, the superintendent may reinstate a certificate of authority [~~which~~] that the insurer inadvertently permitted to expire, after the insurer has fully cured all its failures [~~which~~] that resulted in the expiration, and upon payment by the insurer of the fee for reinstatement specified in Section [~~101 (fee schedule) of the Insurance Code~~] 59A-6-1 NMSA 1978. Otherwise the superintendent shall grant the insurer another certificate of authority only after filing an application therefor and meeting all other requirements as for an original certificate of authority in this state.

D. If an insurer allows a certificate of authority issued by the superintendent to expire, the holder of the expired certificate shall remain subject to the provisions of the Insurance Code but is not authorized to transact any insurance business. If the insurer reinstates the expired certificate of authority within three months after expiration, the reinstatement shall relate back to the date of the expiration; provided that this shall not excuse any violation of the Insurance Code that occurred during the intervening period."

SECTION 5. Section 59A-5-32 NMSA 1978 (being Laws 1984, Chapter 127, Section 99) is amended to read:

"59A-5-32. SERVING PROCESS--TIME TO PLEAD.--

A. Service of process against an insurer for whom

the superintendent is attorney shall be made by delivering by email to [~~and leaving with~~] the superintendent, [~~his deputy, or a person in apparent charge of the office during the superintendent's absence, two (2) copies~~] or the superintendent's designee, an electronic copy of the process together with the fee [~~therefor~~] specified in Section [~~101 (fee schedule) of the Insurance Code~~] 59A-6-1 NMSA 1978, taxable as costs in the action.

B. Upon such service the superintendent shall [~~forthwith forward by prepaid registered or certified mail return receipt requested one of the copies of~~] deliver HCEDC→~~by email~~←HCEDC such process showing the date and time of service on the superintendent, to the email HCEDC→**or electronic portal**←HCEDC address of the person currently designated by the insurer to receive [~~the copy~~] such process as provided in Section [~~98 (appointment of superintendent as process agent) of this article~~] 59A-5-31 NMSA 1978. Service of process on the insurer shall be complete upon [~~receipt, or, in the event of refusal to accept, the date of such refusal~~] such electronic delivery of the process.

C. Process served as provided in this section shall for all purposes constitute valid and binding personal service within this state upon the insurer. If summons is served under this section, the time within which the insurer is required to appear shall be extended an additional ten [~~(10)~~] days beyond

that otherwise allowed by New Mexico rules of civil procedure.

D. The superintendent shall keep record of the day and time of service of legal process under this section.

E. If the electronic delivery requirements of this section create a hardship for any person HCEDC→~~, that person may contact the superintendent or the superintendent's designee regarding an alternative manner of delivery. Process served in accordance with the superintendent's alternative manner of delivery shall for all purposes constitute valid and binding personal service within this state upon the insurer. If summons is served under this subsection, the time within which the insurer is required to appear shall be extended an additional ten days beyond that otherwise allowed by New Mexico rules of civil procedure."~~←HCEDC HCEDC→serving an insurer pursuant to this subsection, that person shall deliver to the superintendent or the superintendent's designee two copies of the process together with the fee specified in Section 59A-6-1 NMSA 1978, taxable as costs in the action. Upon such service, the superintendent shall deliver the process to the insurer as provided in Subsection B of this section."←HCEDC

HCEDC→~~SECTION 6. Section 59A-11-10 NMSA 1978 (being Laws 1984, Chapter 127, Section 189, as amended) is amended to read:~~

~~"59A-11-10. CONTINUATION, EXPIRATION OF LICENSE.--~~

~~A. The term of the license shall be perpetual,~~

~~contingent upon payment of fees and completion of any continuing education requirements.~~

~~B. Individual licenses shall renew and continue on a biennial basis on the last day of the licensee's month of birth. Business entity licenses shall renew and continue on a biennial basis on March 1 of the biennial year; except for those types of business entity licenses that, pursuant to Section 59A-6-1 NMSA 1978, renew and continue on an annual basis, in which case those licenses shall renew and continue on March 1 of every year. Business entity affiliations shall renew and continue on an annual basis on March 1 of every year.~~

~~C. Any license referred to in this section that is not so continued shall be deemed to have terminated as of midnight on the last day of the licensee's month of birth if an individual license and as of midnight of March 1 if a business entity license; except that the superintendent may effectuate a request for continuation received within thirty days thereafter if accompanied by a continuation fee equal to one hundred fifty percent of the continuation fee otherwise required.~~

~~D. If the superintendent has reason to believe that the competence of any licensee, or individual designated to exercise license powers, is questionable, the superintendent may require as condition of continuation of the license or license powers that the licensee or individual take and pass a~~

written examination as required under the Insurance Code of new individual applicants for the same license.

E. [This section shall not apply as to temporary licenses, which shall be for such duration and subject to extension as provided in the respective sections of the Insurance Code by which such licenses are authorized.] An insurance producer who allows the insurance producer's license to lapse may, within twelve months from the due date of the license renewal fee, reinstate the license without being required to pass a written examination; provided that the office of superintendent of insurance shall require a criminal history background investigation of the applicant by means of fingerprint checks in accordance with Subsections E and F of Section 59A-11-2 NMSA 1978 and shall assess a penalty in the amount of double the unpaid renewal fee for any renewal fee received after its due date.

F. All licenses and appointments of an insurer or other principal that ceases to be authorized to transact business in this state shall automatically terminate without notice as of date of such cessation.

G. A license shall terminate upon death of the licensee, if an individual, or dissolution, if a corporation, or change in partners, if a partnership; provided that, in the case of a partnership, the license may be continued for a

~~reasonable period while application for new license is being made or pending, as provided by rule."~~←HCEDC

SECTION HCEDC→~~7.~~←HCEDC HCEDC→6.←HCEDC Section 59A-12-2 NMSA 1978 (being Laws 2016, Chapter 89, Section 26) is amended to read:

"59A-12-2. DEFINITIONS.--As used in Chapter 59A, Article 12 NMSA 1978:

A. "affiliate" means a person that controls, is controlled by or is under common control with the insurance producer;

B. "business entity" means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity;

C. "home state" means the District of Columbia and any state or territory of the United States in which an insurance producer maintains the insurance producer's principal place of residence or principal place of business and is licensed to act as an insurance producer;

D. "insurance" means any of the lines of authority in Chapter 59A, Article 7 NMSA 1978;

E. "insurance producer" means a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance;

F. "insurer" means every person engaged as principal and as indemnitor, surety or contractor in the business of

entering into contracts of insurance;

G. "license" means a document issued by the superintendent authorizing a person to act as an insurance producer for the lines of authority specified in the document. The license itself does not create any authority, actual, apparent or inherent, in the holder to represent or commit an insurance carrier;

H. "limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation;

I. "limited line credit insurance producer" means a person who sells, solicits or negotiates one or more forms of limited line credit insurance coverage to individuals through a master, corporate, group or individual policy;

J. "limited lines insurance" means those lines of insurance referred to in Section 59A-12-18 NMSA 1978 or any other line of insurance that the superintendent deems necessary to recognize for the purposes of complying with Subsection E of Section [~~23 of this 2016 act~~] 59A-11-24 NMSA 1978;

K. "limited lines producer" means a person authorized by the superintendent to sell, solicit or negotiate limited

lines insurance;

L. "negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract; provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers;

M. "personal lines insurance producer" means a general lines producer who is limited to transacting business related to property and casualty insurance sold to individuals and families for noncommercial purposes;

N. "reinstatement" means reestablishment of a licensee's authority to transact insurance after a lapse of that authority that restores the licensee's authority to the same scope and condition that pertained to that authority before the lapse;

[~~M.~~] O. "sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer;

[~~N.~~] P. "solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular insurer;

[~~O.~~] Q. "terminate" means to cancel the relationship between an insurance producer and the insurer or to terminate

an insurance producer's authority to transact insurance;

[~~P.~~] R. "uniform application" means the current version of the national association of insurance commissioners uniform application for resident and nonresident insurance producer licensing; and

[~~Q.~~] S. "uniform business entity application" means the current version of the national association of insurance commissioners uniform business entity application for resident and nonresident business entities."

SECTION HCEDC→~~8.~~←HCEDC HCEDC→7.←HCEDC Section 59A-12-3 NMSA 1978 (being Laws 1984, Chapter 127, Section 203, as amended) is amended to read:

"59A-12-3. "BROKER" [~~AND "SERVICE REPRESENTATIVE"~~] DEFINED.--For the purpose of the Insurance Code [~~A.~~], a "broker" is a type of insurance producer who, not being an agent of the insurer, as an independent contractor and on behalf of the insured solicits, negotiates or procures insurance or annuity contracts or renewal or continuation thereof for insureds or prospective insureds other than the broker. "Broker" does not include a surplus line broker, as defined in Chapter 59A, Article 14 NMSA 1978 [~~and~~

~~B. "Service representative" means an individual, regularly employed on salary by an insurer, group of insurers or managing general agent, who assists insurance producers in soliciting, negotiating and effectuating insurance for such~~

~~insurer, group or managing general agent and, in conduct of their business, receives no part of the commission on insurance written. A service representative is not required to be licensed, nor shall the service representative independently solicit or negotiate insurance or annuity contracts~~]."

SECTION HCEDC→~~9.~~←HCEDC HCEDC→8.←HCEDC Section 59A-12-16 NMSA 1978 (being Laws 1984, Chapter 127, Section 217, as amended) is amended to read:

"59A-12-16. EXAMINATION FOR LICENSE.--

A. A resident individual applying for an insurance producer license shall, prior to issuance of license, personally take and pass a written examination. The examination shall test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer and the insurance laws and rules of this state. Examinations required by this section shall be developed and conducted under rules prescribed by the superintendent.

B. The superintendent may contract with an outside testing service for administering examinations and collecting the nonrefundable fee set forth in Section 59A-6-1 NMSA 1978.

C. Each individual applying for an examination shall remit a nonrefundable fee as prescribed by the superintendent as set forth in Section 59A-6-1 NMSA 1978.

D. An individual who fails to appear for the

examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

E. No examination shall be required:

(1) for renewal or continuance of an existing license, except as provided in Subsection D of Section 59A-11-10 NMSA 1978;

(2) of an applicant for limited license as provided in Section 59A-12-18 NMSA 1978;

(3) of applicants with respect to life and annuities or accident and health insurances who hold the chartered life underwriter designation by the American college of financial services;

(4) of applicants with respect to property and casualty insurance who hold the designation of chartered property and casualty underwriter designation by the American institute for chartered property casualty underwriters;

(5) of applicants for temporary license as provided for in Section 59A-12-19 NMSA 1978;

(6) of an applicant for a license covering the same kind or kinds of insurance as to which licensed in this state under a similar license within [~~five years~~] one year preceding date of application for the new license, unless the previous license was suspended, revoked or continuation thereof refused by the superintendent;

(7) of an applicant for insurance producer license, if the applicant took and passed a similar examination in a state in which already licensed, subject to Section 59A-5-33 NMSA 1978; or

(8) of an applicant for self-service storage insurance producer license.

F. An individual who applies for an insurance producer license in this state who was previously licensed for the same lines of authority in another state shall not be required to take an examination. This exemption is only available if the person is currently licensed in that state or if the application is received within ninety days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's insurance producer database records, maintained by the national association of insurance commissioners, its affiliates or subsidiaries, indicate that the insurance producer is or was licensed in good standing for the line of authority requested.

G. A person licensed as an insurance producer in another state who moves to this state shall apply within ninety days of establishing legal residence to become a resident insurance producer. No examination shall be required of that person to obtain any line of authority previously held in the

prior state except where the superintendent determines otherwise by rule."

HCEDC→~~SECTION 10. Section 59A-13-8 NMSA 1978 (being Laws 1984, Chapter 127, Section 236, as amended) is amended to read:~~

~~"59A-13-8. POWERS CONFERRED BY ADJUSTER LICENSE.--An independent adjuster shall have the powers granted by its principal to investigate, report upon, adjust and settle claims on behalf of an insurer or self insurer and have additional powers as to claims and losses as may be conferred by the principal. A staff adjuster shall have only such powers with respect to claims and losses as granted by the adjuster's employer or affiliates of the adjuster's employer. [A temporary adjuster shall, as to claims and losses, have the powers of the employer, subject to extension or limitation by contract.]"~~←HCEDC

SECTION HCEDC→~~11.~~←HCEDC HCEDC→9.←HCEDC A new Section 59A-16-5.1 NMSA 1978 is enacted to read:

"59A-16-5.1. [NEW MATERIAL] ADVERTISING--FILINGS--REVIEW.--

A. No insurer, health plan or producer shall use any advertising HCEDC→~~to solicit, or generate interest in, an insurance product or health plan unless the advertising has been filed with and approved by the superintendent. An advertising filed with, but not affirmatively approved or disapproved by the superintendent within sixty days of the~~

~~filing, shall be deemed approved.~~

~~B. The superintendent, by rule, order or bulletin, may require any entity subject to the superintendent's jurisdiction to file for informational purposes, or for prior approval, any other types of promotional materials that, in the superintendent's discretion, should also be deemed advertising.~~

~~C. The superintendent may withdraw approval of an advertisement upon notice to the filer, who shall have thirty days from delivery of the notice to request a hearing to contest the withdrawn approval. The superintendent's notice shall specify the date after which a withdrawn form shall not be used.~~

~~D. The provisions of this section apply to any product or plan subject to the superintendent's jurisdiction.~~

~~E. As used in this section, "advertising" means any standardized consumer-facing promotional material, no matter how disseminated, that includes information about the terms, cost, benefits or relative merits of an insurance or health plan product, but does not mean any quote or other customized information or material that is prepared for presentation to a specific or proposed insured."~~←HCEDC HCEDC→to solicit or generate interest in an insurance product or health plan unless the advertising has been filed with and approved by the superintendent. An advertisement filed with, but not

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delete = →~~bold, red, highlight, strikethrough~~←

affirmatively approved or disapproved by the superintendent within thirty days of the filing, shall be deemed approved.

B. The superintendent may withdraw approval of an advertisement upon notice to the filer, who shall have thirty days from delivery of the notice to request a hearing to contest the withdrawn approval. The superintendent's notice shall specify the date after which a withdrawn form shall not be used. Such date shall be no less than thirty days after delivery of the notice of withdrawal to the filer.

C. The provisions of this section apply to any product or plan subject to the superintendent's jurisdiction.

D. As used in this section, "advertising" or "advertisement" means standardized consumer-facing material that contains information about the terms, cost, benefits or relative merits of a specific insurance or health plan product, but does not mean any quote or other customized information or material that is prepared for presentation to a specific or proposed insured."←HCEDC

SECTION HCEDC→~~12.~~←HCEDC HCEDC→10.←HCEDC Section 59A-16-15 NMSA 1978 (being Laws 1984, Chapter 127, Section 281) is amended to read:

"59A-16-15. DISCRIMINATION--REBATES AND CERTAIN INDUCEMENTS PROHIBITED--LIFE, HEALTH AND ANNUITY CONTRACTS.--Except as otherwise expressly provided by law, no person shall [~~knowingly~~] directly or indirectly, as an inducement to any

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delete = →~~bold, red, highlight, strikethrough~~←

contract of life, annuity or health insurance:

A. [~~permit to be made or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, or knowingly accept, as an inducement to such insurance or annuity any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any paid employment or contract for services of any kind, or[any valuable consideration or inducement whatever not specified in the contract~~] offer, pay or accept any special favor or advantage, any rebate of premiums or any valuable consideration or promise whatsoever; or

B. [~~directly or indirectly give or sell or purchase or offer or agree to give, sell, purchase, or allow as an inducement to such insurance or annuity or in connection therewith, whether or not to be specified in the policy or contract, any agreement of any form or nature promising returns and profits, or any stocks, bonds or other securities, or interest present or contingent therein or as measured thereby, of any insurer or other person, or any dividends or profits accrued or to accrue thereon~~] promise any returns or profits, interest or dividends **HCEDC→~~, whether or~~←HCEDC** not specified in the contract."

SECTION HCEDC→~~13.~~←HCEDC HCEDC→11.←HCEDC Section 59A-16-16 NMSA 1978 (being Laws 1984, Chapter 127, Section 282) is amended to read:

"59A-16-16. EXCEPTIONS TO DISCRIMINATION, REBATE AND INDUCEMENT PROHIBITION--LIFE, HEALTH AND ANNUITY CONTRACTS.--

A. Nothing in [~~Sections 279 or 281 of this article~~] Section 59A-16-11 or 59A-16-15 NMSA 1978 shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) in the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the insurer and its policyholders;

(2) in the case of life insurance policies issued on the industrial or debit plan, making allowance, in an amount which fairly [~~represensts~~] represents the saving in collection expense, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer;

(3) readjusting the rate of premiums for a group insurance policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy

year of insurance thereunder, which may be made retroactive only for such policy year;

(4) reducing the premium rate for policies of large amounts, but not exceeding savings in issuance and administration expenses reasonably attributable to such policies as compared with policies of similar plan issued in smaller amounts;

(5) reducing the premium rates for life or health insurance policies or annuity contracts on salary savings, payroll deduction, preauthorized check, bank draft or similar plans in amounts reasonably commensurate with the savings made by the use of such plans; [~~or~~]

(6) extending credit for the payment of any premium, and for which credit a reasonable rate of interest is charged and collected; or

(7) offering or providing any value-added product or service in conformance with Subsection G of Section 59A-16-17 NMSA 1978.

B. Nothing in [~~this article~~] Chapter 59A, Article 16 NMSA 1978 shall be construed as including within the definition of securities as inducements to purchase insurance the selling or offering for sale, contemporaneously with life insurance, of mutual fund shares or face amount certificates of regulated investment companies under offerings registered with the securities and exchange commission where such shares or such

face amount certificates or such insurance may be purchased independently of and not contingent upon purchase of the other, at the same price and upon similar terms and conditions as where purchased independently."

SECTION HCEDC→~~14.~~←HCEDC HCEDC→12.←HCEDC Section 59A-16-17 NMSA 1978 (being Laws 1984, Chapter 127, Section 283, as amended) is amended to read:

"59A-16-17. [~~UNFAIR~~] DISCRIMINATION, REBATES AND CERTAIN INDUCEMENTS PROHIBITED--OTHER COVERAGES.--

A. [~~No property, casualty or title insurer, or nonprofit health care or prepaid dental plan or other insurance-type organization, or any employee or representative thereof, and no insurance producer or other representative shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to insurance or coverage, or after insurance or coverage has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified or provided for in the policy~~] No person subject to the superintendent's jurisdiction shall induce or attempt to induce another person to enter into or continue a contract of insurance by directly or indirectly offering to pay or accept any special favor or advantage, any rebate of premiums or any valuable consideration

or promise whatsoever not specified in the insurance contract, except to the extent provided for in an applicable filing with the superintendent as provided by law or as allowed by this section.

B. No title insurer or title insurance producer shall:

(1) pay, directly or indirectly, to the insured or any person acting as agent, representative, attorney or employee of the owner, lessee, mortgagee, existing or prospective, of the real property, or interest therein, that is the subject matter of title insurance or as to which a service is to be performed any commission or part of its fee or charges or other consideration as inducement or compensation for the placing of any order for a title insurance policy or for performance of any escrow or other service by the insurer with respect thereto;

(2) issue any policy or perform any service in connection with which it or any insurance producer or other person has paid or contemplates paying any commission, rebate or inducement in violation of this section;

(3) give or receive, directly or indirectly, any consideration or thing of value for the referral of title insurance business or escrow or other service provided by a title insurer or title insurance producer unless otherwise permitted by regulation of the superintendent; or

(4) enter into a reinsurance agreement with an affiliate of a real estate developer, real estate agency, mortgage lender or referrer of title business without the prior written approval of the superintendent.

C. No insured named in a policy or any employee of such insured shall knowingly receive or accept, directly or indirectly, any rebate, discount, abatement, credit or reduction of premium, or any special favor or advantage or valuable consideration or inducement, except as allowed by this section.

D. No insurer or organization shall make or permit any unfair discrimination between insureds or property having like insuring or risk characteristics, in the premium or rates charged for insurance or coverage, or in the dividends or other benefits payable thereon or in any other of the terms and conditions of the insurance or coverage.

E. Nothing in this section shall be construed as prohibiting the payment of commissions or other compensation to licensed insurance producers or other representatives; or as prohibiting the extension of credit to an insured for the payment of any premium and for which credit a reasonable rate of interest is charged and collected; or as prohibiting any insurer or insurance producer from allowing or returning to its participating policyholders, members or subscribers, dividends, savings or unabsorbed premium deposits. As to title insurance,

nothing in this section shall prohibit bulk rates or special rates for customers of prescribed classes if such bulk or special rates are provided for in the currently effective schedule of fees and charges of the title insurer as filed with the superintendent.

F. The provisions of this section shall not prohibit a property or casualty insurer, or any employee or representative thereof, or a property or casualty insurance producer or other representative thereof from providing to customers or prospective customers prizes and gifts, including goods, gift cards, gift certificates, charitable donations, raffle entries, meals, event tickets and other items not exceeding one hundred dollars ($100) in the aggregate in value per customer or prospective customer in any one calendar year.

G. A person subject to the superintendent's jurisdiction may offer or provide value-added products or services at no or reduced cost, even when such products or services are not specified in the insurance contract, if the product or service:

(1) relates to the insurance coverage;

(2) is offered at a cost that is reasonable in comparison to the insured's or prospective insured's premiums;

(3) has its availability based on documented objective evidence and offered in a manner that is not unfairly discriminatory; and

(4) is primarily designed to:

(a) provide loss mitigation or loss control;

(b) reduce claim costs or claim settlement costs;

(c) monitor or assess risk, identify sources of risk or develop strategies for eliminating or reducing risk;

(d) enhance health;

(e) enhance financial wellness through items such as education or financial planning services;

(f) provide post-loss services;

(g) incentivize behavioral changes to improve the health or reduce the risk of death or disability of an insured or prospective insured;

(h) assist in the administration of employee or retiree benefit insurance coverage; or

(i) provide education about liability risks or risk of loss to persons or property.

H. Prior to offering or providing a value-added product or service, a person shall file with the superintendent a request to approve the offer or benefit. HCEDC→A separate filing is not required if a person has asked the superintendent to approve a value-added product or service as part of another form filing.←HCEDC Any such HCEDC→stand-alone←HCEDC filing that has not been denied within HCEDC→~~sixty~~←HCEDC HCEDC→thirty←HCEDC days shall be deemed approved."

SECTION HCEDC→~~15.~~←HCEDC HCEDC→13.←HCEDC Section 59A-16-21 NMSA 1978 (being Laws 1984, Chapter 127, Section 287, as amended by Laws 2017, Chapter 15, Section 1 and by Laws 2017, Chapter 130, Section 12) is amended to read:

"59A-16-21. PAYMENT OF CLAIM BY CHECK, DRAFT OR ELECTRONIC TRANSFER--FAILURE TO PAY--INTEREST.--

A. An insurer shall pay promptly claims arising under its policies with checks or drafts, or, if a claimant requests, may pay by electronic transfer of funds. Without amending other statutes dealing with checks, drafts or electronic transfer of funds, a resident of New Mexico is granted a cause of action for ten percent of the amount of any check, draft or electronic transfer of funds that is not paid or lawfully rejected within ten days of forwarding by a New Mexico financial institution, but in no case to be less than five hundred dollars ($500) plus costs of suit and attorney fees. The insurer shall not be required to pay such civil damages for delay if it proves that the delay in processing and payment was caused by a financial institution or postal or delivery service and the check, draft or electronic transfer of funds was paid or lawfully rejected within forty-eight hours of actual receipt of the draft, check or electronic transfer of funds by the person on whom drawn.

B. Notwithstanding any provision of the Insurance Code, any insurer issuing any policy, certificate or contract

of insurance, surety, guaranty or indemnity of any kind or nature that fails for a period of forty-five days, after required proof of loss has been furnished, to pay to the person entitled the amount justly due shall be liable for the amount due and unpaid with interest on that amount at the rate of one and one-half times the prime lending rate [~~as determined by the superintendent~~] for New Mexico banks [~~per year~~] during the period the claim is unpaid. Interest shall accrue, and the interest rate shall be determined, as of the HCEDC→~~date~~←HCEDC HCEDC→forty-sixth day after←HCEDC the proof of loss was furnished.

C. Subsection B of this section shall not apply to any claims in arbitration or litigation."

SECTION HCEDC→~~16.~~←HCEDC HCEDC→14.←HCEDC Section 59A-18-1 NMSA 1978 (being Laws 1984, Chapter 127, Section 331, as amended) is amended to read:

"59A-18-1. SCOPE OF ARTICLE.--Chapter 59A, Article 18 NMSA 1978 applies as to all insurance policies and annuity contracts of authorized insurers covering individuals resident, or risks located, or insurance protection to be rendered in this state, other than:

A. reinsurance;

B. policies or contracts not issued for delivery in this state nor delivered in this state, except for contracts for or endorsements of workers' compensation insurance when the

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workers' compensation risk insured arises from the employment of a worker performing work for an employer in New Mexico and that employer is not domiciled in New Mexico;

C. wet marine and transportation insurance [~~as defined in Section 59A-7-5 NMSA 1978~~]; or

D. surplus lines insurance contracts, unless such contracts are specifically included by rule."

SECTION HCEDC→~~17.~~←HCEDC HCEDC→15.←HCEDC Section 59A-18-22 NMSA 1978 (being Laws 1984, Chapter 127, Section 351) is amended to read:

"59A-18-22. BINDERS.--

A. While acting within the scope of authority granted by the insurer, binders or other contracts for temporary insurance may be made by [~~an agent~~] a producer orally or in writing, and shall be deemed to include all the usual terms of the policy as to which the binder was given together with such applicable endorsements as are designated in the binder, except as superseded by the clear and express terms of the binder.

B. No binder shall be valid beyond the issuance of the policy as to which given, or beyond ninety [~~(90)~~] days for written binders, fifteen days for oral, from its effective date, whichever period is the shorter.

C. If the policy has not been issued, a binder may be extended or renewed beyond such ninety [~~(90)~~] or fifteen days with the written approval of the insurer.

D. This section shall not apply as to life or health insurances; and binders under the standard fire policy are governed by Section 492 of the Insurance Code and not by this section."

SECTION HCEDC→~~18.~~←HCEDC HCEDC→16.←HCEDC Section 59A-18-29 NMSA 1978 (being Laws 1984, Chapter 127, Section 358) is amended to read:

"59A-18-29. CANCELLATION OF CERTAIN POLICIES.--

A. An insurer or agent may at any time cancel a policy for nonpayment of premium [~~thereon~~] when due, whether the premium is payable directly to the insurer or agent or indirectly under any premium financing plan or extension of credit. The insurer or agent shall give the named insured written notice of [~~such~~] the cancellation not less than ten [~~(10)~~] days prior to the effective date of the cancellation.

B. An insurer may cancel its policy without cause at any time within sixty [~~(60)~~] days [~~next~~] following original issuance and effective date of the policy. The insurer shall give the named insured written notice of [~~such~~] the cancellation not less than ten [~~(10)~~] days prior to the effective date of the cancellation, which effective date shall fall within [~~such~~] the sixty- [~~(60)~~] day period.

C. Subject to Subsection A [~~above~~] of this section, after expiration of the sixty- [~~(60)~~] day period referred to in Subsection B of this section, an insurer or agent shall not

cancel except for reasonable cause such policies and for such causes, and with advance notice of cancellation for such period of time, as may from time to time be provided by rules and regulations of the superintendent. Such rules and regulations may also require that statement of the reasons for [~~such~~] cancellation be contained in the notice of cancellation given to specified persons.

D. Notice of cancellation [~~may~~] shall be given using any communication method authorized by the named insured, HCEDC→~~and~~←HCEDC HCEDC→or←HCEDC by personal delivery to the named insured or by mailing the notice postage-paid addressed to the named insured at [~~his~~] the address last of record with the insurer. Notice so mailed shall be deemed given when deposited in a mail depository of the United States post office.

E. There shall be no liability on the part of and no cause of action shall arise against [~~any~~] an insurer or other person for furnishing information as to reasons for cancellation or for [~~any~~] a statement made or information given pursuant to this section.

F. This section shall not apply as to life insurance or annuity contracts, health insurance contracts, title insurance, inland marine insurance contracts, or to [~~any~~] an insurance policy [~~which~~] that by its terms is not cancellable during the term of the policy at the option of the insurer."

SECTION HCEDC→~~19.~~←HCEDC HCEDC→17.←HCEDC Section 59A-22-2 NMSA 1978 (being Laws 1984, Chapter 127, Section 423) is amended to read:

"59A-22-2. FORM AND CONTENT OF POLICY.--No policy of individual health insurance shall be delivered or issued for delivery in this state unless:

A. the entire money and other considerations therefor are expressed therein; [~~and~~]

B. the time at which insurance takes effect and terminates is expressed therein; [~~and~~]

C. it purports to insure only one person, except as provided in Chapter 59A, Article 23 [~~of the Insurance Code~~] NMSA 1978, and except that a policy or contract may be issued upon application of the head of a family, who shall be deemed the policyholder, covering members of any one family, including husband, wife, dependent children or any children under the age of [~~nineteen (19)~~] twenty-six and other dependents living with the family; [~~and~~]

D. every printed portion of the text matter and of any endorsements or attached papers shall be printed in uniform type of which the face shall be not less than ten [~~(10)~~] point (the "text" shall include all printed matter except the name and address of the insurer, name and title of the policy, captions, subcaptions and form numbers), but notwithstanding any provision of this law, the superintendent shall not

disapprove any such policy on the ground that every printed portion of its text matter or of any endorsement or attached paper is not printed in uniform type if it shall be shown that the type used is required to conform to the laws of another state in which the insurer is authorized; [~~and~~]

E. the exceptions and reductions of indemnity are adequately captioned and clearly set forth in the policy or contract; [~~and~~]

F. each HCEDC→~~such~~←HCEDC HCEDC→separate←HCEDC form, including riders and endorsements, shall be identified by a form number and consecutive page numbers in the lower left-hand corner of [~~the first~~] each page; [~~thereof~~] and

G. if any policy is issued by an insurer domiciled in this state for delivery to a person residing in another state, and if the official having responsibility for the administration of insurance laws of such other state shall have advised the superintendent that any such policy is not subject to approval or disapproval by such official, the superintendent may by ruling require that such policy meet the standards set forth in Sections [~~424 through 446 of this article~~] 59A-22-3 through 59A-22-25 NMSA 1978."

SECTION HCEDC→~~20.~~←HCEDC HCEDC→18.←HCEDC Section 59A-22-30.1 NMSA 1978 (being Laws 2005, Chapter 41, Section 1) is amended to read:

"59A-22-30.1. MAXIMUM AGE OF DEPENDENT.--An individual or

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group health policy or certificate of insurance delivered, issued for delivery or renewed in New Mexico that provides coverage for an insured's dependent shall not terminate coverage of an unmarried dependent by reason of the dependent's age before the dependent's [~~twenty-fifth~~] twenty-sixth birthday, regardless of whether the dependent is enrolled in an educational institution."

SECTION HCEDC→~~21.~~←HCEDC HCEDC→19.←HCEDC Section 59A-22-33 NMSA 1978 (being Laws 1984, Chapter 127, Section 455) is amended to read:

"59A-22-33. [~~HANDICAPPED~~] CHILDREN WITH DISABILITIES--COVERAGE CONTINUED.--An individual or group hospital or medical expense insurance policy delivered or issued for delivery in this state [~~which~~] that provides that coverage of a dependent child of an insured, or of an employee or other member of the covered group, shall terminate upon attainment of the limiting age for dependent children specified in the policy shall also provide, in substance, that attainment of the limiting age shall not operate to terminate the coverage of a child while the child is, and continues to be both incapable of self-sustaining employment, by reason of [~~mental retardation~~] intellectual or developmental disability or physical [~~handicap~~] disability, and chiefly dependent upon the policyholder for support and maintenance. However, proof of the incapacity and dependency of the child must be furnished to the insurer by the

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insured employee or member within thirty-one [~~(31)~~] days of the child's attainment of the limiting age and subsequently, as may be required by the insurer, but not more frequently than annually after the two-year period following the child's attainment of the limiting age."

SECTION HCEDC→~~22.~~←HCEDC HCEDC→20.←HCEDC Section 59A-22-40.1 NMSA 1978 (being Laws 2007, Chapter 278, Section 1) is amended to read:

"59A-22-40.1. COVERAGE FOR THE HUMAN PAPILLOMAVIRUS VACCINE.--

A. An individual or group health insurance policy, health care plan or certificate of health insurance that is delivered, issued for delivery or renewed in this state shall provide coverage for the human papillomavirus vaccine [~~to females nine to fourteen years of age~~] in accordance with the current standards of the federal centers for disease control and prevention.

B. Coverage for the human papillomavirus vaccine may be subject to deductibles and coinsurance consistent with those imposed on other benefits under the same policy, plan or certificate.

C. The provisions of this section shall not apply to short-term travel, accident-only or limited or specified disease policies.

D. For the purposes of this section, "human

papillomavirus vaccine" means a vaccine approved by the federal food and drug administration used for the prevention of human papillomavirus infection and cervical precancers."

SECTION HCEDC→~~23.~~←HCEDC HCEDC→21.←HCEDC Section 59A-22-41.1 NMSA 1978 (being Laws 2003, Chapter 192, Section 1) is amended to read:

"59A-22-41.1. COVERAGE FOR MEDICAL DIETS FOR GENETIC INBORN ERRORS OF METABOLISM.--

A. As of July 1, 2003, each individual and group health insurance policy, health care plan, certificate of health insurance and managed health care plan delivered, issued for delivery, renewed, extended or modified in this state shall provide coverage for the treatment of genetic inborn errors of metabolism that involve amino acid, carbohydrate and fat metabolism and for which medically standard methods of diagnosis, treatment and monitoring exist.

B. Coverage shall include expenses of diagnosing, monitoring and controlling disorders by nutritional and medical assessment, including clinical services, biochemical analysis, medical supplies, prescription drugs, corrective lenses for conditions related to the genetic inborn error of metabolism, nutritional management and special medical foods used in treatment to compensate for the metabolic abnormality and to maintain adequate nutritional status.

C. Services required to be covered pursuant to this

section are subject to the terms and conditions of the applicable individual or group policy or plan that establishes durational limits, dollar limits, deductibles and co-payments as long as the terms are not less favorable than for physical illness generally.

D. As used in this section:

(1) "genetic inborn error of metabolism" means a rare, inherited disorder that:

(a) is present at birth;

(b) if untreated, results in [~~mental retardation~~] intellectual or developmental disability or death; and

(c) causes the necessity for consumption of special medical foods;

(2) "special medical foods" means nutritional substances in any form that are:

(a) formulated to be consumed or administered internally under the supervision of a physician;

(b) specifically processed or formulated to be distinct in one or more nutrients present in natural food;

(c) intended for the medical and nutritional management of patients with limited capacity to metabolize ordinary foodstuffs or certain nutrients contained in ordinary foodstuffs or who have other specific nutrient requirements as established by medical evaluation; and

(d) essential to optimize growth, health and metabolic homeostasis; and

(3) "treatment" means medical services provided by licensed health care professionals, including physicians, dieticians and nutritionists, with specific training in managing patients diagnosed with genetic inborn errors of metabolism."

SECTION HCEDC→~~24.~~←HCEDC HCEDC→22.←HCEDC Section 59A-22-50 NMSA 1978 (being Laws 2010, Chapter 94, Section 1, as amended) is amended to read:

"59A-22-50. HEALTH INSURERS--DIRECT SERVICES.--

A. A health insurer shall [~~make reimbursement for direct services at a level not less than eighty-five percent of premiums across all health product lines, including short-term plans and excluding individually underwritten health insurance policies, contracts or plans, that are governed by the provisions of Chapter 59A, Article 22 NMSA 1978, the Health Maintenance Organization Law and the Nonprofit Health Care Plan Law, and an excepted benefit policy intended to supplement major medical coverage, including medicare supplement, vision, dental, disease-specific, accident-only or hospital indemnity-only insurance policies, or a plan that only issues policies for long-term care or disability income. Reimbursement shall be made for direct services provided over the preceding three calendar years, but not earlier than calendar year 2010, as~~

~~determined by reports filed with the office of superintendent of insurance. Nothing in this subsection shall be construed to preclude a purchaser from negotiating an agreement with a health insurer that requires a higher amount of premiums paid to be used for reimbursement for direct services for one or more products or for one or more years~~] reimburse direct services as follows:

(1) for small groups, at no less than eighty percent of aggregate premiums for all such products; and

(2) for large groups, at no less than eighty-five percent of aggregate premiums for all such products.

B. Reimbursement for direct services shall be determined based on services provided over the preceding three calendar years, but not earlier than calendar year 2010, as determined by reports filed with the office of superintendent of insurance. Reimbursement calculations shall include short-term plans, but exclude all other excepted benefits plans governed by the provisions of Chapter 59A, Article 23G NMSA 1978.

[~~B.~~] C. For individually underwritten health care policies, plans or contracts, the superintendent shall establish, after notice and informal hearing, the level of reimbursement for direct services, as determined by the reports filed with the office of superintendent of insurance, as a

percent of premiums. Additional informal hearings may be held at the superintendent's discretion. In establishing the level of reimbursement for direct services, the superintendent shall consider the costs associated with the individual marketing and medical underwriting of these policies, plans or contracts at a level not less than seventy-five percent of premiums. A health insurer writing these policies shall make reimbursement for direct services at a level not less than that level established by the superintendent pursuant to this subsection over the three calendar years preceding the date upon which that rate is established, but not earlier than calendar year 2010. Nothing in this subsection shall be construed to preclude a purchaser of one of these policies, plans or contracts from negotiating an agreement with a health insurer that requires a higher amount of premiums paid to be used for reimbursement for direct services.

[~~C.~~] D. An insurer that fails to comply with the reimbursement requirements pursuant to this section shall issue a dividend or credit against future premiums to all policyholders in an amount sufficient to ensure that the benefits paid in the preceding three calendar years plus the amount of the dividends or credits are equal to the required direct services reimbursement level pursuant to Subsection A of this section for group health coverage and blanket health coverage or the required direct services reimbursement level

pursuant to Subsection B of this section for individually underwritten health policies, contracts or plans for the preceding three calendar years. If the insurer fails to issue the dividend or credit in accordance with the requirements of this section, the superintendent shall enforce these requirements and may pursue any other penalties as provided by law, including general penalties pursuant to Section 59A-1-18 NMSA 1978.

[~~D.~~] E. After notice and hearing, the superintendent may adopt and promulgate reasonable rules necessary and proper to carry out the provisions of this section.

[~~E.~~] F. For the purposes of this section:

(1) "direct services" means services rendered to an individual by a health insurer or a health care practitioner, facility or other provider, including case management, disease management, health education and promotion, preventive services, quality incentive payments to providers and any portion of an assessment that covers services rather than administration and for which an insurer does not receive a tax credit pursuant to the Medical Insurance Pool Act; provided, however, that "direct services" does not include care coordination, utilization review or management or any other activity designed to manage utilization or services;

(2) "health insurer" means a person duly authorized to transact the business of health insurance in the

state pursuant to the Insurance Code, including a person that issues a short-term plan and a person that only issues an excepted benefit policy intended to supplement major medical coverage, including medicare supplement, vision, dental, disease-specific, accident-only or hospital indemnity-only insurance policies, or that only issues policies for long-term care or disability income;

(3) "premium" means all income received from individuals and private and public payers or sources for the procurement of health coverage, including capitated payments, self-funded administrative fees, self-funded claim reimbursements, recoveries from third parties or other insurers and interests less any tax paid pursuant to the Insurance Premium Tax Act and fees associated with participating in a health insurance exchange that serves as a clearinghouse for insurance; and

(4) "short-term plan" means a nonrenewable health benefits plan covering a resident of the state, regardless of where the plan is delivered, that:

(a) has a maximum specified duration of not more than three months after the effective date of the plan; [~~and~~]

(b) is issued only to individuals who have not been enrolled in a health benefits plan that provides the same or similar nonrenewable coverage from any health insurance

carrier within the three months preceding enrollment in the short-term plan; and

(c) is not an excepted benefit or combination of excepted benefits."

SECTION HCEDC→~~25.~~←HCEDC HCEDC→23.←HCEDC Section 59A-22A-3 NMSA 1978 (being Laws 1993, Chapter 320, Section 61) is amended to read:

"59A-22A-3. DEFINITIONS.--As used in the Preferred Provider Arrangements Law:

A. "covered person" means any person on whose behalf the health care insurer is obligated to pay for or to provide health benefit services;

B. "covered services" means health care services which the health care insurer is obligated to pay for or to provide under a health benefit plan;

C. "emergency care" means [~~covered services delivered to a covered person after the sudden onset of a medical condition manifesting itself by acute symptoms that are severe enough that:~~

~~(1) the lack of immediate medical attention could result in:~~

~~(a) placing the person's health in jeopardy;~~

~~(b) serious impairment of bodily functions;~~ or

~~(c) serious dysfunction of any bodily organ~~

~~or part; or~~

~~(2) a reasonable person believes that immediate medical attention is required~~] health care procedures, treatments or services delivered to a covered person after the sudden onset of what reasonably appears to be a medical condition that manifests itself by symptoms of sufficient severity, including severe pain, that the absence of immediate medical attention could be reasonably expected by a reasonable layperson to result in jeopardy to a person's health, serious impairment of bodily functions, serious dysfunction of a bodily organ or part or disfigurement to a person;

D. "health benefit plan" means the health insurance policy or subscriber agreement between the covered person or the policyholder and the health care insurer [~~which~~] that defines the covered services and benefit levels available;

E. "health care insurer" means any person who provides health insurance in this state. For the purposes of the Small Group Rate and Renewability Act, "carrier" or "insurer" includes a licensed insurance company, a licensed fraternal benefit society, a prepaid hospital or medical service plan, a health maintenance organization, a nonprofit health care organization, a multiple employer welfare arrangement or any other person providing a plan of health insurance subject to state insurance regulation;

F. "health care provider" means providers of health

care services licensed as required in this state;

G. "health care services" means services rendered or products sold by a health care provider within the scope of the provider's license. The term includes hospital, medical, surgical, dental, vision and pharmaceutical services or products;

H. "preferred provider" means a health care provider or group of providers who have contracted with a health care insurer to provide specified covered services to a covered person; and

I. "preferred provider arrangement" means a contract between or on behalf of the health care insurer and a preferred provider [~~which~~] that complies with all the requirements of the Preferred Provider Arrangements Law."

SECTION HCEDC→~~26.~~←HCEDC HCEDC→24.←HCEDC Section 59A-23-4 NMSA 1978 (being Laws 1984, Chapter 127, Section 463, as amended) is amended to read:

"59A-23-4. OTHER PROVISIONS APPLICABLE.--

A. A blanket or group health insurance policy or contract shall not contain a provision relative to notice or proof of loss or the time for paying benefits or the time within which suit may be brought upon the policy that in the superintendent's opinion is less favorable to the insured than would be permitted in the required or optional provisions for individual health insurance policies as set forth in Chapter

59A, Article 22 NMSA 1978.

B. The following provisions of Chapter 59A, Article 22 NMSA 1978 shall also apply as to Chapter 59A, Article 23 NMSA 1978 and blanket and group health insurance contracts:

(1) Section 59A-22-1 NMSA 1978, except Subsection C of that section; and

(2) Section 59A-22-32 NMSA 1978.

C. The following provisions of Chapter 59A, Article 22 NMSA 1978 shall also apply as to group health insurance contracts:

(1) Section 59A-22-2 NMSA 1978;

(2) Section 59A-22-3 NMSA 1978;

(3) Section 59A-22-4 NMSA 1978;

(4) Section 59A-22-5 NMSA 1978;

(5) Section 59A-22-6 NMSA 1978;

(6) Section 59A-22-7 NMSA 1978;

(7) Section 59A-22-8 NMSA 1978;

(8) Section 59A-22-9 NMSA 1978;

(9) Section 59A-22-10 NMSA 1978;

(10) Section 59A-22-11 NMSA 1978;

(11) Section 59A-22-12 NMSA 1978;

(12) Section 59A-22-13 NMSA 1978;

(13) Section 59A-22-14 NMSA 1978;

(14) Section 59A-22-25 NMSA 1978;

(15) Section 59A-22-28 NMSA 1978;

(16) Section 59A-22-29 NMSA 1978;

(17) Section 59A-22-32 NMSA 1978;

(18) Section 59A-22-32.1 NMSA 1978;

[~~(1)~~] (19) Section 59A-22-33 NMSA 1978;

[~~(2)~~] (20) Section 59A-22-34 NMSA 1978;

[~~(3)~~] (21) Section 59A-22-34.1 NMSA 1978;

[~~(4)~~] (22) Section 59A-22-34.3 NMSA 1978;

[~~(5)~~] (23) Section 59A-22-35 NMSA 1978;

[~~(6)~~] (24) Section 59A-22-36 NMSA 1978;

[~~(7)~~] (25) Section 59A-22-39 NMSA 1978;

[~~(8)~~] (26) Section 59A-22-39.1 NMSA 1978;

[~~(9)~~] (27) Section 59A-22-40 NMSA 1978;

[~~(10)~~] (28) Section 59A-22-40.1 NMSA 1978;

[~~(11)~~] (29) Section 59A-22-41 NMSA 1978;

[~~(12)~~] (30) Section 59A-22-42 NMSA 1978;

[~~(13)~~] (31) Section 59A-22-43 NMSA 1978; [~~and~~]

[~~(14)~~] (32) Section 59A-22-44 NMSA 1978; and

(33) Section 59A-22-50 NMSA 1978."

SECTION HCEDC→~~27.~~←HCEDC HCEDC→25.←HCEDC Section 59A-23-7.3 NMSA 1978 (being Laws 2003, Chapter 391, Section 3) is amended to read:

"59A-23-7.3. MAXIMUM AGE OF DEPENDENT.--Each blanket or group health policy or certificate of insurance delivered, issued for delivery or renewed in New Mexico on or after July 1, 2003 that provides coverage for an insured's dependent shall

not terminate coverage of an unmarried dependent by reason of the dependent's age before the dependent's [~~twenty-fifth~~] twenty-sixth birthday, regardless of whether the dependent is enrolled in an educational institution."

SECTION HCEDC→~~28.~~←HCEDC HCEDC→26.←HCEDC Section 59A-23D-2 NMSA 1978 (being Laws 1995, Chapter 93, Section 2, as amended) is amended to read:

"59A-23D-2. DEFINITIONS.--As used in the Medical Care Savings Account Act:

A. "account administrator" means any of the following that administers medical care savings accounts:

(1) a national or state-chartered bank, savings and loan association, savings bank or credit union;

(2) a trust company authorized to act as a fiduciary in this state;

(3) an insurance company or health maintenance organization authorized to do business in this state pursuant to the Insurance Code; or

(4) a person approved by the federal secretary of health and human services;

B. "deductible" means the total covered medical expense an employee or the employee's dependents must pay prior to any payment by a qualified higher deductible health plan for a calendar year;

C. "department" means the office of superintendent of

insurance;

D. "dependent" means:

(1) a spouse;

(2) an unmarried or unemancipated child of the employee who is a minor and who is:

(a) a natural child;

(b) a legally adopted child;

(c) a stepchild living in the same household who is primarily dependent on the employee for maintenance and support;

(d) a child for whom the employee is the legal guardian and who is primarily dependent on the employee for maintenance and support, as long as evidence of the guardianship is evidenced in a court order or decree; or

(e) a foster child living in the same household, if the child is not otherwise provided with health care or health insurance coverage;

(3) an unmarried child described in Subparagraphs (a) through (e) of Paragraph (2) of this subsection who is between the ages of eighteen and twenty-five; or

(4) a child over the age of eighteen who is incapable of self-sustaining employment by reason of [~~mental retardation~~] intellectual or developmental disability or physical [~~handicap~~] disability and who is chiefly dependent on

the employee for support and maintenance;

E. "eligible individual" means an individual who with respect to any month:

(1) is covered under a qualified higher deductible health plan as of the first day of that month;

(2) is not, while covered under a qualified higher deductible health plan, covered under a health plan that:

(a) is not a qualified higher deductible health plan; and

(b) provides coverage for a benefit that is covered under the qualified higher deductible health plan; and

(3) is covered by a qualified higher deductible health plan that is established and maintained by the employer of the individual or of the spouse of the individual;

F. "eligible medical expense" means an expense paid by the employee for medical care described in Section 213(d) of the Internal Revenue Code of 1986 that is deductible for federal income tax purposes to the extent that those amounts are not compensated for by insurance or otherwise;

G. "employee" includes a self-employed individual;

H. "employer" includes a self-employed individual;

I. "medical care savings account" or "savings account" means an account established by an employer in the United States exclusively for the purpose of paying the

eligible medical expenses of the employee or dependent, but only if the written governing instrument creating the trust meets the following requirements:

(1) except in the case of a rollover contribution, no contribution will be accepted:

(a) unless it is in cash; or

(b) to the extent the contribution, when added to previous contributions to the trust for the calendar year, exceeds seventy-five percent of the highest annual limit deductible permitted pursuant to the Medical Care Savings Account Act;

(2) no part of the trust assets will be invested in life insurance contracts;

(3) the assets of the trust will not be commingled with other property except in a common trust fund or common investment fund; and

(4) the interest of an individual in the balance in the individual's account is nonforfeitable;

J. "program" means the medical care savings account program established by an employer for employees; and

K. "qualified higher deductible health plan" means a health coverage policy, certificate or contract that provides for payments for covered health care benefits that exceed the policy, certificate or contract deductible, that is purchased by an employer for the benefit of an employee and that has the

following deductible provisions:

(1) self-only coverage with an annual deductible of not less than one thousand five hundred dollars ($1,500) or more than two thousand two hundred fifty dollars ($2,250) and a maximum annual out-of-pocket expense requirement of three thousand dollars ($3,000), not including premiums;

(2) family coverage with an annual deductible of not less than three thousand dollars ($3,000) or more than four thousand five hundred dollars ($4,500) and a maximum annual out-of-pocket expense requirement of five thousand five hundred dollars ($5,500), not including premiums; and

(3) preventive care coverage may be provided within the policies without the preventive care being subjected to the qualified higher deductibles."

SECTION HCEDC→~~29.~~←HCEDC HCEDC→27.←HCEDC Section 59A-46-30 NMSA 1978 (being Laws 1993, Chapter 266, Section 29, as amended) is amended to read:

"59A-46-30. STATUTORY CONSTRUCTION AND RELATIONSHIP TO OTHER LAWS.--

A. The provisions of the Insurance Code other than Chapter 59A, Article 46 NMSA 1978 shall not apply to health maintenance organizations except as expressly provided in the Insurance Code and that article. To the extent reasonable and not inconsistent with the provisions of that article, the following articles and provisions of the Insurance Code shall

also apply to health maintenance organizations and their promoters, sponsors, directors, officers, employees, agents, solicitors and other representatives. For the purposes of such applicability, a health maintenance organization may therein be referred to as an "insurer":

(1) Chapter 59A, Article 1 NMSA 1978;

(2) Chapter 59A, Article 2 NMSA 1978;

(3) Chapter 59A, Article 4 NMSA 1978;

(4) Subsection C of Section 59A-5-22 NMSA 1978;

(5) Sections 59A-6-2 through 59A-6-4 and 59A-6-6 NMSA 1978;

(6) Chapter 59A, Article 8 NMSA 1978;

(7) Chapter 59A, Article 10 NMSA 1978;

[~~(8) Section 59A-12-22 NMSA 1978;~~

~~(9)~~] (8) Chapter 59A, Article 16 NMSA 1978;

(9) the Domestic Abuse Insurance Protection Act;

(10) the Insurance Fraud Act;

[~~(10)~~] (11) Chapter 59A, Article 18 NMSA 1978;

[~~(11)~~] (12) the Policy Language Simplification Law;

[~~(12)~~] (13) Section 59A-22-14 NMSA 1978;

[~~(13) the Insurance Fraud Act;~~

~~(14) Section 59A-22-43 NMSA 1978;~~

~~(15) the Minimum Healthcare Protection Act~~]

HCEDC➡~~(14) the Property and Casualty Insurance~~

~~Guaranty Law;~~

~~(15) the Motor Club Law;~~←HCEDC

HCEDC→~~(16)~~←HCEDC HCEDC→(14)←HCEDC the Health Insurance Portability Act;

[~~(16)~~] HCEDC→~~(17)~~←HCEDC HCEDC→(15)←HCEDC Sections 59A-34-2, 59A-34-7 through 59A-34-13, 59A-34-17, 59A-34-23, 59A-34-33, 59A-34-36, 59A-34-37, 59A-34-40 through 59A-34-42 and 59A-34-44 through 59A-34-46 NMSA 1978;

[~~(17)~~] HCEDC→~~(18)~~←HCEDC HCEDC→(16)←HCEDC the Insurance Holding Company Law; [~~and~~

~~(18)~~] HCEDC→~~(19)~~←HCEDC HCEDC→(17)←HCEDC the Patient Protection Act; and

HCEDC→~~(20)~~←HCEDC HCEDC→(18)←HCEDC the Surprise Billing Protection Act.

B. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, shall not be construed as violating any provision of law relating to solicitation or advertising by health professionals, but health professionals shall be individually subject to the laws, rules and ethical provisions governing their individual professions.

C. Any health maintenance organization authorized under the provisions of the Health Maintenance Organization Law shall not be deemed to be practicing medicine and shall be exempt from the provisions of laws relating to the practice of

medicine."

SECTION HCEDC→~~30.~~←HCEDC HCEDC→28.←HCEDC Section 59A-46-38.3 NMSA 1978 (being Laws 2003, Chapter 391, Section 5, as amended) is amended to read:

"59A-46-38.3. MAXIMUM AGE OF DEPENDENT.--Each individual or group health maintenance organization contract delivered or issued for delivery or renewed in New Mexico that provides coverage for an enrollee's dependents shall not terminate coverage of an unmarried dependent by reason of the dependent's age before the dependent's [~~twenty-fifth~~] twenty-sixth birthday, regardless of whether the dependent is enrolled in an educational institution; provided that this requirement does not apply to the medicaid managed care system."

SECTION HCEDC→~~31.~~←HCEDC HCEDC→29.←HCEDC Section 59A-46-42.1 NMSA 1978 (being Laws 2007, Chapter 278, Section 3) is amended to read:

"59A-46-42.1. COVERAGE FOR THE HUMAN PAPILLOMAVIRUS VACCINE.--

A. An individual or group health maintenance organization contract delivered, issued for delivery or renewed in this state shall provide coverage for the human papillomavirus vaccine [~~to females nine to fourteen years of age~~] in accordance with the current standards of the federal centers for disease control and prevention.

B. Coverage for the human papillomavirus vaccine may

be subject to deductibles and coinsurance consistent with those imposed on other benefits under the same policy, plan or certificate.

C. The provisions of this section shall not apply to short-term travel, accident-only or limited or specified disease policies.

D. For the purposes of this section, "human papillomavirus vaccine" means a vaccine approved by the federal food and drug administration used for the prevention of human papillomavirus infection and cervical precancers."

SECTION HCEDC→~~32.~~←HCEDC HCEDC→30.←HCEDC Section 59A-47-33 NMSA 1978 (being Laws 1984, Chapter 127, Section 879.32, as amended) is amended to read:

"59A-47-33. OTHER PROVISIONS APPLICABLE.--The provisions of the Insurance Code other than Chapter 59A, Article 47 NMSA 1978 shall not apply to health care plans except as expressly provided in the Insurance Code and that article. To the extent reasonable and not inconsistent with the provisions of that article, the following articles and provisions of the Insurance Code shall also apply to health care plans, their promoters, sponsors, directors, officers, employees, agents, solicitors and other representatives; and, for the purposes of such applicability, a health care plan may therein be referred to as an "insurer":

A. Chapter 59A, Article 1 NMSA 1978;

B. Chapter 59A, Article 2 NMSA 1978;

C. Chapter 59A, Article 4 NMSA 1978;

D. Subsection C of Section 59A-5-22 NMSA 1978;

E. Sections 59A-6-2 through 59A-6-4 and 59A-6-6 NMSA 1978;

F. Section 59A-7-11 NMSA 1978;

G. Chapter 59A, Article 8 NMSA 1978;

H. Chapter 59A, Article 10 NMSA 1978;

I. Section 59A-12-22 NMSA 1978;

J. Chapter 59A, Article 16 NMSA 1978;

K. Chapter 59A, Article 18 NMSA 1978;

L. [~~the Policy Language Simplification Law~~] Chapter 59A, Article 19 NMSA 1978;

M. Subsections B through E of Section 59A-22-5 NMSA 1978;

N. Section 59A-22-14 NMSA 1978;

O. Section 59A-22-34.1 NMSA 1978;

P. Section 59A-22-39 NMSA 1978;

Q. Section 59A-22-40 NMSA 1978;

R. Section 59A-22-40.1 NMSA 1978;

S. Section 59A-22-41 NMSA 1978;

T. Section 59A-22-42 NMSA 1978;

U. Section 59A-22-43 NMSA 1978;

V. Section 59A-22-44 NMSA 1978;

W. Section 59A-22-50 NMSA 1978;

[~~W.~~] X. Sections 59A-34-7 through 59A-34-13, 59A-34-17, 59A-34-23, 59A-34-33, 59A-34-40 through 59A-34-42 and 59A-34-44 through 59A-34-46 NMSA 1978;

[~~X.~~] Y. the Insurance Holding Company Law, except Section 59A-37-7 NMSA 1978;

[~~Y.~~] Z. Section 59A-46-15 NMSA 1978; [~~and~~]

[~~Z.~~] AA. the Patient Protection Act; and

BB. the Surprise Billing Protection Act."

SECTION HCEDC→~~33.~~←HCEDC HCEDC→31.←HCEDC Section 59A-47-40 NMSA 1978 (being Laws 2003, Chapter 391, Section 7, as amended) is amended to read:

"59A-47-40. MAXIMUM AGE OF DEPENDENT.--An individual or group health care coverage, including any form of self-insurance, offered, issued or renewed under the Health Care Purchasing Act that offers coverage of an insured's dependent shall not terminate coverage of an unmarried dependent by reason of the dependent's age before the dependent's [~~twenty-fifth~~] twenty-sixth birthday, regardless of whether the dependent is enrolled in an educational institution."

SECTION HCEDC→~~34.~~←HCEDC HCEDC→32.←HCEDC Section 59A-54-6 NMSA 1978 (being Laws 1987, Chapter 154, Section 6, as amended) is amended to read:

"59A-54-6. NOTICE OF POOL.--

A. [~~Commencing September 1, 1987, every~~] Every insurer shall provide a notice and an application for coverage

by the pool to any person who receives:

(1) a rejection of coverage for health insurance or health care services;

(2) a notice that the rate for health insurance or coverage for health care services provided will exceed the rates of a pool policy; [~~or~~]

(3) a notice of reduction or limitation of coverage, including a restrictive rider, from an insurer if the effect of the reduction or limitation is to substantially reduce coverage compared to the coverage available to a person considered a standard risk for the type of coverage provided by the plan; or

(4) a termination of coverage for health insurance or health care services by either the carrier or the covered individual.

B. The notice required by Subsection A of this section shall state that [~~effective January 1, 1988 or an earlier date, that~~] the person is eligible to apply for health insurance provided by the pool. Application for the health insurance shall be on forms prescribed by the board and made available to all insurers."

SECTION HCEDC→~~35.~~←HCEDC HCEDC→33.←HCEDC Section 59A-54-8 NMSA 1978 (being Laws 1987, Chapter 154, Section 8) is amended to read:

"59A-54-8. EXAMINATION.--The pool shall be subject to and

responsible for examination by the superintendent [~~of insurance~~]. Not later than [~~March 1~~] June 1 of each year, the board shall submit to the superintendent an audited financial report for the preceding calendar year in a form approved by the superintendent."

SECTION HCEDC→~~36.~~←HCEDC HCEDC→34.←HCEDC Section 59A-54-11 NMSA 1978 (being Laws 1987, Chapter 154, Section 11, as amended) is amended to read:

"59A-54-11. POOL ADMINISTRATOR--SELECTION--DUTIES.--

A. The board shall select a pool administrator through a competitive bidding process. The board shall evaluate bids based on criteria established by the board, which shall include:

(1) proven ability to handle accident and health insurance;

(2) efficiency of claim paying procedures;

(3) an estimate of total charges for administering the plan; and

(4) ability to administer the pool in a cost-efficient manner.

B. The pool administrator shall serve for a period [~~of three years~~] not to exceed that provided in Subsection B of Section 13-1-150 NMSA 1978, subject to removal for cause. At least one year prior to the expiration of [~~each three-year period of service by~~] the pool [~~administrator~~] administrator's

contract, the board shall invite all interested parties, including the current administrator, to submit bids to serve as the pool administrator for the succeeding [~~three-year~~] contract period. Selection of the administrator for a succeeding period shall be made at least six months prior to the expiration of [~~a three-year period of service by a pool administrator~~] the pool administrator's current contract.

C. The pool administrator shall:

(1) perform all eligibility and administrative claim payment functions relating to the pool;

(2) establish a premium billing procedure for collection of premiums from insured persons. Billings shall be made on a periodic basis, not less than monthly, as determined by the board;

(3) perform all necessary functions to assure timely payment of benefits to persons covered under the pool, including:

(a) making information available relating to the proper manner of submitting a claim for benefits to the pool and distributing forms upon which submission shall be made; and

(b) evaluating the eligibility of each claim for payment by the pool;

(4) submit regular reports to the board regarding the operation of the pool. The frequency, content

and form of the report shall be as determined by the board; and

(5) following the close of each fiscal year, determine net written and earned premiums, the expense of administration and the paid and incurred losses for the year and report this information to the board and the superintendent on a form prescribed by the superintendent.

D. The administrator shall be paid as provided in the contract negotiated pursuant to the process for selection of the administrator established by the board."

SECTION HCEDC→~~37.~~←HCEDC HCEDC→35.←HCEDC Section 59A-54-14 NMSA 1978 (being Laws 1987, Chapter 154, Section 14, as amended) is amended to read:

"59A-54-14. DEDUCTIBLES--COINSURANCE--MAXIMUM OUT-OF-POCKET PAYMENTS.--

A. Subject to the limitation provided in Subsection C of this section, a pool policy offered in accordance with the Medical Insurance Pool Act shall impose a deductible on a per-person calendar-year basis. Deductible plans of five hundred dollars ($500) and one thousand dollars ($1,000) shall initially be offered. The board may authorize deductibles in other amounts. The deductible shall be applied to the first five hundred dollars ($500) or one thousand dollars ($1,000) of eligible expenses incurred by the covered person.

B. Subject to the limitations provided in Subsection C of this section, a mandatory coinsurance requirement shall be

imposed at the rate [~~of twenty percent of eligible expenses in excess of the mandatory deductible~~] determined by the board.

C. The maximum aggregate out-of-pocket payments for eligible expenses by the insured shall be determined by the board."

SECTION HCEDC→~~38.~~←HCEDC HCEDC→36.←HCEDC Section 59A-54-19 NMSA 1978 (being Laws 1987, Chapter 154, Section 19, as amended) is amended to read:

"59A-54-19. RATES--STANDARD RISK RATE.--

A. The pool shall determine a standard risk rate by actuarially calculating the individual rate that an insurer would charge for an individual policy with the pool benefits issued to a person who was a standard risk. Separate schedules of standard risk rates based on age and other appropriate demographic characteristics may be used. In determining the standard risk rate, the pool shall consider the benefits provided, the standard risk experience and the anticipated expenses for a standard risk for the coverage provided. The rates charged for pool coverage shall be no more than one hundred fifty percent of the standard risk rate for each class of insureds.

B. The board shall adopt a low-income premium schedule that provides coverage at lower rates for those persons with an income less than four hundred percent of the current federal poverty level guidelines applicable to New

Mexico, published by the United States department of health and human services. For individuals with household incomes of one hundred ninety-nine percent of the federal poverty level or lower, the premium reduction shall be seventy-five percent. For individuals with household incomes of two hundred percent to two hundred ninety-nine percent of the federal poverty level, the premium reduction shall be fifty percent. For individuals with household incomes of three hundred percent to three hundred ninety-nine percent of the federal poverty level, the premium reduction shall be twenty-five percent [~~with the exception of those individuals in this category who were enrolled and receiving a fifty percent reduction in premium prior to January 1, 2009, who shall be phased down to a twenty-five percent premium reduction over a two-?year period, provided that they continue to re-qualify annually for a premium reduction in the three hundred percent to three hundred ninety-nine percent of the federal poverty level category~~]. The board shall determine income based on the preceding taxable year. No person shall be eligible for a low-income premium reduction if that person's premium is paid by a third party who is not a family member.

C. All rates and rate schedules shall be submitted to the superintendent for approval."

HCEDC→**SECTION 37. Section 59A-58-5 NMSA 1978 (being Laws 2001, Chapter 206, Section 5, as amended) is amended to read:**

"59A-58-5. REGISTRATION REQUIREMENTS.--

A. A provider who wishes to issue, sell or offer for sale service contracts in this state must submit to the superintendent:

(1) a registration application on a form prescribed by the superintendent;

(2) proof that the provider has complied with the requirements for security pursuant to Section 59A-58-6 NMSA 1978;

(3) the name, address and telephone number of each administrator with whom the provider intends to contract, if any; and

(4) provided that House Bill 248 of the first session of the fifty-fifth legislature:

(a) becomes law, the registration renewal fee provided in Section 59A-6-1 NMSA 1978; or

(b) does not become law, a fee of five hundred dollars ($500).

B. A provider's registration is valid for one year after the date the registration is filed. A provider may renew the provider's registration if, before the registration expires, the provider submits to the superintendent an application on a form prescribed by the superintendent and, provided that House Bill 248 of the first session of the fifty-

fifth legislature:

(1) becomes law, the registration renewal fee provided in Section 59A-6-1 NMSA 1978; or

(2) does not become law, a fee of five hundred dollars ($500).

C. The provisions of this section shall not apply to major manufacturing companies' service contracts.

D. Service contract forms are not required to be filed with the superintendent."←HCEDC

SECTION HCEDC→~~39.~~←HCEDC HCEDC→38.←HCEDC REPEAL.--Sections 59A-23-9, 59A-23A-11, 59A-24A-12, 59A-46-51, 59A-47-46 and 59A-48-16 NMSA 1978 (being Laws 1997, Chapter 243, Section 20, Laws 1993, Chapter 126, Section 15, Laws 1989, Chapter 28, Section 12, Laws 2010, Chapter 94, Sections 3 and 4 and Laws 1984, Chapter 127, Section 895, as amended) are repealed.

SECTION HCEDC→~~40.~~←HCEDC HCEDC→39.←HCEDC EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.