

LFC Requester:	Ismael Torres
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/21/2025 *Check all that apply:*
Bill Number: SB520 Original Correction
 Amendment Substitute

Sponsor: Senator Hickey **Agency Name and Code Number:** Office of Superintendent of Insurance - 440
Short Title: DENTAL & VISION ONLY CONTRACTS **Person Writing:** Viara Ianakieva
Title: CONTRACTS **Phone:** (505) 827-4651 **Email:** viara.ianakieva@osi.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 520 (SB520) amends Section 7-40-3 NMSA 1978 of the New Mexico Tax Code to exempt dental only, vision only, and dental and vision only health insurance contracts from the insurance premium surtax.

The effective date is January 1, 2026.

FISCAL IMPLICATIONS

SB520 may reduce the Health Care Affordability Fund, "HCAF," which is funded by surtax assessments, and used to subsidize variety of markets, including the individual on-Exchange and small group market subject to Office of Superintendent (OSI)'s jurisdiction. OSI is unable to determine the impact on the HCAF.

SIGNIFICANT ISSUES

Excluding dental and vision plans from the surtax may reduce rates, since the insurance carriers will no longer have to account for the additional cost.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo. Surtax will continue to be included in the rates for dental and vision plans.

AMENDMENTS

None.