

1 AN ACT  
2 RELATING TO INSURANCE; AMENDING AND REPEALING SECTIONS OF  
3 THE NEW MEXICO INSURANCE CODE TO PROVIDE FOR LICENSURE  
4 PROCEDURES AND TECHNICAL CLEANUP.  
5

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

7 Section 1. Section 29-13-3 NMSA 1978 (being Laws 1983,  
8 Chapter 289, Section 3, as amended) is amended to read:

9 "29-13-3. DISTRIBUTION OF CERTAIN INSURANCE DEPARTMENT  
10 COLLECTIONS--LAW ENFORCEMENT PROTECTION FUND CREATED. --There  
11 is created in the state treasury the "law enforcement  
12 protection fund". Ten percent of all money received for  
13 fees, licenses, penalties and taxes from life, general  
14 casualty and title insurance business pursuant to the New  
15 Mexico Insurance Code shall be paid monthly to the state  
16 treasurer and by him credited to the fund. On or before  
17 June 30 of each year, the state treasurer shall transfer to  
18 the general fund any balance in the law enforcement  
19 protection fund in excess of one hundred thousand dollars  
20 (\$100,000) that is not obligated and that is in excess of  
21 the amount certified by the division to be distributed from  
22 that fund. "

23 Section 2. Section 59A-5-19 NMSA 1978 (being Laws  
24 1984, Chapter 127, Section 86, as amended) is amended to  
25 read:

1 "59A-5-19. SPECIAL DEPOSIT OR BOND. --

2 A. To qualify for and continue to hold a  
3 certificate of authority to transact insurance in this  
4 state, the insurer shall also make a special deposit in  
5 trust for the benefit only of all its policyholders and  
6 creditors in this state in applicable amount as shown in  
7 Schedule I of Section 59A-5-16 NMSA 1978. The deposit shall  
8 consist of assets eligible therefor under Section 59A-10-3  
9 NMSA 1978 and shall be deposited with or through the  
10 superintendent or in a commercial depository located in the  
11 state of New Mexico approved by the superintendent subject  
12 to rules and regulations issued by the superintendent.

13 B. In lieu of such deposit, the insurer may file  
14 with the state treasurer of New Mexico through the  
15 superintendent a surety bond issued by a surety insurer  
16 authorized to transact such insurance in this state, in  
17 penal sum not less than the aggregate special deposits  
18 required by this section. The bond shall be in such form as  
19 may be prescribed by the attorney general of New Mexico.  
20 The bond shall not be subject to cancellation except upon  
21 not less than sixty days advance written notice to the  
22 superintendent by the insurer or surety; and the insurer  
23 shall promptly replace, not later than fifteen days prior to  
24 expiration of the bond, with another like bond, any bond so  
25 canceled or otherwise terminated. The bond shall expressly

1 provide that failure of the insurance company to replace a  
2 canceled or terminated bond as provided in this section  
3 shall constitute a breach of the condition upon which the  
4 bond is given, upon which occurrence the superintendent may  
5 immediately recover from the surety the penal sum of the  
6 bond to be held as a special deposit in the manner described  
7 in Subsection A of this section.

8 C. The special deposit, or bond in lieu thereof,  
9 shall remain on deposit or on file and in force for so long  
10 as there may arise in this state any claim under any policy  
11 issued by the insurer covering a subject located or a  
12 service to be performed in this state or claim arising out  
13 of the insurer's operations in this state.

14 D. Whenever because of volume of business being  
15 transacted by the insurer, methods of doing business,  
16 regulatory practices of the domiciliary state or for other  
17 good cause the superintendent deems advisable for protection  
18 of policyholders and creditors, the superintendent may  
19 require an insurer to make and maintain a special deposit in  
20 reasonable amount greater than required under Schedule I of  
21 Section 59A-5-16 NMSA 1978, but no greater than one hundred  
22 fifteen percent of its direct unpaid losses in New Mexico.

23 E. The special deposit shall be subject to the  
24 applicable provisions of Chapter 59A, Article 10 NMSA 1978.

25 F. This section shall not apply as to domestic

1 Lloyds plan automobile insurers as identified in Chapter  
2 59A, Article 38 NMSA 1978. "

3 Section 3. Section 59A-10-3 NMSA 1978 (being Laws  
4 1984, Chapter 127, Section 163, as amended) is amended to  
5 read:

6 "59A-10-3. SECURITIES ELIGIBLE FOR DEPOSIT. --

7 A. All general deposits required under Section  
8 59A-5-18 NMSA 1978 and special deposits required under  
9 Section 59A-5-19 NMSA 1978, in the minimum amount specified  
10 therefor, shall consist of public obligations of the type  
11 eligible for investment of funds of domestic insurers under  
12 Section 59A-9-6 NMSA 1978.

13 B. All additional general or special deposits  
14 required by the superintendent under Section 59A-5-18 or  
15 59A-5-19 NMSA 1978 shall consist of:

16 (1) public obligations as referred to in  
17 Subsection A of this section;

18 (2) corporate obligations of the kind in  
19 which a domestic insurer may invest funds pursuant to  
20 Section 59A-9-8 NMSA 1978, if the security has such rating  
21 and additional qualifications as the superintendent may from  
22 time to time by rule or regulation reasonably prescribe for  
23 deposit purposes; and

24 (3) notes or bonds secured by mortgages  
25 insured and debentures issued by the federal housing

1 administrator and obligations of national mortgage  
2 associations.

3 C. Evidences of indebtedness secured by real  
4 property shall be eligible for deposit only if the real  
5 property securing the indebtedness is situated in New  
6 Mexico.

7 D. Notwithstanding any other provision of law,  
8 the securities qualified for deposit under Chapter 59A,  
9 Article 10 NMSA 1978 by domestic insurance companies may be  
10 deposited with a clearing corporation or held in the federal  
11 reserve book-entry system. Securities deposited with a  
12 clearing corporation or held in the federal reserve book-  
13 entry system and used to meet the deposit requirements set  
14 forth in this article shall be under the control of the  
15 superintendent and shall not be withdrawn by the insurance  
16 company without the approval of the superintendent. Any  
17 insurance company holding securities in such manner shall  
18 provide to the superintendent evidence issued by its  
19 custodian or member bank through which such insurance  
20 company has deposited such securities in a clearing  
21 corporation or through which such securities are held in the  
22 federal reserve book-entry system, respectively, in order to  
23 establish that the securities are actually recorded in an  
24 account in the name of the custodian or other direct  
25 participant or member bank and that the records of the

1 custodian, other participant or member bank reflect that  
2 such securities are held subject to the order of the  
3 superintendent.

4 E. Notwithstanding any other provision of law,  
5 securities eligible for deposit under the insurance laws of  
6 this state relating to deposit of securities by a foreign  
7 insurance company as a condition of commencing or continuing  
8 to do an insurance business in this state may be deposited  
9 with a clearing corporation or held in the federal reserve  
10 book-entry system. Securities deposited with a clearing  
11 corporation or held in the federal reserve book-entry system  
12 and used to meet the deposit requirements under the  
13 insurance laws of this state shall be under the control of  
14 the superintendent and shall not be withdrawn by the  
15 insurance company without the approval of the  
16 superintendent. Any insurance company holding such  
17 securities in such manner shall provide to the  
18 superintendent evidence issued by its custodian or a member  
19 bank through which such insurance company has deposited  
20 securities with a clearing corporation or held in the  
21 federal reserve book-entry system, respectively, in order to  
22 establish that the securities are actually recorded in an  
23 account in the name of the custodian or other direct  
24 participant or member bank and evidence that the records of  
25 the custodian, other participant or member bank reflect that

1 such securities are held subject to the order of the  
2 superintendent.

3 F. Deposits of a domestic insurer held in this  
4 state pursuant to the laws of another state, province or  
5 country (other than the general deposit provided for by  
6 Section 59A-5-18 NMSA 1978) shall consist of such assets as  
7 are required or permitted by the laws of such state,  
8 province or country.

9 G. Deposits of foreign insurers made in this  
10 state under Section 59A-5-33 NMSA 1978 shall consist of such  
11 assets as are required by the superintendent pursuant to  
12 such law. "

13 Section 4. Section 59A-11-2 NMSA 1978 (being Laws  
14 1984, Chapter 127, Section 181, as amended) is amended to  
15 read:

16 "59A-11-2. APPLICATION FOR LICENSE--INDIVIDUAL. --

17 A. Where a license is required under the  
18 Insurance Code for categories referred to in Section 59A-11-  
19 1 NMSA 1978, application by an individual shall be filed  
20 with, and on a form prescribed by, the superintendent. The  
21 application shall be signed by the applicant, under oath if  
22 required by the form.

23 B. The application form may require information  
24 about the applicant as to:

25 (1) name, date of birth, social security

1 number, residence and business address, if applicable;

2 (2) personal history, business experience  
3 in general;

4 (3) experience or special training or  
5 education in the kind of business to be transacted under the  
6 license applied for;

7 (4) previous licensing;

8 (5) type of license applied for and kinds  
9 of insurance or transactions to be covered thereby;

10 (6) proof of applicant's identity; and

11 (7) such other pertinent information and  
12 matters as the superintendent may reasonably require.

13 C. The application form shall also require  
14 information as to additional matters expressly required to  
15 be included therein in articles of the Insurance Code  
16 relating to particular licenses.

17 D. The application shall be accompanied by the  
18 applicable license application filing fee specified in  
19 Section 59A-6-1 NMSA 1978 and by the fee specified in such  
20 fee schedule for any examination required under the  
21 Insurance Code to be taken and passed by the applicant prior  
22 to licensing.

23 E. The superintendent may require a criminal  
24 history background investigation of the applicant for a  
25 license by means of fingerprint checks by the department of

1 public safety and the federal bureau of investigation.

2 F. The superintendent may obtain from the  
3 department of public safety and the federal bureau of  
4 investigation, at the expense of the applicant for a  
5 license, criminal history information concerning each  
6 applicant, using the applicant's fingerprints or other  
7 identifying information. The information shall be used by  
8 the superintendent solely in determining whether to grant  
9 the application. "

10 Section 5. Section 59A-11-10 NMSA 1978 (being Laws  
11 1984, Chapter 127, Section 189, as amended by Laws 1999,  
12 Chapter 272, Section 4 and also by Laws 1999, Chapter 289,  
13 Section 5) is amended to read:

14 "59A-11-10. CONTINUATION, EXPIRATION OF LICENSE. --

15 A. Each license, other than insurance agent,  
16 issued under this article shall continue in force until it  
17 is suspended, revoked or otherwise terminated, but except as  
18 may be provided pursuant to Section 59A-11-11 NMSA 1978,  
19 subject to payment to the superintendent annually on or  
20 before April 1, or December 31 as to motor club  
21 representatives, of the applicable continuation fee  
22 specified in Section 59A-6-1 NMSA 1978 accompanied by  
23 request for such continuation:

24 (1) for broker, surplus line broker,  
25 independent adjuster, bail bondsman license and similar

1 other independent licensees, request shall be made and  
2 signed by the licensee;

3 (2) for agent (other than insurance agent)  
4 or staff adjuster, or solicitor license, request shall be  
5 made and signed by the employer or other principal, as  
6 applicable; or

7 (3) for vending machine, request shall be  
8 made and signed by the supervisory agent thereof.

9 B. Subject to Section 59A-11-11 NMSA 1978, any  
10 license referred to in Subsection A of this section, not so  
11 continued shall be deemed to have terminated as of midnight  
12 on April 30, or December 31 as to motor club  
13 representatives, then current; except that the  
14 superintendent may effectuate a request for continuation  
15 received within thirty days thereafter if accompanied by  
16 annual continuation fee equal to one hundred fifty percent  
17 of the continuation fee otherwise required.

18 C. Within sixty days of obtaining an agent  
19 license, the licensee shall become appointed by an  
20 authorized insurer to act as its agent; otherwise the  
21 license shall expire. A person shall not act as an agent of  
22 an insurer unless the person becomes appointed as an agent  
23 of the insurer. Within fifteen days from the date an agency  
24 contract is executed or the first insurance application from  
25 the person is accepted by the insurer, the insurer shall

1 file a notice of appointment on a form approved by the  
2 superintendent. The agent or the insurer may terminate an  
3 appointment by notifying the superintendent and the other  
4 party in writing of the termination. If at any time all of  
5 the licensee's appointments have been terminated for a  
6 period of sixty days, the agent's license shall expire.

7 D. If the superintendent has reason to believe  
8 that the competence of any licensee, or individual  
9 designated to exercise license powers, is questionable, the  
10 superintendent may require as condition to continuation of  
11 the license or license powers that the licensee or  
12 individual take and pass to the superintendent's  
13 satisfaction a written examination as required under the  
14 Insurance Code of new individual applicants for similar  
15 license.

16 E. This section shall not apply as to temporary  
17 licenses, which shall be for such duration and subject to  
18 extension as provided in the respective sections of the  
19 Insurance Code by which such licenses are authorized.

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

24 G. A license shall also terminate upon death of  
25 the licensee, if an individual, or dissolution if a

1 corporation, or change in partnership members if a firm;  
2 subject, in case of a firm, to continuation of the license  
3 for a reasonable period while application for new license is  
4 being made or pending, under reasonable conditions provided  
5 in regulations of the superintendent. "

6 Section 6. Section 59A-12-6 NMSA 1978 (being Laws  
7 1984, Chapter 127, Section 207) is amended to read:

8 "59A-12-6. LICENSE REQUIRED--PENALTY. --

9 A. No person shall in this state be, act as or  
10 hold himself out to be, as to subjects of insurance  
11 resident, located or to be performed in this state or  
12 elsewhere, an agent or solicitor unless then licensed as  
13 such under the Insurance Code.

14 B. No authorized insurer shall accept insurance  
15 of any subject located, resident or to be performed in this  
16 state through any person acting as insurance agent in this  
17 state if the insurer knows, or reasonably should have known,  
18 that such person was not then licensed as an agent as to  
19 such insurance or not appointed as its agent by the insurer.

20 C. No license as agent or broker shall be issued  
21 to any entity other than an individual, firm (partnership)  
22 or corporation.

23 D. No agent or solicitor shall solicit or take  
24 an application for, or place for others, any kind of  
25 insurance as to which not then so licensed.

1           E. No agent shall place any insurance with any  
2 insurer as to which not then licensed or appointed as agent  
3 under the Insurance Code.

4           F. A license as agent or solicitor, or  
5 appointment as agent of a particular insurer, shall not be  
6 in effect until the license has actually been delivered to  
7 the agent or solicitor or to the solicitor's employer agent  
8 or the appointment has been duly filed with and approved by  
9 the superintendent.

10           G. In addition to any applicable denial,  
11 suspension or revocation of license, refusal to continue  
12 license, or administrative fine, violation of this section  
13 shall be a misdemeanor punishable by a fine of from one  
14 hundred dollars (\$100) to five hundred dollars (\$500) and by  
15 forfeiture to the state of New Mexico of an amount equal to  
16 all compensation for services as agent or solicitor received  
17 or to be received by the violator by reason of the  
18 prohibited transactions. "

19           Section 7. Section 59A-12-22 NMSA 1978 (being Laws  
20 1984, Chapter 127, Section 223) is amended to read:

21           "59A-12-22. FIDUCIARY FUNDS--AGENTS, BROKERS,  
22 SOLICITORS, SURPLUS LINE BROKERS, BAIL BONDSMEN, MOTOR CLUB  
23 AGENTS AND OTHERS. --

24           A. All funds of others received by any person  
25 licensed or acting as an insurance agent, broker, solicitor,

1 surplus line broker, bail bondsman or solicitor, motor club  
2 agent, or agent or solicitor for health care plan, prepaid  
3 dental plan, or in any similar capacity for which licensing  
4 of such person is required under the Insurance Code, are  
5 received and held by such person in a fiduciary capacity.  
6 Any such person who diverts or appropriates such funds to  
7 his own use, or takes or secretes with intent to embezzle,  
8 all without consent of the person entitled to such funds, is  
9 guilty of larceny by embezzlement.

10 B. Subject to the terms of any agreement between  
11 such person or licensee and his principal or obligee, each  
12 such person who does not make immediate remittance of such  
13 funds to the insurer or other person entitled thereto, shall  
14 elect and follow as to funds received for account of a  
15 particular insurer or person either of the following  
16 methods:

17 (1) remit received premiums (less  
18 applicable commissions, if any) and return premiums to the  
19 insurer or other person entitled thereto within fifteen days  
20 after such receipt; or

21 (2) establish and maintain in a commercial  
22 bank or other established financial institution depository  
23 one or more accounts, separate from accounts holding general  
24 personal, firm or corporate funds, and forthwith deposit and  
25 retain therein pending transmittal to the insurer or other

1 person entitled thereto, all such premiums (net of  
2 applicable commissions, if any) and return premiums. Funds  
3 belonging to more than one principal may be as deposited and  
4 held in the same such account so long as the amount held for  
5 each such principal is readily ascertainable from the  
6 records of the depositor. The depositor may commingle with  
7 such fiduciary funds in a particular such account such  
8 additional funds as the licensee deems prudent for advancing  
9 premiums, reserves for payment of return commissions, or for  
10 other contingencies arising in the business of receiving and  
11 transmitting premiums or return premiums.

12 C. Such person may commingle with his own funds  
13 to an unlimited amount funds of a particular principal who  
14 has in writing in advance expressly waived the segregation  
15 requirements of Subsection B of this section.

16 D. Any commingling of funds with funds of any  
17 such person permitted under this section shall not alter the  
18 fiduciary capacity of such person as to funds of others."

19 Section 8. Section 59A-14-10 NMSA 1978 (being Laws  
20 1984, Chapter 127, Section 248) is amended to read:

21 "59A-14-10. OFFICE AND RECORDS. --

22 A. A surplus line broker shall maintain an  
23 office accessible to the public wherein transactions under  
24 his license may be transacted. Nothing herein shall be  
25 deemed to prohibit maintenance of the office in the surplus

1 line broker's place of residence, subject to accessibility  
2 above stated.

3 B. The surplus line broker shall keep in the  
4 office complete records of surplus line insurance business  
5 transacted, including, but not limited to, income and  
6 disbursements, copies of all policies, endorsements,  
7 cancellations, filing documents, reports and other related  
8 records. The records shall be made available for  
9 examination by the superintendent at all times within seven  
10 years after issuance of a coverage to which the record  
11 relates.

12 C. The surplus line broker shall immediately  
13 notify the superintendent in writing of any change of office  
14 address. Failure to notify the superintendent of a change  
15 of address within twenty days shall subject the licensee to  
16 a penalty in the amount of fifty dollars (\$50.00)."

17 Section 9. Section 59A-17-9 NMSA 1978 (being Laws  
18 1984, Chapter 127, Section 305, as amended) is amended to  
19 read:

20 "59A-17-9. FILING OF RATES (OTHER THAN WORKERS'  
21 COMPENSATION).--As to insurance subject to Chapter 59A,  
22 Article 17 NMSA 1978, other than workers' compensation  
23 insurance, every insurer shall file with the superintendent  
24 all rates and supplementary rate information and all changes  
25 and amendments thereof made by it for use in this state at

1 least sixty days before their proposed effective date. No  
2 filing made pursuant to this section shall become effective  
3 nor shall it be used until approved or deemed approved by  
4 the superintendent in accordance with Section 59A-17-13 NMSA  
5 1978, at which time it may be used. "

6 Section 10. Section 59A-17-17 NMSA 1978 (being Laws  
7 1984, Chapter 127, Section 313, as amended) is amended to  
8 read:

9 "59A-17-17. USE OF RATE SERVICE ORGANIZATION ADVISORY  
10 FILINGS. --

11 A. An insurer may itself establish rates and  
12 supplementary rate information for any market segment based  
13 on the factors set forth in Section 59A-17-7 NMSA 1978 or it  
14 may in its rate filing incorporate by reference loss costs  
15 and other supplementary rate information prepared by a rate  
16 service organization, with such modification for its own  
17 loss experience as the credibility of that experience  
18 allows.

19 B. Nothing in Chapter 59A, Article 17 NMSA 1978  
20 shall be construed as requiring any insurer to become a  
21 member of or subscriber to any rate service organization.

22 C. The superintendent may adopt rules  
23 establishing standards and administrative procedures to  
24 carry out the provisions of this section. "

25 Section 11. Section 59A-18-12 NMSA 1978 (being Laws

1 1984, Chapter 127, Section 342, as amended) is amended to  
2 read:

3 "59A-18-12. FILING OF FORMS AND CLASSIFICATIONS--  
4 REVIEW OF EFFECT UPON INSURED. --

5 A. An insurance policy or annuity contract shall  
6 not be delivered or issued for delivery in this state, nor  
7 shall any assumption certificate, endorsement, rider or  
8 application that becomes a part of any such policy be used,  
9 until a copy of the form and the classification of risks  
10 pertaining thereto have been filed with the superintendent.  
11 Any such filing shall be made at least sixty days before its  
12 proposed effective date. A filing made pursuant to this  
13 section shall not become effective nor shall it be used  
14 until approved by the superintendent pursuant to Section  
15 59A-18-14 NMSA 1978, at which time it may be used.

16 Provided, that:

17 (1) this subsection shall not apply as to  
18 policies, contracts, endorsements or riders of unique and  
19 special character not for general use or offering but  
20 designed and used solely as to a particular insured or risk;  
21 and

22 (2) if the superintendent has exempted a  
23 person or a class of persons or a market segment from a part  
24 or all of the provisions of the Insurance Rate Regulation  
25 Law pursuant to Subsection C of Section 59A-17-2 NMSA 1978,

1 the superintendent also may exempt by rule that person,  
2 class of persons or market segment from a part or all of the  
3 provisions of this subsection.

4 B. A workers' compensation insurance policy  
5 covering a risk arising from the employment of a worker  
6 performing work for an employer in New Mexico when that  
7 employer is not domiciled in New Mexico shall not be issued  
8 or become effective, nor shall any endorsement or rider  
9 covering such a risk be issued or become effective, until a  
10 copy of the form and the classification of risks pertaining  
11 thereto have been filed with the superintendent.

12 C. Any insured may in writing request the  
13 insurer to review the manner in which its filing has been  
14 applied as to insurance afforded him. If the insurer fails  
15 to make a review and grant appropriate relief within thirty  
16 days after the request is received, the insured may file a  
17 written complaint and request for a hearing with the  
18 superintendent, stating grounds relied upon. If the  
19 complaint charges a violation of the Insurance Code and the  
20 superintendent finds that the complaint was made in good  
21 faith and that the insured would be aggrieved if the  
22 violation is proved, he shall hold a hearing, with notice to  
23 the insured and insurer stating the grounds of complaint.  
24 If upon the hearing the superintendent finds the complaint  
25 justified, he shall order the insurer to correct the matter

1 complained of within a reasonable time specified but not  
2 less than twenty days after a copy of his order was mailed  
3 to or served upon the insurer. "

4 Section 12. Section 59A-22-42 NMSA 1978 (being Laws  
5 2001, Chapter 14, Section 1) is amended to read:

6 "59A-22-42. COVERAGE FOR PRESCRIPTION CONTRACEPTIVE  
7 DRUGS OR DEVICES. --

8 A. Each individual and group health insurance  
9 policy, health care plan and certificate of health insurance  
10 delivered or issued for delivery in this state that provides  
11 a prescription drug benefit shall provide coverage for  
12 prescription contraceptive drugs or devices approved by the  
13 food and drug administration.

14 B. Coverage for food and drug administration-  
15 approved prescription contraceptive drugs or devices may be  
16 subject to deductibles and coinsurance consistent with those  
17 imposed on other benefits under the same policy, plan or  
18 certificate.

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

22 D. A religious entity purchasing individual or  
23 group health insurance coverage may elect to exclude  
24 prescription contraceptive drugs or devices from the health  
25 coverage purchased. "

1           Section 13. Section 59A-46-44 NMSA 1978 (being Laws  
2 2001, Chapter 14, Section 3) is amended to read:

3           "59A-46-44. COVERAGE FOR PRESCRIPTION CONTRACEPTIVE  
4 DRUGS OR DEVICES. --

5           A. Each individual and group health maintenance  
6 organization contract delivered or issued for delivery in  
7 this state that provides a prescription drug benefit shall  
8 provide coverage for prescription contraceptive drugs or  
9 devices approved by the food and drug administration.

10           B. Coverage for food and drug administration-  
11 approved prescription contraceptive drugs or devices may be  
12 subject to deductibles and coinsurance consistent with those  
13 imposed on other benefits under the same contract.

14           C. A religious entity purchasing individual or  
15 group health maintenance organization coverage may elect to  
16 exclude prescription contraceptive drugs or devices from the  
17 health coverage purchased. "

18           Section 14. Section 59A-51-14 NMSA 1978 (being Laws  
19 1984, Chapter 127, Section 941) is amended to read:

20           "59A-51-14. DENIAL, SUSPENSION, REVOCATION OR REFUSAL  
21 TO CONTINUE LICENSE. --

22           A. The superintendent may deny, suspend, revoke  
23 or refuse to continue any license issued under Chapter 59A,  
24 Article 51 NMSA 1978 for any of the following causes or for  
25 any violation of the laws of this state relating to bail or

1 the bail bond business:

2 (1) for any cause for which issuance of the  
3 license could have been refused had it then existed and been  
4 known to the superintendent;

5 (2) material misstatement,  
6 misrepresentation or fraud in obtaining the license;

7 (3) misappropriation, conversion or  
8 unlawful withholding of money belonging to insurers or  
9 others and received in the conduct of business under the  
10 license;

11 (4) fraudulent or dishonest practices in  
12 the conduct of business under the license;

13 (5) willful failure to comply with, or  
14 willful violation of any proper order, rule or regulation of  
15 the superintendent;

16 (6) failure or refusal, upon demand, to pay  
17 over to any insurer he represented, any money coming into  
18 his hands belonging to the insurer;

19 (7) willful failure to return collateral  
20 security to the principal when the principal is entitled  
21 thereto;

22 (8) for knowingly having in his employ a  
23 person whose bail bond business license has been revoked,  
24 suspended or denied in this or any other state; or

25 (9) willful failure, neglect or refusal to

1 supervise a solicitor's activities in his behalf.

2 B. When, in the judgment of the superintendent,  
3 the licensee in the conduct of affairs under the license has  
4 demonstrated incompetency, untrustworthiness, conduct or  
5 practices rendering him unfit to engage in the bail bond  
6 business, or making his continuance in such business  
7 detrimental to the public interest, or that he is no longer  
8 in good faith engaged in the bail bond business, or that he  
9 is guilty of rebating, or offering to rebate his commissions  
10 in the case of limited surety agents or premiums in the case  
11 of professional bondsmen, and for such reasons is found by  
12 the superintendent to be a source of detriment, injury or  
13 loss to the public, he shall revoke or suspend the license.

14 C. In case of the suspension or revocation of  
15 license of any bail bondsman, the license of any or all  
16 other bail bondsmen who are members of the same agency and  
17 any or all solicitors employed by such agency, who knowingly  
18 were parties to the act that formed the ground for the  
19 suspension or revocation shall likewise be suspended or  
20 revoked, except for the purpose of completing pending  
21 matters, and those persons who knowingly were parties to the  
22 act are prohibited from being licensed as a member of or  
23 bail bondsman or solicitor for some other agency.

24 D. No license under Chapter 59A, Article 51 NMSA  
25 1978 shall be issued, renewed or permitted to exist when the

1 same is used directly or indirectly to circumvent the  
2 provisions of that article."

3 Section 15. TEMPORARY PROVISION--RECOMPILATION.--

4 Section 59A-2-9.2 NMSA 1978 (being Laws 2000, Chapter 58,  
5 Section 1) is recompiled as Section 59A-16-21.1 NMSA 1978.

6 Section 16. REPEAL.--Sections 59A-14-8 and 59A-18-15  
7 NMSA 1978 (being Laws 1984, Chapter 127, Sections 246 and  
8 345) are repealed. \_\_\_\_\_