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SENATE BILL 259

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Timothy M. Keller

AN ACT

RELATING TO HEALTH INSURANCE; ENACTING HEALTH INSURANCE POLICY
TRANSPARENCY MEASURES.

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

Section 1. A new section of the New Mexico Insurance Code
is enacted to read:

"[NEW MATERIAL] DISCLOSURES REQUIRED.--

A. The insurance division shall promulgate rules to
require that health insurers make the following disclosures to
purchasers who request quotes for comprehensive major medical
insurance:

(1) commissions and other compensation that a
broker or agent will receive contingent upon the policy being
issued;

(2) the history of rate changes for the type

1 of policy being considered over the preceding five years; and
2 (3) for each of the preceding five years, the
3 medical loss ratio for a policy with a substantially similar
4 experience rating, as defined by the superintendent, that a
5 health insurer offers to a purchaser.

6 B. As used in this section:

7 (1) "comprehensive major medical insurance"
8 means any hospital- or medical-expense-incurred policy;
9 nonprofit health care plan service contract or coverage of
10 services; or health maintenance organization subscriber
11 contract or coverage of services;

12 (2) "health insurer" means a person duly
13 authorized in the state pursuant to the New Mexico Insurance
14 Code to transact the business of health insurance;

15 (3) "medical loss ratio" means the sum of
16 claims that a health insurer incurs divided by premiums earned
17 per policy year for the type of insurance product for which a
18 health insurer provides a quote;

19 (4) "purchaser" means a consumer, employer or
20 other payer for health insurance or health care financing; and

21 (5) "quote" means an estimate of the cost of
22 an insurance policy that a health insurer provides to a
23 potential purchaser."