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## FISCAL IMPACT REPORT

SPONSOR Gentry ORIGINAL DATE 2/23/2015  
LAST UPDATED \_\_\_\_\_ HB 477

SHORT TITLE Insurance Broker Payments To Estates SB \_\_\_\_\_

ANALYST Clark

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	No Fiscal Impact			

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of Superintendent of Insurance (OSI)

### SUMMARY

#### Synopsis of Bill

House Bill 477 amends Section 59A-12-24 NMSA 1978 of the Insurance Code to clarify that nothing in the Insurance Code shall be deemed to prohibit the payment of a commission, compensation, or other valuable consideration to the estate of a deceased agent or broker if that agent or broker would otherwise be entitled to it.

### FISCAL IMPLICATIONS

There is no fiscal impact.

### SIGNIFICANT ISSUES

Currently, the Insurance Code does not explicitly address the obligation of an insurance carrier to remit to the state of a deceased insurance agent or broker the payment of commissions and other remunerations that would have been due to that agent or broker. However, the language in the bill might not completely resolve the current ambiguity regarding payments to estates of deceased agents or brokers. The Office of Superintendent of Insurance (OSI) suggests the following language be used instead:

“E. The death of an agent or broker shall not abnegate the payment of a commission, compensation or other valuable consideration to the estate of the deceased agent or broker when such payment would have been due the agent or broker in the absence of his death.”

JC/aml/je