

AN ACT

RELATING TO HEALTH INSURANCE; PROVIDING FOR SMALL GROUP
COVERAGE IN THE NEW MEXICO MEDICAL INSURANCE POOL.

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

Section 1. Section 59A-54-7 NMSA 1978 (being Laws 1987,
Chapter 154, Section 7, as amended) is amended to read:

"59A-54-7. BOARD--POWERS AND DUTIES.--The board shall
have the general powers and authority granted under the laws
of this state to insurance companies licensed to transact
health insurance business. In addition, the board shall have
the specific authority to:

A. enter into contracts as are necessary or proper
to carry out the provisions and purposes of the Medical
Insurance Pool Act, including the authority, with the approval
of the superintendent, to enter into contracts with similar
pools of other states for the joint performance of common
administrative functions or with persons or other
organizations for the performance of administrative functions.
The pool shall comply with the Procurement Code except as
otherwise provided in the Medical Insurance Pool Act;

B. sue or be sued, including taking any legal
action as necessary to avoid the payment of improper claims
against the pool or the coverage provided by or through the
pool;

C. establish appropriate rates, rate schedules, rate adjustments, expense allowances, agent referral fees, claim reserve formulas and any other actuarial functions appropriate to the operation of the pool. Rates and rate schedules may be adjusted for appropriate risk factors such as age and area variation in claim costs and shall take into consideration appropriate risk factors in accordance with established actuarial underwriting practices;

D. assess members of the pool in accordance with the provisions of the Medical Insurance Pool Act and make initial and interim assessments as may be reasonable and necessary for the organizational or interim operating expenses of the pool. Interim assessments shall be credited as offsets against any regular assessments due following the close of the calendar year. Interim assessments may include anticipated expenses of the next year that the board determines are reasonable and necessary for the operating expenses of the pool;

E. issue policies of insurance in accordance with the requirements of the Medical Insurance Pool Act;

F. issue a policy of insurance, in accordance with the requirements of the Medical Insurance Pool Act, for a small group that is formed voluntarily through an employer, association, cooperative, mutual alliance or other organization; provided, however, that an employer group may

not have more than fifty persons;

G. appoint appropriate legal, actuarial and other committees as necessary to provide technical assistance in the operation of the pool, policy and other contract design and any other function within the authority of the pool; and

H. conduct periodic audits to assure the general accuracy of the financial data submitted to the pool. The board shall cause the pool to have an annual audit of its operations by an independent certified public accountant."=====