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FISCAL IMPACT REPORT

SPONSOR Lujan, B DATE TYPED 2/24/05 HB HJM 91

SHORT TITLE Denial of Life Insurance to Certain Veterans SB _____

ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			NFI		

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Veterans Services (DVS)
 New Mexico National Guard (NMNG)
 Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

House Joint Memorial 91 requests the Insurance Division (ID) of the PRC to conduct an investigation into the incidence of and rationale for denying life insurance coverage to New Mexico veterans suffering from post traumatic stress disorder.

The memorial further states the investigation should identify the mechanisms by which insurance companies make determinations about whether or not to insure an individual, and under what circumstances life insurance would be denied to a veteran with post traumatic stress disorder.

The PRC must report its findings to the interim legislative health and human services committee at its October 2005 meeting.

Significant Issues

The PRC notes some New Mexico veterans are experiencing difficulty in obtaining life insurance due to a diagnosis of post traumatic stress disorder.

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The DVS states this issue needs to be addressed. Post Traumatic Stress Disorder (PTSD) is not a chronic or life threatening disease. Denying veterans the ability to be insured causes undue financial stress on the surviving families.

The DVS further notes PTSD is not exclusively a disorder suffered by veterans. By singling out combat veterans for denials, the insurance industry is discriminating against a portion of the general public because they made the sacrifice to fight for their country. We owe them a debt that is not easily paid and looking into the reasons for denying these heroes the same coverage available to all of us that enjoy the freedom that they fought for.

The NMNG provided the following:

The NMNG has deployed over 1600 soldiers and airmen in support of the global war on terrorism and approximately 800 in combat situations. These personnel have been exposed to traumatic stress and are subject to PTSD. Though not all will suffer from the disorder; some undoubtedly will. They represent a large population of potentially under or uninsured citizens.

The effect of being denied life insurance because of PTSD and the second and third order effect of PTSD being a result of or risk associated with service in the military will serve to discourage people from serving. It is important to address the inequity of being denied life insurance based on PTSD and as a secondary issue addressing anything that discourages participation in the military services.

ADMINISTRATIVE IMPLICATIONS

This memorial will require ID staff to conduct a study and prepare a report.

OTHER SUBSTANTIVE ISSUES

The DVS explains PTSD is treatable and veterans' centers around the state as well as the VA medical center in Albuquerque are uniquely able to assist veterans suffering with this disorder.

DW/lg