

LFC Requester:

Julisa Rodriguez

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/12/2025

Check all that apply:

Bill Number: HB-369

Original Correction
Amendment Substitute

Sponsor: Rep. Joshua N. Hernandez

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: Insurance Licensing Times & Fees

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

House Bill 369 (“HB369”) amends portions of the Insurance Code to adjust time frames, fees, and filing requirements for licensing regarding multiple employer welfare arrangements, insurance producers.

Section 1 amends Section 59A-6-1 NMSA 1978 by adding language applying fees for initial and continued licensure of multiple employer welfare arrangements.

Section 2 amends Section 59A-11-10 NMSA 1978 by replacing language to now expand the timeframe for insurance producers to file for continuances after initially failing to meet requirements for renewal or continuation by the appropriate date. Section 2 also changes language to now consider licenses and appointments of insurers, now no longer authorized to do business in New Mexico, automatically terminated on March 1 each year, as opposed to immediately upon losing such authority.

Section 3 amends Section 59A-11-12 NMSA 1978 by adding language to require insurers to pay fees related to the appointment of insurance producers annually on March 1 of each year.

Section 4 amends Section 59A-12-17 NMSA 1978 by adding language giving insurance producers more leniency in what information they must maintain with the superintendent. Section 4 also removes language so as to reduce the penalty for failure to pay a renewal fee by its due date and changes language to fix the spelling of “nongovernmental.”

Section 5 amends Section 59A-13-9 NMSA 1978 by adding and replacing language for grammatical clarity, as well as expanding the amount of time for adjusters to notify the superintendent of their business, residential, or email address. Previously, adjusters had to notify the superintendent simply of a “change of address.”

Section 6 adds a new section to the Insurance Code requiring insurers to file certain information with the superintendent, ensure the superintendent is notified of changes to this information, and imposing the possibility of an administrative penalty for failure to do so.

Section 7 adds a new section to the Insurance Code requiring insurers to submit appropriate documentation for amending a certificate of authority and imposing the possibility of an

administrative penalty for failure to do so.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

The proposed amendments of HB369 to NMSA 1978, 59A-11-10(C) would change the amount of time someone has to request a continuation effective of the Superintendent's review from thirty (30) days to one (1) year. This is a drastic change and could create undue hardship on both the superintendent, those who hold a license, those who work under a licensee, or individuals who interact with license holders. Such amount of time appears to be extensive for someone's license to be expired.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relationship:

Senate Bill 124: Relating to the Office of Superintendent of Insurance: Providing the power to issue a civil investigative subpoena to the superintendent of insurance and providing procedures to compel compliance with such a subpoena. SB124 could affect licensees and their responsibilities.

Senate Bill 277: Relating to Insurance: Amending the insurance holding company law, adding definitions, and providing for group capital calculations reports and liquidity stress tests. SB277 is related in that insurance licensees could be subject to any changes in duties or other laws set out in the New Mexico Insurance code, more specifically the changes proposed in SB277 for holding companies.

TECHNICAL ISSUES

The proposed amendments to NMSA 1978, 59A-12-17(C) in Section 4 appears to require only residential insurance producers to provide certain information ("residential, business, or email address"), which may provide questions about non-residential insurance producers.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

Breaking up requirements that differ between residential and nonresidential insurance providers by what is required of each type of insurance provider.