

AN ACT

RELATING TO LIMITED LIABILITY PARTNERSHIPS; AMENDING SECTION 54-1-47 NMSA 1978 (BEING LAWS 1995, CHAPTER 185, SECTION 12).

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

Section 1. Section 54-1-47 NMSA 1978 (being Laws 1995, Chapter 185, Section 12) is amended to read:

"54-1-47. INSURANCE OR FINANCIAL RESPONSIBILITY OF REGISTERED LIMITED LIABILITY PARTNERSHIPS. --

A. A registered limited liability partnership shall carry at least five hundred thousand dollars (\$500,000) per occurrence and one million dollars (\$1,000,000) in the aggregate per year of liability insurance, beyond the amount of any applicable deductible, covering the partnership for errors, omissions, negligence, wrongful acts, misconduct and malpractice for which the liability of partners is limited by Section 54-1A-306 NMSA 1978. Such an insurance policy may contain reasonable provisions with respect to policy periods, deductibles, territory, claims, conditions, exclusions and other usual matters.

B. If a registered limited liability partnership is in substantial compliance with the requirements of Subsection A of this section, the requirements of this section shall not be admissible or in any way be made known to a jury in determining an issue of liability for or extent

of the debt or obligation or damages in question.

C. A registered limited liability partnership is considered to be in substantial compliance with Subsection A of this section if the partnership provides an amount of funds equal to the amount of insurance required by that subsection specifically designated and segregated for the satisfaction of judgments against the partnership or its partners based on errors, omissions, negligence, wrongful acts, misconduct and malpractice for which liability is limited by Section 54-1A-306 NMSA 1978 as follows:

(1) a deposit in trust or bank escrow or cash, bank certificates of deposit or United States treasury obligations; or

(2) a bank letter of credit or insurance company surety bond."
