

AN ACT
RELATING TO LICENSING; AUTHORIZING THE REQUIREMENT OF
PROFESSIONAL LIABILITY INSURANCE AS A CONDITION OF ISSUANCE
AND RENEWAL OF A REAL ESTATE SALESPERSON'S OR BROKER'S
LICENSE; ENACTING A NEW SECTION OF THE NMSA 1978.

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

Section 1. A new Section 61-29-4.2 NMSA 1978 is
enacted to read:

"61-29-4.2. ADDITIONAL POWERS OF THE COMMISSION--
PROFESSIONAL LIABILITY INSURANCE--MAXIMUM COST OF PREMIUM--
MINIMUM COVERAGE. --

A. In addition to the powers and duties granted
to the commission pursuant to the provisions of Sections 61-
29-4 and 61-29-4.1 NMSA 1978, the commission may adopt rules
that require professional liability insurance coverage and
may establish the minimum terms and conditions of coverage,
including limits of coverage and permitted exceptions. If
adopted by the commission, the rules shall require every
applicant for an active license and licensee who applies for
renewal of an active license to provide the commission with
satisfactory evidence that he has professional liability
insurance coverage that meets the minimum terms and
conditions required by commission rule.

B. The commission is authorized to solicit
sealed, competitive proposals from insurance carriers to

provide a group professional liability insurance policy that complies with the terms and conditions established by commission rule. The commission may approve one or more policies that comply with the commission rules; provided that the maximum annual premium shall not exceed one hundred fifty dollars (\$150) for a licensee, that the minimum coverage shall not be less than one hundred thousand dollars (\$100,000) for an individual claim and not less than a five hundred thousand dollar (\$500,000) aggregate limit per policy and that the deductible shall not be greater than one thousand dollars (\$1,000).

C. Rules adopted by the commission shall permit an active licensee to satisfy any requirement for professional liability insurance coverage by purchasing an individual policy.

D. Rules adopted by the commission shall provide that there shall not be a requirement for a licensee to have professional liability insurance coverage during a period when a group policy, as provided in Subsection B of this section, is not in effect."

Section 2. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 2001. _____