

LFC Requester:

Laird Graeser

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*****(Analysis must be uploaded as a PDF)*****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 03-082025*Check all that apply:***Bill Number:** SB168Original ☐ Correction ☐Amendment ☐ Substitute ☒**Sponsor:** Sharer, William E.**Agency Name  
and Code**Office of Superintendent of  
Insurance - 440**Number:****Short****Person Writing**Timothy Vigil**Title:** Travel Insurance Act**Phone:** 505-690-0651**Email** Timothy.Vigil@osi.n**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0	\$0	\$0	\$0	N/A	

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: The STBTC Substitute for SB168 (CS) enacts the Travel Insurance Act, based on the Travel Insurance Model Act published by the National Association of Insurance Commissioners (NAIC) (*see* <https://content.naic.org/sites/default/files/inline-files/MDL-632.pdf>). This CS enacts the model provisions in a way that is consistent with existing statutes.

According to NAIC, travel insurance is a type of insurance for risk associated with traveling such as loss of luggage, trip cancellation and delays. Travel insurance gives consumers peace of mind when booking a trip that they will be reimbursed for part of, or all of their expenses should an undesirable event occur that prompts cancellation or interruption of the trip.

#### **FISCAL IMPLICATIONS**

None.

#### **SIGNIFICANT ISSUES**

None. Any issues with the original bill were corrected in the CS.

#### **PERFORMANCE IMPLICATIONS**

None

#### **ADMINISTRATIVE IMPLICATIONS**

None.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

#### **TECHNICAL ISSUES**

The CS amends the original bill in the following ways:

##### **Section 2:** Definitions

- Removes definitions of “group travel insurance,” “primary certificate holder,” and “primary policy holder” because these terms are no longer used in the bill.
- Removes definition of “superintendent” because it is already defined in Section 59A-1-12, which applies to the entire Insurance Code.

##### **Section 3:** Recompile Section 59A-12-18.1 into the Travel Insurance Act.

- Preserves the Superintendent’s discretion to issue a travel insurance license by changing “shall” to “may.” This is consistent with the rest of the Insurance Code, which permits the Superintendent to issue licenses, but does not require her to do so.
- Removes duplicative language from the original bill that is already covered by Sections 59A-12-18.1, 59A-11-2, 59A-7-4, 59A-11-12 and 59A-6-1 NMSA 1978.

**Section 4:** Policy: Section 9 of SB 168 is moved to Section 4 of the CS. The second clause of Subsection A of Section 9 of SB 168 was removed because per New Mexico statute, all travel insurance is classified as inland marine. *See* Section 59A-7-4 NMSA 1978.

**Section 5:** Travel Protection Plans: Section 6 from SB 168 is moved to Section 5 of the CS.

**Section 6:** Sales Practices: The material from Section 7 of SB 168 moved to Section 6 of the CS.

**Section 7:** Permissible Practices: Subsection J of Section 7 of SB 168 becomes Section 7 of the CS.

**Section 8:** Travel Administration: Section 8 of SB 168 is still Section 8 in the CS.

**Section 9:** Promulgation of Rules: The language was re-drafted to conform with standard rulemaking language through out the Insurance Code.

**Sections Removed from the Original Bill:** The CS removes Sections 2, 5, 11 and 12 from the original bill.

#### **OTHER SUBSTANTIVE ISSUES**

None.

#### **ALTERNATIVES**

Operate under current statute.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

#### **AMENDMENTS**

None.