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AN ACT

RELATING TO INSURANCE; ENACTING PROVISIONS ALLOWING INSURANCE AGENTS TO GIVE PROSPECTIVE CUSTOMERS LIMITED GIFTS AND PRIZES.

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

SECTION 1. Section 59A-16-17 NMSA 1978 (being Laws 1984, Chapter 127, Section 283, as amended) is amended to read:

"59A-16-17. UNFAIR DISCRIMINATION, REBATES PROHIBITED-- OTHER COVERAGES.--

A. No property, casualty or title insurer, or nonprofit health care or prepaid dental plan or other insurance-type organization, or any employee or representative thereof, and no insurance producer or other representative shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to insurance or coverage, or after insurance or coverage has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified or provided for in the policy, except to the extent provided for in an applicable filing with the superintendent as provided by law or as allowed by this

1 section.

2 B. No title insurer or title insurance producer
3 shall:

4 (1) pay, directly or indirectly, to the
5 insured or any person acting as agent, representative,
6 attorney or employee of the owner, lessee, mortgagee,
7 existing or prospective, of the real property, or interest
8 therein, that is the subject matter of title insurance or as
9 to which a service is to be performed any commission or part
10 of its fee or charges or other consideration as inducement or
11 compensation for the placing of any order for a title
12 insurance policy or for performance of any escrow or other
13 service by the insurer with respect thereto;

14 (2) issue any policy or perform any service
15 in connection with which it or any insurance producer or
16 other person has paid or contemplates paying any commission,
17 rebate or inducement in violation of this section;

18 (3) give or receive, directly or indirectly,
19 any consideration or thing of value for the referral of title
20 insurance business or escrow or other service provided by a
21 title insurer or title insurance producer unless otherwise
22 permitted by regulation of the superintendent; or

23 (4) enter into a reinsurance agreement with
24 an affiliate of a real estate developer, real estate agency,
25 mortgage lender or referrer of title business without the

1 prior written approval of the superintendent.

2 C. No insured named in a policy or any employee of
3 such insured shall knowingly receive or accept, directly or
4 indirectly, any rebate, discount, abatement, credit or
5 reduction of premium, or any special favor or advantage or
6 valuable consideration or inducement, except as allowed by
7 this section.

8 D. No insurer or organization shall make or permit
9 any unfair discrimination between insureds or property having
10 like insuring or risk characteristics, in the premium or
11 rates charged for insurance or coverage, or in the dividends
12 or other benefits payable thereon or in any other of the
13 terms and conditions of the insurance or coverage.

14 E. Nothing in this section shall be construed as
15 prohibiting the payment of commissions or other compensation
16 to licensed insurance producers or other representatives; or
17 as prohibiting the extension of credit to an insured for the
18 payment of any premium and for which credit a reasonable rate
19 of interest is charged and collected; or as prohibiting any
20 insurer or insurance producer from allowing or returning to
21 its participating policyholders, members or subscribers,
22 dividends, savings or unabsorbed premium deposits. As to
23 title insurance, nothing in this section shall prohibit bulk
24 rates or special rates for customers of prescribed classes if
25 such bulk or special rates are provided for in the currently

1 effective schedule of fees and charges of the title insurer
2 as filed with the superintendent.

3 F. The provisions of this section shall not
4 prohibit a property or casualty insurer, or any employee or
5 representative thereof, or a property or casualty insurance
6 producer or other representative thereof from providing to
7 customers or prospective customers prizes and gifts,
8 including goods, gift cards, gift certificates, charitable
9 donations, raffle entries, meals, event tickets and other
10 items not exceeding one hundred dollars (\$100) in the
11 aggregate in value per customer or prospective customer in
12 any one calendar year."

13 SECTION 2. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2017. _____

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