

# STATE OF NEW MEXICO

## OFFICE OF SUPERINTENDENT OF INSURANCE



SUPERINTENDENT OF INSURANCE  
Alice T. Kane

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### BULLETIN 2024-006

June 11, 2024

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**TO: ALL CARRIERS WRITING 2023 MEDICAL PROFESSIONAL LIABILITY POLICIES FOR INDEPENDENT PROVIDERS AND GROUP PRACTICES IN NEW MEXICO**

**RE: MEDICAL MALPRACTICE PREMIUM REDUCTION**

The New Mexico State Legislature appropriated \$15.4 million to the New Mexico Office of Superintendent of Insurance (OSI) to address medical malpractice insurance costs for individual providers and independent group practices. The appropriation was part of a supplemental appropriation package passed in 2023 that provided each legislator and Governor Michelle Lujan Grisham with targeted appropriations for their key priorities. Governor Lujan Grisham prioritized funding for this program in her supplemental appropriation request.

This one-time appropriation directs OSI to provide a premium subsidy for private medical malpractice insurance policies. OSI issued a data call to medical malpractice carriers to determine premiums written for independent providers and group practices in New Mexico. OSI used this data to determine a premium percentage reduction to apply to premiums for eligible providers. Bulletin 2024-006 creates the one-time Medical Malpractice Premium Reduction (MMPR), program eligibility, premium reduction percentages based on provider categories, the process for disbursing premium reductions, carrier reimbursement and reporting, the methodology for calculating carrier administrative cost offsets, and the timeline for disbursements and reporting.

#### **Provider Eligibility and Qualifying Carriers**

Independent providers and independent group practices that purchased medical professional liability insurance in 2023 that were reported to OSI in a data call issued on April 12, 2024, qualify for the MMPR. Participation in the Patients' Compensation Fund is not required to qualify for the MMPR. Surplus & excess line policies and risk retention group policies are not eligible for the MMPR.

Below is a list of Qualifying Carriers that must provide the MMPR to eligible providers described in this Bulletin:

- Allied World Insurance Co
- Aspen American Insurance Co
- Doctors Co
- Great Divide Insurance Co
- Liberty Insurance Underwriters Inc
- Mag Mutual Insurance Co
- Medical Protective Co
- MMIC Insurance Inc
- NCMIC Insurance Co
- Norcal Insurance Co
- Proassurance Insurance Co of America
- Pro-Select Insurance Co
- Professional Solutions Insurance Co
- State Farm Fire and Casualty Co

The subsidy is only available to providers whose carrier responded to the data request and is listed above.

**Premium Reduction Percentage**

OSI will apply a 60.5% reduction to the 2023 earned premium for medical professional liability policies reported to OSI in the data call issued on April 12, 2-24. Recognizing the significant challenges the state faces in retaining Obstetricians and the high cost of premiums in this specialty, the Superintendent has determined that an additional premium reduction shall be provided to this group of providers. For Obstetricians and includes the providers as defined below, an additional 20% reduction will be applied, for a total earned premium reduction percentage of 80.5%.

**TABLE 1: Medical Malpractice Premium Reduction Percentage by Provider Category**

<b>Provider Category</b>	<b>MMPR Rate</b>
Obstetricians and related providers	80.5%
All other providers	60.5%

For purposes of the level of MMPR, the definition of OB providers includes the following provider types:

- Nurse mid-wife
- Family general practice with OB
- Gynecology

- Gynecology with IVF
- OBGYN

### Application of Premium Reductions

All carriers that wrote medical professional liability policies for independent and providers in 2023 are required to distribute the MMPR to their policyholders. The MMPR amount is based on the earned premium for eligible independent providers and group practices between January 2023 and December 2023 and the percentage reduction specified based on the provider category specified in **TABLE 1**. Carriers can determine the most efficient means by which to distribute the funds to a provider.

Provider Category	MMPR
Obstetricians and related providers	80.5% of 2023 Earned Premium
All other providers	60.5% of 2023 Earned Premium

### Carrier Reimbursement and Reporting

1. A senior executive from each carrier must sign OSI's MMPR Affidavit (Attachment A) attesting that all monies distributed by the OSI for the program will be disbursed as described in this Bulletin no later than June 28, 2024. The affidavit should be sent to [mmpr.inquiry@state.nm.us](mailto:mmpr.inquiry@state.nm.us). Funds will not be disbursed until the affidavit is submitted. Upon receipt of the affidavit, OSI's vendor will disburse funds to the carrier. Carriers must disburse funds to each eligible provider and submit the MMPR Policy-Level Template to [mmpr.inquiry@state.nm.us](mailto:mmpr.inquiry@state.nm.us) no later than August 1, 2024. Any amounts not disbursed prior to August 1 may be subject to reversion by the legislature. Carriers must issue the MMPR Letter to each eligible provider, which describes the appropriation and basic details about the program. Carriers understand and agree that by accepting the funds the OSI can require a prorated reimbursement of the subsidy if the carrier fails to distribute the funds to any eligible provider in accordance with this Bulletin. In the event a provider cannot be located, the carrier is obligated to return the funds to the OSI. Carriers must promptly submit any disputes to the OSI for review and resolution.

### Carrier Administrative Cost Offsets

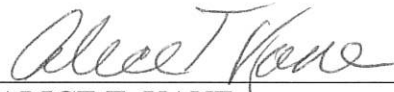
OSI will provide an administrative cost offset to each Qualifying Carrier. The payment made to each carrier will vary and will be based on the number of eligible providers identified by the carrier in the data call.

### Provider Inquiries

Independent providers and group practices enrolled in a medical professional liability policy in 2023 who believe they have not received the appropriate amount can submit inquiries to [mmpr.inquiry@state.nm.us](mailto:mmpr.inquiry@state.nm.us)

Any questions pertaining to this Bulletin should be directed to [Stephen.Thies@osi.nm.gov](mailto:Stephen.Thies@osi.nm.gov).

**ISSUED this 11 day of June, 2024.**



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**ALICE T. KANE**  
**Superintendent of Insurance**