

OFFICE of the SUPERINTENDENT of INSURANCE

Superintendent of Insurance

John G. Franchini



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NM OFFICE OF
SUPERINTENDENT
OF INSURANCE

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FILED

INSURANCE BULLETIN NO. 2014-02

January 8, 2014

THE FOLLOWING BULLETIN is issued pursuant to 13.1.2.1 to 13.1.2.10 NMAC.

This Bulletin hereby establishes the interest rate to be applied to unpaid claims after 45 days after required proof of loss has been furnished.

New Mexico Statutes Annotated, §59A-16-21 provides that:

...any insurer issuing any policy, certificate or contract of insurance, surety, guaranty or indemnity of any kind or nature which fails for a period of forty-five days, after required proof of loss has been furnished, to pay to the person entitled the amount justly due shall be liable for the amount due and unpaid with interest on that amount at the rate of one and one-half times the prime lending rate as determined by the superintendent, for New Mexico banks per year during the period the claim is unpaid.

New Mexico Administrative Code 13.10.22.12 provides that:

Each contract shall provide that a MHCP [“managed health care plan”] failing to pay a health care professional or failing to pay a covered person for out of pocket covered expenses within forty-five days after a clean claim has been received by the MHCP shall be liable for the amount due and unpaid with interest on that amount at the rate of one and one half times the rate established by a bulletin entered by the superintendent in January of each calendar year. For the purposes of this section, “clean claim” means a manually or electronically submitted claim that contains all the required data elements necessary for accurate adjudication without the need for additional information from outside of the MHCP’s system and contains no deficiency or impropriety, including lack of substantiating documentation currently required by the MHCP, or particular circumstances requiring special treatment that prevents timely payment from being made by the MHCP.

The 2014 interest rate is hereby set as one and one half times 3.25%, which is equivalent to **4.875%**. This interest rate shall remain in effect until the Superintendent completes a review of the interest rate in January 2015 and issues a Bulletin. Any questions regarding this Bulletin may be directed to Kathi Padilla at (505) 827-3811 or Kathi.Padilla@state.nm.us.

DONE AND ORDERED on this 8th day of January, 2014.

A handwritten signature in black ink, appearing to read "John G. Franchini".
JOHN G. FRANCHINI
Superintendent of Insurance