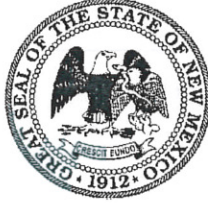


STATE OF NEW MEXICO  
OFFICE OF SUPERINTENDENT OF INSURANCE  
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**BULLETIN NO. 2015 - 02**

TO: EVERY INSURER, NONPROFIT HEALTH CARE PLAN, HEALTH MAINTENANCE ORGANIZATION, PREPAID DENTAL PLAN OR PREARRANGED FUNERAL PLAN TRANSACTING BUSINESS IN NEW MEXICO

FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE

DATE: JANUARY 12, 2015

RE: PROCEDURES FOR FILING AND PENALTY NOTICE AND DEMAND FOR FAILURE TO REPORT OR PAY PREMIUM TAXES AND FEES AS REQUIRED BY NMSA 1978, SECTION 59A-6-4.

Issued pursuant to Section 59A-2-8 NMSA 1978 of the New Mexico Insurance Code and 13.1.2 *et seq.* NMAC. This Bulletin is effective immediately and is issued to clarify the enforcement of penalty assessments for failure to report or pay premium tax and/or fees, if due.

Filing requirements:

Pursuant to NMSA 1978 §59A-6-1 *et seq.*, premium tax report due dates are as follows:

- April 15<sup>th</sup> of each year (1<sup>st</sup> Quarter)
- July 15<sup>th</sup> of each year (2<sup>nd</sup> Quarter)
- October 15<sup>th</sup> of each year (3<sup>rd</sup> Quarter)
- January 15<sup>th</sup> of each year (4<sup>th</sup> Quarter of preceding calendar year)
- April 15<sup>th</sup> of each year (Final for preceding calendar year)

Premium tax reports and any associated payments due must be received by the Office of Superintendent of Insurance (OSI) or postmarked by its respective due date. It is the responsibility of every insurer, nonprofit health care plan, health maintenance organization, prepaid dental plan or prearranged funeral plan transacting business in New Mexico to ensure its reports and any associated payments have been received by OSI in a timely manner. Proof of

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mailing will not substitute for actual receipt unless proof of delivery by the United States Postal Service or a courier service (e.g., Federal Express) is provided.

Premium tax reports and any associated payments not received by OSI or postmarked by its respective due date will render the filer liable for penalties in accordance with NMSA 1978, Section 59A-6-4. This includes:

- i) Premium tax reports that are incomplete pursuant to instructions on the OSI website.
- ii) Premium tax reports that are inaccurate when originally filed, when the inaccuracy, once corrected, results in an underpayment.

Penalty Notice and Demand Process:

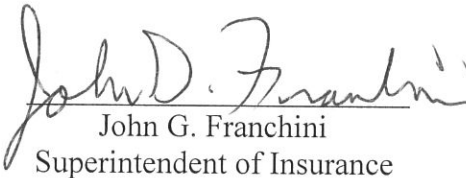
As stated, under Section 59A-6-2 NMSA 1978, quarterly premium tax reports and any associated estimated premium tax payments are due on April 15, July 15, October 15 and January 15 of the following year. Also due on April 15 is the annual return, on which the final adjustments for payments due for the prior year shall be made. Under Section 59A-6-4 NMSA 1978, entities that fail to file or pay when due quarterly or annual tax reports or premium payments are liable for a penalty of \$1,000 for each month or part thereof it has failed to file or pay, after demand therefor.

Under this process, OSI shall issue a demand notice by email, telephone or U.S. mail to any entity determined to have failed to timely file a complete, correct report or pay the correct amount of tax. Penalties will be imposed prospectively from the date of demand only.

In summary, liability for penalties is triggered by untimely filing or insufficient payment. Penalties will accrue following demand notice and will continue to accrue until satisfaction of the deficiency identified in the demand notice.

**ISSUED** at Santa Fe, New Mexico on January 12, 2015.

**OFFICE OF SUPERINTENDENT OF INSURANCE**

  
John G. Franchini  
Superintendent of Insurance