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NM OFFICE OF

BULLETIN NO. 2015-004

TO: INSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS OF INSURANCE IN NEW MEXICO

FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE

DATE: FEBRUARY 12, 2015

RE: INTEREST RATE APPLICABLE TO UNPAID CLAIMS 45 DAYS AFTER REQUIRED PROOF OF LOSS HAS BEEN FURNISHED

Bulletin issued pursuant to NMSA 1978, 59A-2-8 of the New Mexico Insurance Code, and NMAC 13.1.2.8 et seq.

New Mexico Statutes Annotated NMSA 1978, 59A-16-21 (B) provides that:

B. Notwithstanding any provision of the Insurance Code, 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 [S]uperintendent, for New Mexico banks per year during the period the claim is unpaid.

Additionally, the New Mexico Administrative Code at 13.10.22.12 (O) provides that:

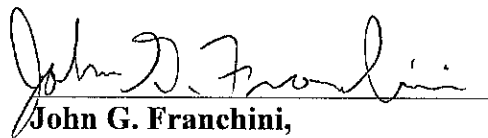
O. Each contract shall provide that a MHCP failing to pay a health care professional or failing to pay a covered person for out of pocket covered expenses within forty-five days after a clean claim has been received by the MHCP shall be liable for the amount due and unpaid with interest on that amount at the rate of one and one half times the rate established by a bulletin entered by the [S]uperintendent 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.

For the year 2015 the interest rate is 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 2016 and issues a new bulletin.

Please direct your questions regarding this bulletin to Mrs. Kathi Padilla at (505) 827-3811, or via e-mail at Kathi.Padilla@state.nm.us.

ORDERED on February 12, 2015.


John G. Franchini,
Superintendent of Insurance