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**BULLETIN NO. 2015-005**

TO: EVERY INSURER, NONPROFIT HEALTH CARE PLAN, HEALTH  
MAINTENANCE ORGANIZATION, AND PREPAID DENTAL PLAN  
TRANSACTIONING BUSINESS IN NEW MEXICO

FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE

DATE: FEBRUARY 18, 2015

RE: HEALTH "STOP LOSS" OR "EXCESS BENEFIT" INSURANCE

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NM OFFICE OF  
SUPERINTENDENT  
OF INSURANCE

Issued pursuant to Section 59A-2-8 NMSA 1978 of the New Mexico Insurance Code, 13.1.2 *et seq.* NMAC.

Under New Mexico Statutes 59A-7-3.C.(2), the group health insurance coverage commonly known as "Stop Loss" or "Benefit Excess" is defined as Health Insurance, and must conform to all New Mexico Health Insurance requirements. Note in particular that:

A) all such coverage issued in New Mexico is subject to state Medical Loss Ratio (MLR) requirements (NMSA 59A-22-50 "Health insurers; direct services") and must be included in all state MLR calculations, notwithstanding the federal MLR Annual Reporting Form Filing Instructions; and

B) all such coverage issued in New Mexico must conform to the liability provisions of NMAC 13.10.5.11.A., commonly known as "occurrence-based" insurance.

In addition, however, definition of "Stop Loss" and "Benefit Excess" as Health Insurance precludes exemption of such coverage from the Patient Protection and Affordable Care Act (ACA) requirements. Accordingly:

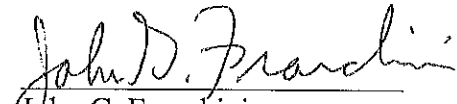
1. no new "Stop Loss" or "Benefit Excess" policies, contracts, or agreements may be offered or sold in New Mexico except those which are fully compliant with New Mexico and ACA requirements;

2. no existing "Stop Loss" or "Benefit Excess" policies, contracts, or agreements may be renewed or subjected to rate or form changes except those which are fully compliant with New Mexico and ACA requirements; and

3. all "Stop Loss" or "Benefit Excess" policy forms and rates previously filed with and approved by NMOSI, which are not fully compliant with New Mexico and ACA requirements are invalid for use after the date of this Bulletin.

**ISSUED** at Santa Fe, New Mexico on February 18, 2015.

**OFFICE OF NEW MEXICO SUPERINTENDENT OF INSURANCE**

  
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John G. Franchini  
Superintendent of Insurance