

NEW MEXICO
SUPERINTENDENT
OF INSURANCE
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NEW MEXICO OFFICE OF
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Bulletin 2016-024
October 7, 2016

TO: ALL COMPANIES LICENSED BY THE NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

FROM: JOHN G. FRANCHINI, SUPERINTENDENT OF INSURANCE

DATE: OCTOBER 7, 2016

RE: LICENSING, DEPOSIT, AND FEE CHANGES - EFFECTIVE JULY 1, 2017

THE FOLLOWING Bulletin is issued pursuant to NMSA 1978 Sections 59A-2-8, 59A-2-10, 59A-4-3, and Sections 13.1.2.1 to 13.1.2.10 and 13.10.23.11 NMAC.

The purpose of this Bulletin is to clarify revised requirements for *all* companies licensed by the New Mexico Office of Superintendent of Insurance (OSI); these changes are the result of statutory changes signed into law on March 9, 2016, with an effective date of July 1, 2017.

New Lines of Business: Previously, companies licensed in New Mexico were assigned one of a large number of alphanumeric class codes by OSI, which corresponded to the lines and types of business for which the company was licensed. As a result of the new law, the number of lines of business will be reduced to 5, with each code representing a group of business lines. OSI has now completed the process of mapping the old alphanumeric lines of business to the new codes. The new codes are effective July 1, 2017.

New Deposit Requirements and Fee Schedule. In addition to changes in the codes, statutory changes modify deposit requirements as well as renewal and new license fees for companies licensed by OSI. The new deposit requirements take effect July 1, 2017 at 12:01 am. The deposits must be received by our Custodial Bank by that date and time with the necessary deposit confirmation information provided by our Custodial Bank to OSI. Due to the high volume our Custodial Bank will be receiving, please be aware that the transactions may take up to 14 business days to process. You can find the Deposit Forms and mailing instructions at <https://www.mycenturybank.com/nm-insurance-forms.htm>. The minimum capital, surplus, and deposit requirements effective July 1, 2017, for Property and Casualty insurers and for Life and Health insurers are attached to this bulletin. (*See Appendix A.*)

New Certificates of Authority. OSI will be issuing new Certificates of Authority to reflect the new Statutory Lines of Insurance requirements. The new Certificates of Authority will be issued by OSI to all licensed companies with an effective date of July 1, 2017. Upon receipt of the required deposit confirmation from our Custodial Bank and return of the company's current Certificate of Authority, new Certificates will be sent via certified mail to the designated mailing address the Company Licensing Bureau has on file for the company. If the existing Certificate cannot be located, an Affidavit of Loss may be submitted to OSI instead, with a commitment to submit the prior Certificate if and when it is located. The Affidavit of Loss form may be downloaded from the NAIC website at www.naic.org.

The Company Licensing Bureau will be requesting all companies to complete a new Contact Processing Form and a new NAIC Form 12 (Uniform Consent to Service of Process) during the renewal period starting January 2017. You can obtain a new Contact Processing Form


at <http://www.osi.state.nm.us/CompanyLicensing/index.aspx>. You may download the NAIC Form 12 from the NAIC website at www.naic.org.

This Bulletin applies both to companies that were licensed prior to the effective date of the above referenced statutory changes and to companies seeking to be licensed after the changes become effective.

If you have additional questions regarding this Bulletin, please contact the Company Licensing Bureau, Office of Superintendent of Insurance at 1-505-827-4362 or via email at victoriaa.baca@state.nm.us or ursula.almada@state.nm.us.

ISSUED at Santa Fe, New Mexico on October 7th, 2016.

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE


JOHN G. FRANCHINI
Superintendent of Insurance

New Mexico's Minimum Capital, Surplus and Deposit Requirements

Effective Date: July 1, 2017

PROPERTY/CASUALTY INSURERS

	Premium Volume				
	Under \$5 Million		\$5 to \$10 Million	\$10 to \$25 Million	Over \$25 Million
	<i>Number of Kinds of Insurance</i>				
	1	2			
Basic Capital:	500,000	600,000	800,000	900,000	1,000,000
Additional Surplus:	500,000	600,000	same as Under \$5 Million		
General Deposit:	200,000	300,000	500,000	500,000	500,000
Special Deposit:	200,000	300,000	same as Under \$5 Million		

LIFE/HEALTH INSURERS

	Premium Volume			
	Under \$5 Million	\$5 to \$10 Million	\$10 to \$25 Million	Over \$25 Million
Basic Capital:	600,000	700,000	800,000	900,000
Additional Surplus:	400,000	400,000	400,000	400,000
General Deposit:	200,000	200,000	200,000	200,000
Special Deposit:	200,000	200,000	200,000	200,000