



Strategic Plan | FY 2022

Office of Superintendent of Insurance

Russell Toal, Superintendent

## AGENCY MISSION



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The mission of the Office of Superintendent of Insurance is to provide consumers with convenient access to reliable insurance products that are underwritten by dependable and financially sound companies.

The agency strives to ensure that these companies have a proven history of fair and reasonable rates, are represented by trustworthy and qualified agents, and treat consumers fairly and honestly.

The Office of Superintendent of Insurance is committed to insurance consumer protection, fraud prosecution, and education, striving to become one of the nation's leading regulatory agencies.

The Office of the Superintendent of Insurance is accredited by the National Association of Insurance Commissioners.

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# Executive Summary

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The Office of Superintendent of Insurance (OSI) continues its progress to review systems and processes for areas of improvement and increased consumer service. OSI is comprised of dedicated teams who work to ensure that consumers and businesses operating in New Mexico have confidence in the OSI's regulatory oversight of the insurance industry.

The OSI is accredited by the National Association of Insurance Commissioners (NAIC). This professional accreditation is given to a state insurance department once it has demonstrated it has met and continues to meet an assortment of legal, financial, organizational, and licensing and change of control standards as determined by a committee of its peers. The OSI achieved another 5-year full accreditation from the NAIC in April of 2021.

OSI utilizes a web-based system, State Based Systems (SBS), of the National Association of Insurance Commissioners. OSI bureaus utilizing this system continue to report increased ease-of-use in many areas of daily responsibilities. This system allows OSI bureaus to continue to digitize records, simplify information for New Mexico consumers, and reduce our carbon footprint.

The OSI successfully processed licensing transactions for 3,121 insurance and insurance-related companies and over 223,000 producer and business entity licenses. This SBS includes a superior database allowing OSI to have a case management system for consumer assistance and civil investigation cases, further enhancing the agency's ability to help consumers save and recover an estimated \$1.2 million in FY 2021.

Through the dedicated work of our health policy teams, New Mexico has been fortunate to see greater market stability than most of the nation with monthly health plan premiums available in the individual market consistently remaining in the lowest five states. Increasing transparency and consumer education have remained key initiatives of OSI. Through new technology, enhanced websites and applications, and increased regulatory efficiency, OSI has been able to implement new web-based consumer support tools and conduct educational webinar series. Collaborating with industry representatives, consumer advocates, stakeholders, and other state agencies, OSI continues to foster education on consumer rights and assistance, fraud awareness and reporting, and transparency on OSI matters.

OSI took decisive action in response to COVID-19. New Mexico was one of the first states to require insurers to cover COVID-19 testing and treatment without charge to patients. These actions, in conjunction with those of the Governor and other agencies, made testing more accessible to New Mexicans. OSI issued a series of bulletins, orders, and directives to address COVID issues, including coverage of out-of-network care and the enforcement of related consumer protections, coverage and reimbursement for telehealth/telemedicine services, support for health care providers, delays in policy termination if someone cannot pay their health insurance premium on time, adjustments to commercial business insurance premiums to provide relief to the business community, and automobile insurance refunds.

# Executive Summary

OSI aggressively promoted the availability of health coverage, established a call center for consumers to report issues related to COVID-19, and deployed a tool for New Mexicans to check their eligibility for health insurance options. The Superintendent personally reached out to providers when a pattern of consumer complaints established inappropriate billing or testing practices. OSI continues to diligently track COVID-19 related issues and respond to emerging issues in a way that is timely and accountable to New Mexicans.

# Agency Description

The OSI was created on July 1, 2013, pursuant to the passage of Constitutional Amendment 4 during the 2012 General Election and the subsequent enactment of House Bill 45 (Laws of 2013, Chapter 74) from the 1<sup>st</sup> Session of the 51<sup>st</sup> Legislature. These actions removed the insurance regulatory function from the Public Regulation Commission (where it was housed as the “Insurance Division”) and placed it in a newly created adjunct state agency entitled the “Office of Superintendent of Insurance.” The enabling legislation also created an Insurance Nominating Committee to appoint the Superintendent of Insurance.

The OSI is comprised of four focus areas: Financial Compliance, Life and Health, Consumer Services, and Property & Casualty. The OSI is authorized for 97 FTEs, all of which are supported by the revenues brought in by the OSI. The New Mexico Legislature appropriates no general funds to the operations of the OSI.

A majority of agency staff members have offices within the old PERA building in Santa Fe on the 4<sup>th</sup> floor. OSI also has an office in Albuquerque that houses approximately 1/3 of the overall staff. During the last fiscal year most, staff worked from home. Only a handful of staff, including the Superintendent and the Company & Producer Licensing Bureaus, are physically in the PERA office for handling of mail and onsite matters.

The OSI works diligently to consider many different perspectives in its regulatory activities, creating and working with the consumer advocacy community, insurance agents and brokers, service providers, insurers, and business owners. Some of the agency’s advisory groups include: the Health Insurance Advisory Group, the Network Adequacy Group, the Surprise Billing Advisory Group, the Insurance Fraud Policy Advisory Group, the Multi-Jurisdictional Auto Theft Law Enforcement Task Force, the Multi-Jurisdictional Arson Task Force, and the Auto Theft Prevention Authority. The NM Property & Casualty Insurance Guaranty Association and the Life and Health Guaranty Association also provide input to the OSI.

In FY 2021, OSI collected approximately \$79.3 million in annual revenues. Most of the remaining revenues result from annual licensing fees levied on insurance agents, insurance carriers, and other insurance licensees. OSI transfers approximately 71% of collected revenues to the state general fund, the fire protection fund, the law enforcement protection fund and the Carrie Tingley fund. Only about 29% of the revenue collected is used to fund OSI operations.

# Agency Description

The following OSI operations have dedicated funding:

1. The Patient's Compensation Fund (PCF) is funded by over \$46 million of annual surcharges levied on health care providers who obtain medical malpractice coverage from the PCF. With the passage of House Bill 75, the PCF will be placed under the management of a Third-Party Administrator (TPA) starting in January of 2022. The OSI will still be the responsible party for distribution of funds for judgments and settlements rendered on behalf of medically injured patients as well as the PCF's operating expenses.
2. In FY21 the Insurance Fraud Fund collected \$2,982,095.38 in fees. These fees are based on direct written premiums and pay for the operations of the OSI's Insurance Fraud Bureau.
3. The Title Maintenance Fund, which is funded by assessments levied on title insurers, pays for the operation of OSI's Title Insurance Bureau. In FY21 The Title Insurance Bureau collected \$829,975 in assessments.

The OSI, additionally received \$529,741 from a Memorandum of Understanding with the New Mexico Health Insurance Exchange (beWellnm.com). These funds are utilized for the qualified health plan reviews and rate revisions that the OSI performs for the Exchange.

# Agency Initiatives and Goals

The OSI continues to improve functionality to attract and retain qualified insurers and insurance professionals to the state. OSI ensures that insurance-related New Mexico statutes are implemented on a timely basis and agency rules are updated. OSI works to protect the health of New Mexicans through support and enforcement of the Affordable Care Act. OSI has launched a continuous process improvement effort to identify areas for improvement.

OSI has established and is making progress on the following initiatives:

- Advancing the agency's service proficiency and analytics.
  - Ensuring that staff is properly placed, that staffing levels are sufficient to serve clients in a timely manner, and that staff is provided with educational training opportunities for increased proficiency and consumer service.
- Improving the functionality of the State-Based System (SBS) used within OSI allowing for more efficient processing of transactions and online tools for licensing applications and renewals.
  - Establishing electronic processing for licensing revenue transactions and aligning database and reporting capabilities.
- Monitoring regulatory efficacy in improving access to quality, affordable health insurance.
  - Utilizing stakeholder advisory committees, actuarial and legal reviews, expert input, client feedback and staff analysis, propose legislative and regulatory changes to improve consumer protections, insurance stability and expanded choice.
- Increasing consumer transparency and education, timely insurance transactions, grievance processing, enforcement on insurance protections and rights, and combatting of insurance fraud.
  - Updating agency websites and consumer applications to increase user-ease through new scripting languages, development of improved applications, use of social media and expanded outreach and engagement of clients.
- Addressing COVID-19 and the ramifications of the pandemic which caused thousands of New Mexicans to lose their health insurance.
  - The OSI partnership with the Human Services Department, beWellnm (New Mexico's Health Insurance Exchange), and the New Mexico Medical Insurance Pool that been an effective tool to coordinate messaging and materials for people who need the security of health coverage. This partnership was particularly vital to inform people about the reduced costs of insurance available on the Exchange after the enactment of the American Rescue Plan.

# Agency Initiatives & Goals

- Implementation of laws that were passed in the most recent legislative session.
  - House Bill 235, “Insurance Code Modernization” included several provisions requested by the OSI, that did not require rulemaking action but did include a provision for insurers to file Value Added information forms with the OSI and implemented a new electronic system for Service of Process.
  - Senate Bill 71, “Patients’ Debt Collection Protection Act”, required OSI to issue rules with a July 1 effective date to protect indigent New Mexicans from inappropriate debt collection.
  - House Bill 75, “Clarifying and Modernizing the Medical Malpractice Act”, which required OSI to establish a Patients’ Compensation Fund (PCF) Advisory Board, which held its first meeting on July 21, 2021. The OSI is moving forward on rules, policies, and a request for proposals for a Third-Party Administrator to assume operational responsibility for the PCF effective January 1.
  - Senate Bill 371, “No Behavioral Health Cost Sharing” and provisions of the “Health Care Affordability Act”, required the OSI to provide health insurers with guidance on the implementation of the no patient cost-sharing provisions. For the Health Affordability Fund, which will generate monies to lower out-of-pocket costs for those purchasing health insurance on the New Mexico Health Insurance Exchange, the OSI has formed an interagency task force and begun the external studies and modeling that are necessary to estimate program impact and cost. The health insurance surcharge that will produce the monies needed to implement the program for the 2023 health plan year takes effect on January 1, 2022. The OSI must propose a plan for the legislature to review and either approve or modify in the upcoming session of 2022.

# Agency Performance Measures

Program Code and Measure Type	Performance Measure and Description	FY 21 Target and FY 21 Actual
P795 Output	Percent of internal and external insurance-related grievances closed within 180 days of filing.	Target: 95.00% Actual: 97.72%
P795 Output	Number of managed healthcare outreach activities conducted annually.	Target: 20 Actual: 30
P795 Efficiency	Percent of Insurance Fraud Bureau complaints processed and recommended for further criminal actions/prosecutions or closure within sixty days.	Target: 0.0% Actual: 5.78%
P795 Output	Percent of domestic company examination reports adopted within eighteen months of the examination period.	Target: 100.00% Actual: 100.00%
P795 Output	Percent of form and rate filings processed within ninety days within the Life & Health Bureau.	Target: 98.00% Actual: 98.98%
P795 Output	Percent of form and rate filings processed within ninety days within the Property & Casualty Bureau.	Target: 99.00% Actual: 99.47%
P795 Output	Percent of Office of Superintendent interventions conducted with domestic insurance companies when risk-based capital is less than two hundred percent.	Target: 100.00% Actual: 100.00%
P795 Output	Dollars Saved or recovered for consumers by the Consumers Assistance Bureau	\$1,244,284.13

# Agency Performance Measures

Program Code and Measure Type	Performance Measure and Description	FY 21 Target And FY 21 Actual
P795 Output	Number of examinations conducted	Target: 3 Actual: 7
P795 Output	Number of inspections performed by the Title Insurance Bureau	Target: 40 Actual: 114
P795 Output	Number of complaints received by the Consumer Assistance Bureau	Target: 700 Actual: 714
P795 Explanatory	Auto theft rate ranking among the fifty states	Target: New Actual: 24
P795 Explanatory	Number of cases prosecuted by the Criminal Division	Target: New Actual: 54
P795 Explanatory	Number of life and health rate filings reviewed	Target: New Actual: 469
P795 Explanatory	Number of complaints received by the Investigations Bureau for which enforcement action was taken	Target: New Actual: 135
P795 Explanatory	Number of cases referred to the criminal division.	Target: New Actual: 26
P795 Explanatory	Number of property and casualty rate filings reviewed	Target: New Actual: 438
P795 Explanatory	Number of complaints received by the Investigations Bureau	Target: New Actual: 386
P795 Explanatory	Dollars saved or recovered for consumers by the Managed Health Care Bureau	\$565,072.24

# Agency Performance Measures

Program Code and Measure Type	Performance Measure and Description	FY 21 Target and FY 21 Actual
P795 Explanatory	Number of grievances received by the Managed Health Care Bureau	Target: New Actual: 541
P795 Efficiency	Percentage of Criminal Division referrals processed and recommended for further administrative action, prosecution, probation and/or closure for insufficient information within ninety days	Target: 90% Actual: 100%
P797 Efficiency	Percentage of required reports submitted timely to the National Practitioner Data Base	Target: 90% Actual: 96%
P797 Efficiency	Percentage of required reports submitted timely to the Centers for Medicare and Medicaid Services	Target: 90% Actual: 93.94%
P797 Efficiency	Audit of all uploaded transactions within 24 hours	Target: 95% Actual: 98.74%

# Agency Organizational Overview

## **Actuarial Unit**

The purpose of the Actuarial Unit is to review and approve rate filings, monitor rate trends and the competitiveness of insurance markets in New Mexico, and to advise the Superintendent of Insurance. The Actuarial Unit also provides in-depth quantitative and technical analyses to other Bureaus within OSI.

The Chief Actuary also serves as the OSI's primary administrator of the Patient's Compensation Fund. The Unit also participates in NAIC committees and working groups on various issues, such as property and casualty actuarial concerns, climate risk, innovation, health and long-term care pricing, and operational risk.

An external actuarial consulting firm is utilized to assist the Unit in reviewing proposed health insurance plans to be offered on the New Mexico Health Insurance Exchange. This review is completed by the end of August each year.

## **Administration Unit**

The Administration Unit includes the Superintendent of Insurance, the Deputy Superintendent, the Life and Health Director, the Consumer Services Director, the General Counsel, the Chief Financial Officer, Human Resources, Information Technology, and Records, all of which provide administrative support to the OSI.

In response to COVID-19, the Administration Unit has played an active role in ensuring that consumers are able to access the services that they need and insurers are living up to their responsibilities to appropriately cover services and accurately price products.

### **Bulletins issued in FY21**

- [Bulletin 2020-017 Partial Lifting of Moratorium](#)
- [Bulletin 2020-018 Recission of Bulletin 2019-006](#)
- [Bulletin 2020-019 Out-of-State Group Excepted Benefits Rate and Form Filing](#)
- [Bulletin 2020-020 Partial Lifting of Advertising Filing Moratorium](#)
- [Bulletin 2020-021 Clarification of Bulletin 2019-003](#)
- [Bulletin 2020-022 Partial Lifting of Rate Filing Moratorium](#)
- [Bulletin 2021-001 Interest Rate Applicable to Unpaid Claims](#)
- [Bulletin 2021-002 Unfavorable Change in Community Classification](#)
- [Bulletin-2021-003 Clarification of Bulletin 2020-005 Telemedicine](#)
- [Bulletin 2021-004 COVID-19](#)
- [Bulletin-2021-005 Filing Limit Extensions for COVID-19 Related Claims](#)
- [Bulletin 2021-006 Cost Sharing Carryover During Special Enrollment Period](#)
- [Bulletin 2021-007 Senate Bill 317](#)
- [Bulletin-2021-008 Prior Authorization Data Call](#)
- [Bulletin 2021-009 Senate Bill 317; Applying Cost-Sharing Waivers to Behavioral Health](#)
- [Bulletin 2021-010 Unfavorable Change in Community Classification](#)
- [Bulletin 2021-011 Certifying Minimum Loss Ratio Compliance for a Plan](#)

# Agency Organizational Overview

## Bulletins issued in FY21 as of August 31, 2021

- [Bulletin 2021-012 Auto Insurance Data Call](#)
- [Bulletin 2021-013 Provider Directories](#)
- [Bulletin 2021-014 Value-Added Products or Services](#)
- [Bulletin 2021-015 Crosswalk for 2022 Plan Year](#)
- [Bulletin 2021-015 Amendments to Rule 13.10.30 NMAC](#)

<b>Rules Adopted in FY2021</b>	<b><u>Effective Date</u></b>
Medical Loss Ratio 13.10.27	8/1/2020
New Mexico Medical Insurance Pool 13.10.10	9/1/2020
Short Term Care 13.10.3	10/1/2020
Excepted Benefits 13.10.34	10/1/2020
Annual Audit 13.2.5	10/1/2020
Holding Company 13.2.2	10/1/2020
Corporate Governance 13.2.10	11/1/2020
Contraceptive 13.10.32	1/1/2021
Title 13.14 parts 1, 2, 3, 4, 5, 7, 8, 9, 16, 17, and 18	1/1/2021
Surprise Billing 13.10.33	2/1/2021
Pharmacy Benefits Managers 13.10.30	3/1/2021
Patients' Debt Collection Protection Act (SB71) Emergency 13.10.39	7/1/2021
Own Risk Solvency 13.2.11	8/1/2021
Prior Authorization 13.10.31	1/1/2022
Dental and Vision 13.10.35	1/1/2022

## Planned Rulemakings for FY2022

<b><u>Rule</u></b>	<b><u>Proposed Effective Date</u></b>
Excepted Benefits Emergency 13.10.31	9/15/2021
PDCPA Perm. 13.10.39	12/1/2021
Provider Grievance 13.10.16	1/1/2022
Patient Compensation Fund	1/1/2022
Fraud Plans - New Rule	1/1/2022
Suitability in Annuity Transactions – New	1/1/2022
Annual Privacy 13.1.3	1/1/2022
Pharmacy Benefits Managers 13.10.30	2/1/2022
Multiple Employer Welfare Arrangements 13.19.4	2/1/2022
Excepted Benefits Perm 13.10.31	3/1/2022

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Member Grievance 13.10.17	3/1/2022
Title Rules 13.14.9 and 13.14.10	7/1/2022

## **Administrative Legal Actions**

### Enforcement Against Producers

OSI is aggressively pursuing license revocations against producers who violate the Insurance Code and developing new ways to efficiently address violations. Within the last year (7/2020 to 6/2021), OSI initiated and closed 33 cases involving license revocations and currently has an additional 40 active cases in various stages of litigation.

### Enforcement Against Title Companies

OSI is assessing fines to title companies for violations discovered through inspections or related to consumer complaints. Within the last year, the Title Bureau referred seven cases for fine assessments and two cases for administrative prosecution.

### Enforcement Against Unlicensed Entities

OSI asserted its enforcement authority against two entities transacting the business of insurance by offering healthcare sharing membership plans to New Mexico consumers while unlicensed to do so. One entity promptly engaged with OSI counsel to work toward a resolution, while the other actively litigated the case, including appealing the Superintendent's final order to District Court. In each case, the parties reached a settlement agreement which included ceasing business operations in New Mexico, ensuring payment of outstanding claims, and payment of a fine to OSI.

## **Company Licensing Bureau**

The Company Licensing Bureau is responsible for licensing insurance companies and other risk-bearing insurance-related entities in the areas of Property, Casualty, Life, Health, Title, Surety, Marine, and Transportation. The Company Licensing Bureau receives, reviews, processes, and renders determinations on applications from insurance entities that want to enter the New Mexico insurance market.

The Company Licensing Bureau oversees over \$544 million in insurance company deposits for the protection of New Mexico policyholders and creditors. The Bureau also reviews, and processes documentation submitted by insurance companies for acquisitions, re-domestications, mergers and name changes.

## **Consumer Assistance Bureau**

The Consumer Assistance Bureau processes and resolves complaints and inquiries from consumers about insurance rates and claim handling for all insurance products other than those involving managed health care. The Bureau is receiving twice as many as it received three years ago. As a result of the increased demand for its services, the agency is hoping to increase staffing. The Bureau has improved its dispute resolution process by adopting a two-part procedure allowing

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consumers the opportunity to rebut the company response to complaints. This process has significantly improved consumer satisfaction. The Consumer Assistance Bureau alerts the Investigations Bureau of situations where a complaint reveals a potential violation of insurance statutes and regulations by an insurance company or another insurance licensee.

## **Examinations Bureau**

The Examinations Bureau reviews insurance company financial statements filed with OSI. The Bureau conducts periodic financial examinations, as well as ad hoc specialized market conduct and target financial examinations of insurance companies and agents. The Chief Examiner coordinates an internal solvency review team, consisting of financial analysts and actuaries, to plan financial and market conduct examinations, and reviews annual and quarterly financial statements filed by insurance companies domiciled in New Mexico and elsewhere. Accreditation with the NAIC is dependent upon the work of the Examinations Bureau. The accreditation process is led and managed by the Bureau.

## **Health Care Policy Bureau**

The Health Care Policy Bureau is comprised of health policy, health economics and data analysis staff, along with staff for outreach and compliance review. The Bureau reviews current and proposed federal and state legislation affecting health insurance, suggests legislation, writes regulations, responds to proposed federal regulations, conducts research and makes enforcement recommendations. Outreach, including webinar and in-person events, often partnering with beWellnm and insurance carriers, continues to be a primary Bureau activity. The Bureau also regularly consults with interested stakeholders, convenes stakeholder meetings and seriously considers all stakeholder input as it develops and issues new or amended regulations.

The Bureau's tasks and activities continue to increase as health insurance becomes more complex, and with changes coming from the federal level, such as the No Surprises Act and the American Rescue Plan are implemented. COVID-19 remains a serious concern and continues to limit the OSI's ability to hold in-person events for consumer education. The Bureau has used other means to effectively reach the people OSI serves by conducting online webinars, maintaining an online screening tool for Exchange eligibility, issuing consumer factsheets, and maintaining a strong media presence to ensure New Mexicans have all the information they need to stay covered if they lost their health insurance and to know their rights around COVID-19 testing and treatment.

The Bureau played an active role in the response to COVID-19, establishing and overseeing the COVID-19 Health Insurance Call Center (1-833-415-0566) to handle issues related to testing and treatment. The Bureau identifies patterns of consumer complaints and follows up with providers and insurers if the entity is not in compliance with rules related to coverage of COVID-19 testing and treatment and other orders. The Bureau reports issues directly to the Superintendent if further action is needed.

OSI has continued its Memorandum of Understanding (MOU) with the New Mexico Health Insurance Exchange (NMHIX), known as beWellnm, to implement New Mexico law requiring

# Agency Organizational Overview

OSI to provide necessary regulations and guidance on plan management and health insurance access issues. In carrying out these duties, the Bureau works closely with OSI leadership and all other bureaus in providing evidence-based health policy recommendations and decisions, legal opinion, research, consumer education, and legislative outreach. The Bureau also is tasked with developing numerous new initiatives, health policy research projects, and regulatory reviews within OSI related to health insurance reform and responding to ongoing, ever-changing federal proposed or implemented changes.

Protecting New Mexicans and addressing consumer issues including sustaining affordable access to care remains a priority, and through the hard work of the Bureau, New Mexico has maintained statewide health plan coverage with premiums remaining in the lowest five states in the nation. The OSI is constantly exploring new and innovative methods for improving access and affordability for New Mexicans. Accordingly, the Bureau is the OSI lead Bureau in the design and implementation of the Affordability Fund Program authorized by the 2021 Legislature's Senate Bill 317. Stakeholder input will be collected along with conducting actuarial analysis to develop an innovative program to make insurance offered on the Exchange more affordable.

As the state remains responsible for implementation and enforcement of ACA provisions, the Bureau remains vital to the support of health insurance in the state. If the state's capacity to enforce the ACA or any future changes becomes diminished, the state risks federal takeover of health insurance qualified health plan regulatory functions. The states that have ceded control over health insurance marketplace regulation to the federal government have seen far less competition, affordability, and consumer protection in their health insurance markets. The Exchange is now a fully state-based exchange (SBE) which means the Exchange is more independent of the federal government in such things as filing timelines for carriers, issuing carrier guidance, establishing special enrollment periods outside the annual open enrollment period, and preventing coverage gaps.

## **Insurance Fraud Bureau**

The Insurance Fraud Bureau takes a multi-dimensional approach to combat insurance and auto theft-related crimes through its Offices of Special Investigations and Prosecutions. The Fraud Bureau includes the Auto Theft Prevention Authority (Authority). The Authority is part of the prosecutorial division of the Insurance Fraud Bureau. With law enforcement accreditation and increased prosecutorial capacity, the Fraud Bureau has increased prosecutions sixfold since 2015.

Pursuant to §§59A-16C-1 and -2 NMSA 1978, the Fraud Bureau has the statutory duty and responsibility to initiate inquiries and conduct investigations when the Superintendent has reason to believe that insurance fraud may have been or is being committed.

The Fraud Bureau will continue to prosecute insurance fraud, auto theft, arson and related crimes. Through the Authority the bureau also has responsibility for approving anti-auto theft law enforcement plans, and application for grant monies that may be distributed for the implementation of those plans.

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The Fraud Bureau remains committed to confronting the problem of insurance fraud and auto theft in New Mexico through prevention, investigation, and prosecution of fraudulent insurance acts in an effort to reduce the number of premium dollars used to pay fraudulent claims and represents OSI in criminal and other legal proceedings. Prevention efforts include free VIN etching events. It assists with screening cases for possible criminal charges, conducts grand juries and preliminary hearings across the state, investigates and resolves criminal cases by trial, plea or other disposition including pre-trial prosecution programs.

The Fraud Bureau reviews insurer anti-fraud plans and is in the process of developing rules for insurance carrier anti-fraud plan submissions, reviews, and compliance.

## **Investigations Bureau**

As the civil enforcement arm of the OSI, the Investigations Bureau receives complaints from consumers, industry, insurance companies, state, and other government agencies. The Bureau conducts investigations of these complaints, through document review, interviewing witnesses, and developing a factual basis for allegations of violations of the Insurance Code. The Bureau also investigates whether insurance companies or producers have violated the Insurance Code by failing to comply with the state's licensing requirements. The Bureau investigates matters in which businesses claim to be exempt from regulation by falsely claiming their products are not insurance.

Inquiries that warrant administrative action, discipline or prosecution are referred to the office of Legal Counsel or referred to the Fraud Bureau. Civil Investigations, the Office of Legal Counsel, and the Fraud Bureau collaborate in matters involving both civil and criminal action to ensure that consumers are adequately protected.

## **Life and Health Product Filing Bureau**

The Life and Health Product Filing Bureau reviews the policies and rates filed by insurance carriers for health, life, excepted benefits, disability, annuities, long-term care, Medicare supplement, and other life and health insurance products. This includes the review of individual and small group major medical health insurance products offered on the New Mexico Health Insurance Exchange (the Exchange), as well as fully insured individual, small and large group major medical products available for purchase off the Exchange.

The Bureau reviews these highly complex product filings for their compliance with New Mexico statutes and regulations, OSI bulletins, NAIC guidelines, and federal statutes and regulations, including the Affordable Care Act and all its frequently changing regulations. The filings are also reviewed to assure that the policy documents presented to consumers are clear, understandable, and accurate, and that the benefits of the policy are real and accessible. The Bureau staff reviews premium rates associated with products for reasonableness and actuarial soundness. Bureau staff also review advertisements for approved products. The Life and Health Product Filing Bureau reviews life and health insurance products' premium rates for reasonableness and actuarial

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soundness, and to assure that the carriers have complied with all applicable federal and state statutes and regulations.

The Bureau uses the NAIC on-line product, System for Electronic Rates & Forms Filing (SERFF) to receive, track and respond to all product filings. Bureau staff often interact directly with the carriers' submitters to discuss issues and answer questions. Staff also regularly interact with the Centers for Medicare and Medicaid Services (CMS), especially during the review of Qualified Health Plans (QHPs), which are the only products able to be sold on the Exchange.

As a member of the Interstate Insurance Compact, New Mexico also participates in multi-state reviews of additional life and annuity product filings.

## **Managed Health Care Bureau**

The Managed Health Care Bureau administers and enforces New Mexico's Patient Protection Act and related healthcare regulations. The Managed Health Care Bureau handles complaints and inquiries from consumers experiencing denials of insurance coverage based on administrative denials or adverse determinations. The Bureau is in the process of promulgating new rules to streamline and simplify the member grievance process. The Bureau anticipates improving its customer service through integrating its online complaint process with the SBS database to ensure more seamless process for complaint submission and review. Conducting outreach presentations throughout the state to inform consumers and health care providers of their rights and responsibilities under the ACA is a prime responsibility of the Bureau, which also reviews external grievance appeals, proposes rule amendments, and takes appropriate enforcement actions where merited.

The Bureau manages and staffs the COVID-19 Health Insurance Call Center (1-833-415-0566). To date, nearly 800 New Mexicans have been served through the call center, which operated until 6:00 PM on Saturdays to maximized availability to consumers. Callers most frequently complained of improper charges for COVID-19 related services, including testing and vaccinations, which the Bureau works to resolve directly with the carrier and provider. Because of increased duties and increases in the demand for its assistance, the MHCBC will need increased staff.

## **Patient's Compensation Fund**

While its primary function is the regulation of insurance, the OSI also administers the Patient's Compensation Fund. The Patient's Compensation Fund is a medical malpractice insurance excess risk-assuming function mandated by the Medical Malpractice Act that pays judgments and settlements rendered on behalf of medically injured patients. Its mission is to ensure availability and affordability of professional liability insurance for healthcare providers in New Mexico, which is accomplished by creating a large pool of insureds, pre-screening cases in front of a medical review panel, applying a statutory cap on non-medical damages, and very low administration costs. The Medical Malpractice Act was significantly amended in the 2021 legislative session. It requires OSI to contract with a licensed third-party administrator to perform the administration and operation of the Patient's Compensation Fund starting in January of 2022. The operations of the PCF will be overseen by a PCF Advisory Board, which was

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formed in July of this year.

## **Producer Licensing Bureau**

The Producer Licensing Bureau licenses over 223,000 insurance professionals, as well as non-risk-bearing insurance entities. The Bureau processes licensing for insurance agents, agencies, brokers, adjusters, third party administrators, consultants, self-service storage, bail bondsmen solicitors and motor clubs, as well as limited license insurance vendors who offer coverages such as portable electronics and travel. The Bureau determines the qualifications and eligibility of applicants, approves pre-licensing and continuing education courses, tracks continuing education credits, and processes license applications, renewals, and the appointment of agents by insurance companies. The Producer Licensing Bureau is additionally responsible for the review, audit, and approval of Continuing Education for providers, instructors, and courses. This includes working with both residential and non-residential continuing education providers.

## **Property and Casualty Product Filing Bureau**

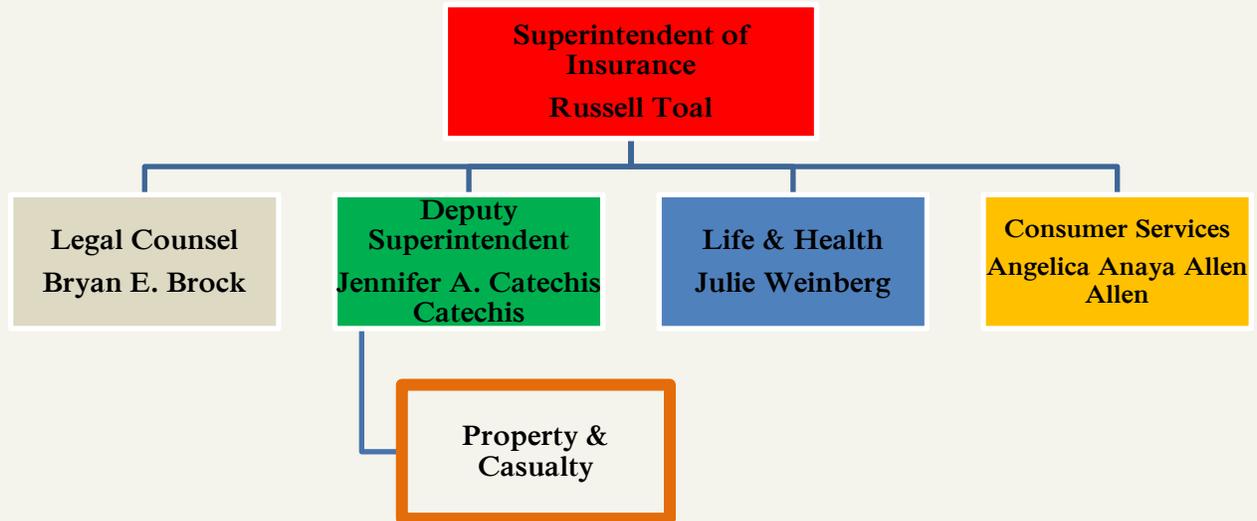
The Property and Casualty Product Filing Bureau reviews and renders determinations on the rates and coverage provisions filed by insurance companies for products pertaining to automobile, homeowners, workers' compensation, medical malpractice, and other assorted products. The Bureau approves or disapproves such filings where required based on their compliance with insurance statutes, regulations, and bulletins and with OSI policies and procedures.

## **Title Insurance Bureau**

The Title Insurance Bureau regulates the title insurance industry through ratemaking and rule-making hearings held every odd-numbered year. The Bureau collects and analyzes annual title agent and underwriter statistical reports, as well as agent audit procedures. The Bureau annually determines a maintenance assessment fee based upon the annual budget and administrative operating costs of the Bureau. The Bureau performs on-site title plant inspections, affiliations, appointments, bank reconciliations, no-pay no-service documentation, and premium calculations.

The Bureau performs the investigation of marketing compliance within title insurance regulations. The Bureau regulates more than 92 licensed title insurance agents and underwriters in New Mexico and investigates complaints, allegations of defalcations, marketing non-compliance, and other infractions by title agents and insurers. The Bureau coordinates with the Investigation and Fraud Bureaus for enforcement actions.

# Agency Organizational Chart





NEW MEXICO | OFFICE OF  
SUPERINTENDENT  
OF INSURANCE

## Office of Superintendent of Insurance

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