

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

Notification Of Intent to Offer Value-Added Products and Services Filing Instructions and Form

Pursuant to Section 59A-16-17(H) NMSA 1978, insurers must notify the Office of Superintendent of Insurance (OSI) of their intent to offer or provide value-added products or services prior to doing so.

Please read these instructions carefully. Each section in this guidance corresponds to a section in the “Notification of Intent to Offer Value-Added Products or Services” notice. OSI will reject any notices that are completed or submitted incorrectly.

Please note that these instructions are specific to value-added products or services that are offered with policies reviewed by the Life and Health (L&H) Bureau. For questions, please email life.health@osi.nm.gov. For questions related to value-added products or services that are issued with policies reviewed by the Property and Casualty (P&C) Bureau, please contact Melissa Robertson at melissa.robertson@osi.nm.gov.

SERFF Instructions

TOI: Insurers must submit the notice in SERFF under one of the following TOIs:

- Individual Health
- Group Health
- Individual Life
- Group Life
- Individual Annuity
- Group Annuity

Sub-TOI: Insurers must select the Sub-TOI that corresponds to both the type of coverage offered and the nature of the value-added product or service.

For example:

- If the value-added feature is a product offered with an Individual Hospital Indemnity plan, the appropriate Sub-TOI is “Individual - Excepted Benefits Value-Added Product.”
- If the value-added feature is a service offered in a Group Major Medical plan, the correct Sub-TOI is “Group Health – Major Medical Value-Added Service.”

Filing type: Insurers must submit the notice as an “Informational” filing type and submit the \$15 filing fee required under Section 59A-6-1(V)(3) NMSA 1978.

Associated Filings Link: Insurers must use the “Associated Filings” feature to link the relevant Form/Rate policy to the notice. If the policy was approved prior to SERFF implementation, upload a copy of the policy under the “Supporting Documentation” tab or link to a SERFF filing where the paper copy has already been uploaded.

Notice Instructions

Section 1: Select only one product line.

Sections 2 and 3: Select the applicable product type. If the value-added product or service is offered with a P&C product, only complete Section 2. If the value-added product or service is offered with a L&H product, only complete Section 3.

Section 4: Check the applicable offering type. The checked option should align with the Sub-TOI selected and the type of value-add offered.

Section 5: Enter the SERFF number of the affiliated Form/Rate filing. OSI will allow multiple SERFF numbers to be listed on the notice if the SERFF filings are affiliated with the same TOI (e.g. all affiliated filings fall under the “H02G Group Health – Accident Only” TOI).

Please note that the notice is typically affiliated with the SERFF filing number, not the policy number. However, if an affiliated policy was approved prior to SERFF, please enter the policy number and upload a copy of the policy under the “Supporting Documentation” tab, or link to a SERFF filing where the paper copy has already been uploaded.

Section 6: Enter the inception and termination dates. If the termination date is unknown, enter “None.”

Section 7: Pursuant to Section 59A-16-17(G)(1) NMSA 1978, a value-added service or product must relate to the coverage offered under the affiliated policy. Please provide a detailed description of the value-added product or service and a clear explanation of how it relates to the associated policy coverage.

OSI will review the explanations carefully and may disapprove notices that do not demonstrate a clear relationship between the product or service and the policy coverage.

For example, if the policy coverage is accident only, OSI will not accept a notice for a service that assists with leisure travel planning or services for general retirement planning, as those services do not relate to accident coverage.

Section 8: Pursuant to Section 59A-16-17(G) NMSA 1978, value-added products or services may be offered at no or reduced cost to the policyholder or consumer. If the product or service is provided at no cost, clearly state this and confirm that the cost is **not** included in the policy's rates.

If there is a cost to the policyholder or consumer, provide documentation demonstrating that:

- The product or service is offered at a reduced cost; and
- The cost is reasonable in relation to the premiums charged, in accordance with Section 59A-16-17(G)(2) NMSA 1978.

For example, OSI will require formal documentation showing that the charge is lower than what the policyholder or consumer would pay if purchasing the product or service independently.

Additionally, the charge must be reasonable. For example, if the policyholder's or consumer's premium is \$50 and the value-added product or service is \$35, OSI will object, since the policyholder or consumer would be paying more than half of their regular premium amount for products and services that are not benefits.

In addition, specify:

- How the policyholder or consumer is charged (annually, monthly, etc.);
- How payment is made (e.g. direct billing, automatic deduction, third-party payment); and
- That the charge is separate from the insurance premium, since the policyholder or consumer may only be charged if the product or service is available.

OSI will not accept general statements asserting that the cost is reasonable. Documentation is required to demonstrate compliance with this provision.

Section 9: Pursuant to Section 59A-16-17(G)(3) NMSA 1978, value-added products and services must have their availability based on documented, objective evidence and must be offered in a non-discriminatory manner.

Provide:

A detailed explanation of how the product or service is offered, including:

- Clarification of whether any groups of individuals would not have access to the value-added offering; and
- A description of the format and platform used to disseminate the value-added product or service.

If an insurer has a policy and procedures manual that describes the requirements and process for offering value-added products and services, provide the section that contains information on how the product or service is offered.

Section 10: Pursuant to Section 59A-16-17(G)(4) NMSA 1978, the value-added product or service must be designed to achieve one of the purposes listed in the notice. Please check the applicable designations. If it is unclear how the selected designation applies to the value-added product or service, OSI will request additional information.

Value-Added Products and Services Riders

If an insurer would like to issue a rider to describe the value-added product or service, insurers must:

- Submit a separate, “Informational” notice in SERFF, following the above instructions;
- Submit a “Rider” filing in SERFF. The rider must:
 - Clearly explain that the products or services are not benefits and may be discontinued at any time;
 - Clarify whether there is a charge and if so:
 - Specify how the policyholder or consumer is charged (annually, monthly, etc.);
 - Specify how payment is made (e.g. direct billing, automatic deduction, third-party payment); and
 - Indicate that the policyholder or consumer will only be charged if the product or service is offered.
 - Comply with any other applicable statute or regulation.

If an insurer disagrees with OSI’s denial of a value-added product or service, an insurer may request a hearing, as described in Section 59A-4-15 NMSA 1978.