

STATE OF NEW MEXICO  
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE  
Russell Toal



DEPUTY SUPERINTENDENT  
Jennifer A. Catechis

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**BULLETIN 2021-014**

**JULY 29, 2021**

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**TO: ALL INSURERS AND INSURANCE PRODUCERS OPERATING IN THE STATE OF NEW MEXICO**

**RE: NOTICE REQUIREMENT RELATED TO OFFERING VALUE-ADDED PRODUCTS OR SERVICES**

**THE FOLLOWING** Bulletin is issued pursuant to Section 59A-16-17 NMSA 1978.

The 2021 amendment to NMSA 1978, §59A-16-17 *Discrimination, Rebates and Certain Inducements Prohibited* went into effect on July 1, 2021. The amendment clarified provisions related to the prohibition of inducement regarding insurance contracts and provided an exception to the general prohibition of inducement. Under the new provisions an insurer may now offer value-added products and services at no or reduced cost, even when such products or services are not specified in the insurance contract, if the criteria described in NMSA 1978, §59A-16-17(G)(1)-(4) are satisfied.

Pursuant to NMSA 1978, §59A-16-17(H), prior to offering or providing a value-added product or service, a person shall notify the Superintendent of the person's intent to offer. To provide this notification, the offering insurer shall complete and submit a **Notification of Intent to Offer Value-added Products and Services Form**. A copy of the form is attached for your information but note that it must be submitted as an informational filing in SERFF.

Section 59A-16-17(G) specifies criteria that must be satisfied to justify offering or providing a value-added product or service. Those criteria predominately relate to insurance cost containment and loss mitigation. The criteria also require an assessment of costs incurred in relation to premiums charged. Because these criteria impact underwriting and rating

considerations, the value-added product and service exception is not available to insurance producers. The notification requirement only applies to insurers.

The new provisions require complete notification to OSI through an information filing in SERFF. If a notification does not contain the required information referenced above and in the form, or if the notification is not filed in advance of the offering, OSI may refuse to accept the notification.

For specific questions regarding this bulletin or the form, please contact Anna Krylova (Property & Casualty) via email to: [anna.krylova@state.nm.us](mailto:anna.krylova@state.nm.us) or Viara Ianakieva (Life & Health) via email to: [viara.ianakieva@state.nm.us](mailto:viara.ianakieva@state.nm.us).

**ISSUED this 29<sup>th</sup> day of July, 2021.**



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**RUSSELL TOAL**  
**Superintendent of Insurance**

**NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE**



**NOTIFICATION OF INTENT TO OFFER  
VALUE-ADDED PRODUCTS OR SERVICES\***

<b>Line of Business:</b> Property & Casualty Life & Health	<b>Offering Type:</b> Value-added Product Value-added Service						
<hr/> <b>Life &amp; Health Subtype:</b> <table style="width:100%; border: none;"> <tr> <td style="width:50%;">Individual Health</td> <td style="width:50%;">Individual Annuity</td> </tr> <tr> <td>Group Health</td> <td>Group Annuity</td> </tr> <tr> <td>Individual Life</td> <td>Group Life</td> </tr> </table>	Individual Health	Individual Annuity	Group Health	Group Annuity	Individual Life	Group Life	<hr/> <b>Property &amp; Casualty Subtype:</b> Homeowners Automobile personal           commercial Other: _____
Individual Health	Individual Annuity						
Group Health	Group Annuity						
Individual Life	Group Life						
<b>Description of product/service:</b> _____ _____							
<b>Inception Date:</b> _____	<b>Termination Date:</b> _____						
<b>Corresponding SERFF Tracking Number(s):</b> _____ (This is the SERFF Tracking number for the approved policy(ies) that the Service/Product will be issued with.)							
<b><u>Designation</u></b> This product/service is designed to achieve: <ul style="list-style-type: none"> <li>loss mitigation or loss control</li> <li>reduce claim costs or claim settlement costs</li> <li>monitor or assess risk, identify sources of risk or develop strategies for eliminating or reducing risk</li> <li>enhance health</li> <li>enhance financial wellness through items such as education or financial planning services</li> <li>provide post-loss services</li> <li>incentivize behavioral changes to improve the health or reduce the risk of death or disability of an insured or prospective insured</li> <li>assist in the administration of employee or retiree benefit insurance coverage</li> <li>provide education about liability risks or risk of loss to persons or property</li> </ul>							

\*Pursuant to NMSA 1978, Section 59A-16-17 Discrimination, Rebates and Certain Inducements Prohibited—Other Coverages (as amended 2021 Legislative Session)

**Filing Instructions:**

Life & Health filings: This form is subject to the \$15.00 fee for informational filings. NMSA 1978, §59A-6-1(V)(3).  
 Property & Casualty filings: This form is covered under the annual filing fee. NMSA 1978, §59A-6-1.2.