

STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE
Russell Toal



DEPUTY SUPERINTENDENT
Jennifer A. Catechis

BULLETIN 2021-014

JULY 29, 2021

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 or Viara Ianakieva (Life & Health) via email to: viara.ianakieva@state.nm.us.

ISSUED this 29th day of July, 2021.



RUSSELL TOAL
Superintendent of Insurance

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE



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

Line of Business: <input type="checkbox"/> Property & Casualty <input type="checkbox"/> Life & Health	Offering Type: <input type="checkbox"/> Value-added Product <input type="checkbox"/> Value-added Service
Life & Health Subtype: <input type="checkbox"/> Individual Health <input type="checkbox"/> Individual Annuity <input type="checkbox"/> Group Health <input type="checkbox"/> Group Annuity <input type="checkbox"/> Individual Life <input type="checkbox"/> Group Life	Property & Casualty Subtype: <input type="checkbox"/> Homeowners <input type="checkbox"/> Automobile <input type="radio"/> personal <input type="radio"/> commercial <input type="checkbox"/> Other: _____
Description of product/service: _____ _____	
Inception Date:	Termination Date:
Corresponding SERFF Tracking Number(s): _____ (This is the SERFF Tracking number for the approved policy(ies) that the Service/Product will be issued with.)	
<u>Designation</u> This product/service is designed to achieve: <input type="checkbox"/> loss mitigation or loss control <input type="checkbox"/> reduce claim costs or claim settlement costs <input type="checkbox"/> monitor or assess risk, identify sources of risk or develop strategies for eliminating or reducing risk <input type="checkbox"/> enhance health <input type="checkbox"/> enhance financial wellness through items such as education or financial planning services <input type="checkbox"/> provide post-loss services <input type="checkbox"/> incentivize behavioral changes to improve the health or reduce the risk of death or disability of an insured or prospective insured <input type="checkbox"/> assist in the administration of employee or retiree benefit insurance coverage <input type="checkbox"/> provide education about liability risks or risk of loss to persons or property	

*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.