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AN ACT

RELATING TO INSURANCE; ALLOWING INSURANCE AGENTS TO GIVE  
PROSPECTIVE CUSTOMERS LIMITED GIFTS AND PRIZES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 59A-16-17 NMSA 1978 (being Laws  
1984, Chapter 127, Section 283, as amended) is amended to  
read:

"59A-16-17. UNFAIR DISCRIMINATION, REBATES PROHIBITED--  
OTHER COVERAGES.--

A. No property, casualty or title insurer, or  
nonprofit health care or prepaid dental plan or other  
insurance-type organization, or any employee or  
representative thereof, and no insurance producer or other  
representative shall pay, allow or give, or offer to pay,  
allow or give, directly or indirectly, as an inducement to  
insurance or coverage, or after insurance or coverage has  
been effected, any rebate, discount, abatement, credit or  
reduction of the premium named in a policy, or any special  
favor or advantage in the dividends or other benefits to  
accrue thereon, or any valuable consideration or inducement  
whatever, not specified or provided for in the policy, except  
to the extent provided for in an applicable filing with the  
superintendent as provided by law or as allowed by this  
section.

1           B. No title insurer or title insurance producer  
2 shall:

3                   (1) pay, directly or indirectly, to the  
4 insured or any person acting as agent, representative,  
5 attorney or employee of the owner, lessee, mortgagee,  
6 existing or prospective, of the real property, or interest  
7 therein, that is the subject matter of title insurance or as  
8 to which a service is to be performed any commission or part  
9 of its fee or charges or other consideration as inducement or  
10 compensation for the placing of any order for a title  
11 insurance policy or for performance of any escrow or other  
12 service by the insurer with respect thereto;

13                   (2) issue any policy or perform any service  
14 in connection with which it or any insurance producer or  
15 other person has paid or contemplates paying any commission,  
16 rebate or inducement in violation of this section;

17                   (3) give or receive, directly or indirectly,  
18 any consideration or thing of value for the referral of title  
19 insurance business or escrow or other service provided by a  
20 title insurer or title insurance producer unless otherwise  
21 permitted by regulation of the superintendent; or

22                   (4) enter into a reinsurance agreement with  
23 an affiliate of a real estate developer, real estate agency,  
24 mortgage lender or referrer of title business without the  
25 prior written approval of the superintendent.

1           C. No insured named in a policy or any employee of  
2 such insured shall knowingly receive or accept, directly or  
3 indirectly, any rebate, discount, abatement, credit or  
4 reduction of premium, or any special favor or advantage or  
5 valuable consideration or inducement, except as allowed by  
6 this section.

7           D. No insurer or organization shall make or permit  
8 any unfair discrimination between insureds or property having  
9 like insuring or risk characteristics, in the premium or  
10 rates charged for insurance or coverage, or in the dividends  
11 or other benefits payable thereon or in any other of the  
12 terms and conditions of the insurance or coverage.

13           E. Nothing in this section shall be construed as  
14 prohibiting the payment of commissions or other compensation  
15 to licensed insurance producers or other representatives; or  
16 as prohibiting the extension of credit to an insured for the  
17 payment of any premium and for which credit a reasonable rate  
18 of interest is charged and collected; or as prohibiting any  
19 insurer or insurance producer from allowing or returning to  
20 its participating policyholders, members or subscribers,  
21 dividends, savings or unabsorbed premium deposits. As to  
22 title insurance, nothing in this section shall prohibit bulk  
23 rates or special rates for customers of prescribed classes if  
24 such bulk or special rates are provided for in the currently  
25 effective schedule of fees and charges of the title insurer

1 as filed with the superintendent.

2 F. The provisions of this section shall not  
3 prohibit a property or casualty insurer, or any employee or  
4 representative thereof, or a property or casualty insurance  
5 producer or other representative thereof from providing to  
6 customers or prospective customers prizes and gifts,  
7 including goods, gift cards, gift certificates, charitable  
8 donations, raffle entries, meals, event tickets and other  
9 items not exceeding one hundred dollars (\$100) in the  
10 aggregate in value per customer or prospective customer in  
11 any one calendar year."

12 SECTION 2. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2019. \_\_\_\_\_

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