
Addendum: for use with New Mexico Life and Health online ExamFX courses and study guide versions 24525en/24526en, per exam content outline and regulatory updates.

*The following are **content additions** to supplement your existing text unless otherwise indicated:*

LIFE AND HEALTH:

Insurance Regulation

B. State Regulation

1. Superintendent's General Powers and Duties – *new time limit*

If the Superintendent finds a hearing is justified, a hearing will be held **within 30 days** after filing of the request, unless postponed by mutual consent. Hearings may not be postponed longer than 90 days.

2. Company Regulation

Appointment of Insurance Producer – *content update*

An insurance producer may not act as an agent of an insurer unless being an appointed producer of that insurer.

The appointing insurer must file a notice of appointment within **15 days** from the date the agency contract is executed or the first insurance application is submitted.

The Superintendent must verify that the insurance producer is eligible for appointment within **30 days**. If the insurance producer is determined to be ineligible for appointment, the Superintendent must notify the insurer within **5 days** of its determination.

The insurer must pay the initial appointment fees and any continuation fees.

Termination of Appointment – *content update, the rest of the section remains unchanged*

An insurer must notify the Superintendent **within 30 days** of terminating a producer's appointment.

4. Unfair Insurance Trade Practices

Rebating

This regulation does not apply to property and casualty insurers, or their producers, employees, and representatives providing to customers or prospective customers prizes and gifts, including gift cards, gift certificates, charitable donations, raffle entries, meals, event tickets, or other items not exceeding \$100 in value per customer in any one calendar year.

HEALTH ONLY:

Group Health Insurance

D. Employer Group Health Insurance

Subrogation

Subrogation is the legal process by which an insurance company seeks recovery of the amount paid to the insured from a third party who may have caused the loss. Through subrogation, the **insured cannot collect twice**.

Health Insurance Basics

D. Limited Policies

3. Types of Limited Policies

Excepted Benefits Plans

The renewability, eligibility, and benefit requirements for the individual health insurance market do not apply to the following limited lines coverages and are considered excepted benefits under all circumstances:

- Accident-only coverage;
- Disability income insurance; and
- Credit-only insurance.

In addition, the following are also excepted benefits if provided under a separate policy, certificate, or contract of insurance and if they meet certain requirements:

- Limited dental or vision benefits;
- Specified disease or illness (e.g., cancer policies); and
- Hospital indemnity or other fixed indemnity insurance.

Blanket Insurance

A **blanket policy** covers members of a particular group when they are participating in a particular activity. Such groups include students, campers, passengers on a common carrier, or sports teams. Often the covered insureds names are not known because they come and go. Unlike group health insurance, the individuals are automatically covered, and they do not receive a certificate of insurance. Blanket policies are commonly written and pay on an accident-only basis.

Medical Plans

B. Types of Providers and Plans

Exclusive Provider Organizations (EPO) Plans

If the Superintendent finds a hearing is justified, a hearing will be held **within 30 days** after filing of the request, unless postponed by mutual consent. Hearings may not be postponed longer than 90 days.

Preferred Provider Organizations (PPOs)

Open Panel or Closed Panel

When a medical caregiver contracts with a health organization to provide services to its members or subscribers, but retains the right to treat patients who are not members or subscribers, it is referred to as open panel. In an open panel arrangement, the doctors are not considered to be employees of the health organization.

When the medical caregiver provides services to only members or subscribers of a health organization, and contractually is not allowed to treat other patients, it is referred to as closed panel. In a closed panel arrangement, the doctors are considered employees of the health organization.

Federal Tax Considerations for Health Insurance

A. Personally Owned Health Insurance

Long-Term Care Insurance

Long-term care premium payments are deductible as a medical expense to the extent that when added to all other unreimbursed medical expenses, the total exceeds 10% of the taxpayer's adjusted gross income if the taxpayer itemizes his/her deductions. However, there is a limit on the amount of premium that can be deducted depending on the age of the insured (taxpayer) at the end of the year. The IRS sets annual limits for that amount, and any premium above these limits will not be considered a medical expense, and therefore, cannot be tax deductible.