

TITLE 6 PRIMARY AND SECONDARY EDUCATION
CHAPTER 50 INSURANCE
PART 13 CLAIMS SETTLEMENT POLICY

6.50.13.1 ISSUING AGENCY: New Mexico Public School Insurance Authority.

[6.50.13.1 NMAC - Rp, 6 NMAC 50.13.1, 09/01/2014]

[The address of the New Mexico Public School Insurance Authority is 410 Old Taos Highway, Santa Fe, New Mexico 87501.]

6.50.13.2 SCOPE: This part applies to all school districts, charter schools, other educational entities and persons or entities authorized to participate in the authority's risk-related coverages.

[6.50.13.2 NMAC - Rp, 6 NMAC 50.13.2, 09/01/2014]

6.50.13.3 STATUTORY AUTHORITY: Subsection D of Section 22-29-7 NMSA 1978, directs the authority to promulgate necessary rules, regulations and procedures for the implementation of the New Mexico Public School Insurance Authority Act, Section 22-29-1 et seq. NMSA 1978.

[6.50.13.3 NMAC - Rp, 6 NMAC 50.13.3, 09/01/2014]

6.50.13.4 DURATION: Permanent.

[6.50.13.4 NMAC - Rp, 6 NMAC 50.13.4, 09/01/2014]

6.50.13.5 EFFECTIVE DATE: September 1, 2014 unless a later date is cited at the end of a section.

[6.50.13.5 NMAC - Rp, 6 NMAC 50.13.5, 09/01/2014]

6.50.13.6 OBJECTIVE: The objective of this part is to establish a policy for settling claims against authority insureds.

[6.50.13.6 NMAC - Rp, 6 NMAC 50.13.6, 09/01/2014]

6.50.13.7 DEFINITIONS: [RESERVED]

6.50.13.8 SETTLEMENT POLICIES: The authority retains the right at its sole discretion to decide the terms and conditions of settlement of any claim against any authority insured. The authority will not settle a claim against an authority insured for an amount in excess of \$25,000 without first notifying the insured of the proposed settlement and the rationale supporting the proposed settlement. After the authority has notified an insured of a proposed settlement, the authority retains the power to proceed to settle the claim as the authority deems in the best interest of the authority. Should the insured object to the proposed settlement by the authority, the insured shall (if the proposed settlement is a payment of money damages) be offered a payment in an amount equal to the money damages proposed to be paid by the authority under the settlement. The offer to the insured shall be made on condition that the insured release the authority from any further liability on the claim. If the insured accepts the offer, the authority will not consummate the proposed settlement with the claimant. The insured shall then be responsible for defense and settlement or payment of any judgment with regard to the claim and the authority on payment of the settlement amount to the insured shall be released by the insured from all further responsibility for the claim.

[6.50.13.8 NMAC - Rp, 6 NMAC 50.13.8, 09/01/2014]

HISTORY OF 6.50.13 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

NMPSIA Rule 93-16, Claims Settlement Policy, filed 3/22/93.

History of Repealed Material:

6 NMAC 50.13, Claims Settlement Policy, filed 10/1/97 - Repealed effective 09/01/2014.