

TITLE 13 INSURANCE
CHAPTER 17 WORKERS' COMPENSATION INSURANCE
PART 4 WORKERS' COMPENSATION ASSIGNED RISK POOL

13.17.4.1 ISSUING AGENCY: New Mexico Public Regulation Commission Insurance Division.
[7/1/97; 13.17.4.1 NMAC - Rn & A, 13 NMAC 17.4.1, 12/31/04]

13.17.4.2 SCOPE: This rule applies to all workers' compensation insurers participating as reinsurers of the New Mexico Worker's Compensation Assigned Risk Pool.
[1/1/90, 7/1/97; 13.17.4.2 NMAC - Rn, 13 NMAC 17.4.2, 12/31/04]

13.17.4.3 STATUTORY AUTHORITY: Sections 59A-2-9, 59A-33-3, 59A-33-8 and 59A-33-9 NMSA 1978.
[1/1/90; 13.17.4.3 NMAC - Rn, 13 NMAC 17.4.3, 12/31/04]

13.17.4.4 DURATION: Permanent.
[7/1/97; 13.17.4.4 NMAC - Rn, 13 NMAC 17.4.4, 12/31/04]

13.17.4.5 EFFECTIVE DATE: January 1, 1990, unless a later date is cited at the end of a section.
[1/1/90, 7/1/97; 13.17.4.5 NMAC - Rn & A, 13 NMAC 17.4.5, 12/31/04]

13.17.4.6 OBJECTIVE: This rule defines the methods by which workers' compensation insurers shall participate in the Workers' Compensation Assigned Risk Pool as reinsurers. The methods of assessment are structured to promote the voluntary assumption of workers' compensation risks by workers' compensation insurers.
[1/1/90, 7/1/97; 13.17.4.6 NMAC - Rn, 13 NMAC 17.4.6, 12/31/04]

13.17.4.7 DEFINITIONS: When used in this rule, **the agency** refers to the Workers' Compensation Assigned Risk Pool as defined in Section 59A-33-4B NMSA 1978.
[1/1/90; 13.17.4.7 NMAC - Rn, 13 NMAC 17.4.7, 12/31/04]

13.17.4.8 PARTICIPATION OF WORKERS' COMPENSATION INSURERS:

A. The undertakings of any policy issued by the agency shall be fully reinsured by all members of the pool in proportion to the amount that the net direct workers' compensation line premium on the insurance written in the state during the preceding calendar year by the issuing member bears to the total of workers' compensation line premiums written in this state during the preceding calendar year by all members of the agency. Net direct workers' compensation line premium shall be direct written premium exclusive of policyholder dividends and New Mexico Workers' Compensation Assigned Risk Pool premiums.

B. The premium used for the basis of proration, as described in Subsection A of 13.17.4.8 NMAC shall be those premiums reported to the New Mexico department of insurance in the annual statement. Each member company may file with the agency for exclusion of those premiums classified as workers' compensation premiums on the annual statement.

C. The exclusions applicable in Subsection B of 13.17.4.8 NMAC shall not reduce the member's assessment base below zero.

D. Application for exclusion under Subsection B of 13.17.4.8 NMAC shall be made prior to April 1 of the following calendar year and shall be certified by a responsible officer of the member company. Members may apply for the exclusions described above on a form prescribed by the agency and approved by the superintendent and may be required by the agency to provide other information as may be necessary to verify the information contained in the application.

[1/1/90, 7/1/97; 13.17.4.8 NMAC - Rn & A, 13 NMAC 17.4.8, 12/31/04]

13.17.4.9 SMALL POLICY EXEMPTIONS:

A. A member of the agency which insures on a voluntary basis any policyholder having \$5,000 or less in annual workers' compensation premium shall be exempt from participation in the agency to the extent approved by the New Mexico insurance division.

B. The premium threshold of \$5,000 applies to policies issued or renewed during 1990. The agency may file a request for an adjustment to the premium threshold with the New Mexico insurance division. No requested adjustment shall become effective nor shall it be used until approved by the New Mexico insurance division, at which time it may be used.

C. The exemption applicable to a member shall not reduce the member's assessment base below zero.

D. Eligibility for the small policy exemptions shall be established prior to April 1 of the following calendar year and shall be certified by a responsible officer of the member company. Members may apply for the small policy exemptions in the manner prescribed by the agency and approved by the New Mexico insurance division and may be required by the agency to provide other information as may be necessary to verify the information contained in the application.

[1/1/90; 13.17.4.9 NMAC - Rn & A, 13 NMAC 17.4.9, 12/31/04]

13.17.4.10 TAKE-OUT CREDITS:

A. The following policies shall be eligible for take-out credit:

(1) \$5,000 or less in estimated standard annual workers' compensation premium as shown on the expiring policy as provided for in 13.17.4.9 NMAC; and

(2) any other such policy that was an assigned risk policy immediately prior to being voluntarily assumed by the member company.

B. The agency shall file its take-out credit program with the New Mexico insurance division. No take-out credit program shall become effective nor shall it be used until approved by the New Mexico insurance division, at which time it may be used.

C. The total credits applicable to a member shall not reduce the member's assessment base below zero.

D. Eligibility for take-out credit shall be established prior to April 1 of the following calendar year and shall be certified by a responsible officer of the member company. Members may apply for take-out credit in the manner prescribed by the agency and approved by the New Mexico insurance division and may be required by the agency to provide other information as may be necessary to verify the information contained in the application.

[1/1/90; 13.17.4.10 NMAC - Rn & A, 13 NMAC 17.4.10, 12/31/04]

HISTORY OF 13.17.4 NMAC:

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

SCC 89-3, New Mexico Worker's Compensation Assigned Risk Pool, Regulation 33, Rule 1, filed 12/1/89.

History of Repealed Material: [RESERVED]

Other History:

SCC 89-3, New Mexico Worker's Compensation Assigned Risk Pool, Regulation 33, Rule 1 (filed 12/1/89) was renumbered, reformatted and replaced by 13 NMAC 17.4, Worker's Compensation Assigned Risk Pool, effective 7/01/1997.

13 NMAC 17.4, Worker's Compensation Assigned Risk Pool (filed 5/27/97) was renumbered, reformatted, amended, and replaced by 13.17.4 NMAC, Worker's Compensation Assigned Risk Pool, effective 12/31/04.