

TITLE 6 PRIMARY AND SECONDARY EDUCATION
CHAPTER 50 INSURANCE
PART 5 DETERMINATION OF PREMIUMS FOR EMPLOYEE-BENEFITS, RISK-RELATED
AND DUE PROCESS REIMBURSEMENT COVERAGES

6.50.5.1 ISSUING AGENCY: New Mexico Public School Insurance Authority.

[6.50.5.1 NMAC - Rp, 6 NMAC 50.5.1, 09/01/2014]

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

6.50.5.2 SCOPE: This part applies to all school districts, charter schools and other educational entities, eligible employees, eligible retired employees, eligible dependents, eligible participating entity governing body members and persons or entities authorized to participate in the authority's employee benefits, risk-related and due process reimbursement coverages.

[6.50.5.2 NMAC - Rp, 6 NMAC 50.5.2, 09/01/2014]

6.50.5.3 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.

[6.50.5.3 NMAC - Rp, 6 NMAC 50.5.3, 09/01/2014]

6.50.5.4 DURATION: Permanent.

[6.50.5.4 NMAC - Rp, 6 NMAC 50.5.4, 09/01/2014]

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

[6.50.5.5 NMAC - Rp, 6 NMAC 50.5.5, 09/01/2014]

6.50.5.6 OBJECTIVE: The objective of this part is to establish the policy for determining premium levels.

[6.50.5.6 NMAC - Rp, 6 NMAC 50.5.6, 09/01/2014]

6.50.5.7 DEFINITIONS: [RESERVED]

6.50.5.8 ESTABLISHMENT OF EMPLOYEE-BENEFIT AND RISK RELATED PREMIUMS:

A. The authority shall establish premiums necessary to protect the solvency of the fund considering all expenses, potential expenses and costs of the authority programs.

B. Whenever possible, the authority shall obtain loss experience for each line of coverage for each participating entity.

C. Whenever possible and economically feasible, the authority shall obtain professional actuarial advice to establish premium levels.

D. Whenever possible, the authority shall consider the loss experience of each particular participating entity as a primary factor in establishing the premiums for that entity. However, the authority shall also use other factors as necessary to protect the stability and solvency of the fund.

E. The authority shall also consider an appropriate premium increase of up to ten percent when presented with a member's untimely reporting of losses, in addition to a potential denial of a claim under the memorandums of coverages.

F. Exposure information, which includes, but is not limited to, property values, vehicle counts, payroll, average daily attendance, budgets, new or hazardous exposures, is requested from each member typically in December of each year. This information is one of the factors used to allocate premiums among the members. The deadline for submission of this information to the authorized representative of the authority is the second Friday in January. The authorized representative shall have three to four weeks to review the data, ask and answer any questions and verify the information. The final deadline for the submission of all additional or amended exposure information by the members to the authorized representative is the second Friday in February. The board will have the final decision to approve or reject any late received exposure information. If the exposure information is not received by the deadlines described above, the board may, at its discretion, impose a ten percent penalty increase to that member's prior year's exposure information.

G. If, at any time, the authority becomes aware that a member has under reported exposure information, an additional premium will be retroactively charged back to the appropriate policy period.

H. If, at any time, the authority becomes aware that a member over reports exposure information, the member will not receive any return of premiums paid. However, if there are extenuating circumstances, the member can request that the board waive the forfeiture of the return premium.

[6.50.5.8 NMAC - Rp, 6 NMAC 50.5.8, 09/01/2014; A, 12/10/2024]

6.50.5.9 ESTABLISHMENT OF DUE PROCESS REIMBURSEMENT PREMIUMS: Due process reimbursement coverage premiums shall be established in accordance with Section 22-29-12 NMSA 1978 and the applicable memorandum of coverage.

[6.50.5.9 NMAC - N, 09/01/2014]

6.50.5.10 NONDISCLOSURE OF PREMIUM CHANGES: Authority staff, actuaries or consultants shall not discuss or disclose to participating entities, employees, retirees or the public any premium changes until authorized to do so by the board.

[6.50.5.10 NMAC - Rp, 6 NMAC 50.5.9, 09/01/2014]

HISTORY of 6.50.5 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 86-207, Employee-Benefits Determination Of Premium Levels, filed 10/31/1986;

NMPSIA Rule 93-8, Employee-Benefits And Risk-Related Coverages Determination Of Premium Levels, filed 3/22/1993.

History of Repealed Material:

6 NMAC 50.5, Employee-Benefits And Risk-Related Coverages Determination Of Premium Levels, filed 10/1/1997-Repealed effective 09/01/2014.