SENATE BILL 199

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

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AN ACT

RELATING TO INSURANCE; ALLOWING FOR PAYMENT OF INSURANCE AGENT

AND BROKER COMMISSIONS AND OTHER COMPENSATION TO SURVIVING

SPOUSES, DEVISEES AND HEIRS.

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

SECTION 1. Section 59A-12-24 NMSA 1978 (being Laws 1984,

Chapter 127, Section 225, as amended by Laws 1999, Chapter 272,

Section 14 and also by Laws 1999, Chapter 289, Section 15) is

amended to read:

"59A-12-24. SHARING OF COMMISSIONS.--

A. An agent or broker shall share a commission or

compensation for or on account of the solicitation or

negotiation in this state of insurance on individuals or

property or risks in this state only with the agent's duly

licensed solicitor, or duly licensed agent of the insurer with

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which the insurance was placed, or duly licensed broker.

B. No such licensee shall share in commission or compensation as to a kind of insurance for which not licensed.

C. Such sharing in commissions and compensation between the same such licensees shall be infrequently only and shall not unduly obviate the general necessity of appointment of the agent by the insurer with which the insurance is placed.

D. Nothing in the Insurance Code shall be deemed to prohibit payment, to or for the account of a former owner of an insurance agency or brokerage, of commissions or part thereof currently accruing on business of the agency or brokerage, as part of the purchase price of the agency or brokerage, whether or not such former owner is currently licensed as agent, solicitor or broker.

E. Nothing in the Insurance Code shall be deemed to prohibit payment of commissions, compensation or other valuable consideration to which a deceased agent or broker would be entitled to the agent's or broker's surviving spouse, devisee or heirs, regardless of whether such spouse, devisee or heir is licensed as an agent, solicitor or broker."

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