

59A-5-18

Trust deposit for certificate of authority

A. For certificate of authority to transact insurance in this state the insurer shall make and thereafter maintain while so authorized a general deposit in trust for the benefit of all its policyholders and creditors. The deposit shall consist of assets eligible therefor under Section 59A-10-3 NMSA 1978, and shall be deposited with or through the superintendent or in a commercial depository located in the state of New Mexico approved by the superintendent subject to rules and regulations issued by the superintendent. As to foreign insurers, in lieu of such deposit or part thereof in this state, the superintendent shall accept the certificate in proper form of the public official having supervision over insurers in another state to the effect that a like deposit or part thereof by such insurer is being maintained in public custody therein in trust for the purpose (among other reasonable purposes of protection of policyholders and/or creditors) of the protection of all its policyholders and creditors in New Mexico.

B. Whenever because of volume of business being transacted by the insurer, or methods of doing business, or for other good cause the superintendent deems advisable for protection of policyholders and creditors, the superintendent may require an insurer to make and maintain a general deposit in reasonable amount greater than required under Schedule I of Section 59A-5-16 NMSA 1978.

C. All such deposits made in this state shall be subject to the applicable provisions of Chapter 59A, Article 10 NMSA 1978.

D. This section does not apply as to a domestic Lloyds plan motor vehicle insurer, as identified in Chapter 59A, Article 38 NMSA 1978.