

## **59A-10-3**

### **Securities eligible for deposit**

A. All general deposits required under Section 59A-5-18 NMSA 1978 and special deposits required under Section 59A-5-19 NMSA 1978, in the minimum amount specified therefor, shall consist of public obligations of the type eligible for investment of funds of domestic insurers under Section 59A-9-6 NMSA 1978.

B. All additional general or special deposits required by the superintendent under Section 59A-5-18 or 59A-5-19 NMSA 1978 shall consist of:

(1) public obligations as referred to in Subsection A of this section;

(2) corporate obligations of the kind in which a domestic insurer may invest funds pursuant to Section 59A-9-8 NMSA 1978, if the security has such rating and additional qualifications as the superintendent may from time to time by rule or regulation reasonably prescribe for deposit purposes; and

(3) notes or bonds secured by mortgages insured and debentures issued by the federal housing administrator and obligations of national mortgage associations.

C. Evidences of indebtedness secured by real property shall be eligible for deposit only if the real property securing the indebtedness is situated in New Mexico.

D. Notwithstanding any other provision of law, the securities qualified for deposit under Chapter 59A, Article 10 NMSA 1978 by domestic insurance companies may be deposited with a clearing corporation or held in the federal reserve book-entry system. Securities deposited with a clearing corporation or held in the federal reserve book-entry system and used to meet the deposit requirements set forth in this article shall be under the control of the superintendent and shall not be withdrawn by the insurance company without the approval of the superintendent. Any insurance company holding securities in such manner shall provide to the superintendent evidence issued by its custodian or member bank through which such insurance company has deposited such securities in a clearing corporation or through which such securities are held in the federal reserve book-entry system, respectively, in order to establish that the securities are actually recorded in an account in the name of the custodian or other direct participant or member bank and that the records of the custodian, other participant or member bank reflect that such securities are held subject to the order of the superintendent.

E. Notwithstanding any other provision of law, securities eligible for deposit under the insurance laws of this state relating to deposit of securities by a foreign insurance company as a condition of commencing or continuing to do an insurance business in this state may be deposited with a clearing corporation or held in the federal reserve book-entry system. Securities deposited with a clearing corporation or held in the federal reserve book-entry system and used to meet the deposit requirements under the insurance laws of this state shall be under the control of the superintendent and shall not be withdrawn by the insurance company without the approval of the superintendent. Any insurance company holding such securities in such manner shall provide to the superintendent evidence issued by its custodian or a member bank through which such insurance company has deposited securities with a clearing corporation or held in the federal reserve book-entry system,

respectively, in order to establish that the securities are actually recorded in an account in the name of the custodian or other direct participant or member bank and evidence that the records of the custodian, other participant or member bank reflect that such securities are held subject to the order of the superintendent.

F. Deposits of a domestic insurer held in this state pursuant to the laws of another state, province or country (other than the general deposit provided for by Section 59A-5-18 NMSA 1978) shall consist of such assets as are required or permitted by the laws of such state, province or country.

G. Deposits of foreign insurers made in this state under Section 59A-5-33 NMSA 1978 shall consist of such assets as are required by the superintendent pursuant to such law.