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1 **SENATE JOINT MEMORIAL 90**

2 **45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002**

3 **INTRODUCED BY**

4 **Timothy Z. Jennings**

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9 **A JOINT MEMORIAL**

10
11 **REQUESTING THE PUBLIC REGULATION COMMISSION, THE**
12 **SUPERINTENDENT OF INSURANCE AND THE ATTORNEY GENERAL TO REVIEW**
13 **THE NEW MEXICO INSURANCE CODE TO RECOMMEND CHANGES TO IMPROVE**
14 **INSURANCE PROTECTION IN NEW MEXICO.**

15
16 **WHEREAS, changes in the nature of the life insurance**
17 **industry, in the acquisition of domestic companies by foreign**
18 **interests, in the elimination or reduction of the agent**
19 **workforce and in the activities of certain companies in the**
20 **maintenance and operation of their businesses have all**
21 **compromised fiduciary obligations to policyholders and the**
22 **financial integrity of policies; and**

23 **WHEREAS, in the wake of the Enron scandal, in which New**
24 **Mexico alone suffered a fifty-five million dollar**
25 **(\$55,000,000) loss to its permanent fund, and stockholders and**

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1 employees alike lost money and retirement funds, increased
2 oversight appears appropriate; and

3 WHEREAS, President Bush and the congress recognize the
4 seriousness of that impact and have commenced hearings and
5 recommended action to prevent further erosion of public trust,
6 invested retirement money and individual investments; and

7 WHEREAS, the legislature recognizes the severity of the
8 problem created by the lack of oversight of business
9 activities of this one company and shares the concern of the
10 president and congress and their commitment to the public
11 interest; and

12 WHEREAS, insurance is virtually unregulated nationally
13 and what regulation there is, is on the state level; and

14 WHEREAS, there is no requirement within the New Mexico
15 Insurance Code to direct regulated insurance companies to
16 inform the superintendent of insurance of pending complaint
17 actions in other states or other venues, including class
18 action suits or regulatory or legal sanctions; and

19 WHEREAS, that requirement alone would foster increased
20 awareness of these actions and their resolutions and provide
21 the superintendent of insurance with a greater knowledge of
22 national trends and an enhanced ability to spot conduct
23 harmful to New Mexico policyholders and to join in causes of
24 action in other states; and

25 WHEREAS, insurance activities in New Mexico generate over

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1 one hundred million dollars (\$100,000,000) of revenue for the
2 state and are vital for the security of risk management of
3 those they represent, including the financial future of
4 families, individuals and businesses; and

5 WHEREAS, these issues are of vital interest to the
6 legislature;

7 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
8 STATE OF NEW MEXICO that the public regulation commission, the
9 superintendent of insurance and the attorney general be
10 requested to review the New Mexico Insurance Code and
11 recommend changes to improve insurance protection in New
12 Mexico; and

13 BE IT FURTHER RESOLVED that copies of this memorial be
14 transmitted to the public regulation commissioners, the
15 superintendent of insurance and the attorney general.

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