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SENATE MEMORIAL 34

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

INTRODUCED BY

Timothy Z. Jennings

A MEMORIAL

REQUESTING THE PUBLIC REGULATION COMMISSION, THE SUPERINTENDENT OF INSURANCE AND THE ATTORNEY GENERAL TO REVIEW THE NEW MEXICO INSURANCE CODE TO RECOMMEND CHANGES TO IMPROVE INSURANCE PROTECTION IN NEW MEXICO.

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

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

WHEREAS, there is no requirement within the New Mexico

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1 Insurance Code to direct regulated insurance companies to
2 inform the superintendent of insurance of pending complaint
3 actions in other states or other venues, including class
4 action suits or regulatory or legal sanctions; and

5 WHEREAS, that requirement alone would foster increased
6 awareness of these actions and their resolutions and provide
7 the superintendent of insurance with a greater knowledge of
8 national trends and an enhanced ability to spot conduct
9 harmful to New Mexico policyholders and to join in causes of
10 action in other states; and

11 WHEREAS, insurance activities in New Mexico generate over
12 one hundred million dollars (\$100,000,000) of revenue for the
13 state and are vital for the security of risk management of
14 those they represent, including the financial future of
15 families, individuals and businesses; and

16 WHEREAS, these issues are of vital interest to the
17 legislature;

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
19 OF NEW MEXICO that the public regulation commission, the
20 superintendent of insurance and the attorney general be
21 requested to review the New Mexico Insurance Code and
22 recommend changes to improve insurance protection in New
23 Mexico and report to the appropriate interim committee; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the public regulation commissioners, the

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1 superintendent of insurance and the attorney general.

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