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AN ACT
RELATING TO INSURANCE FRAUD; CREATING THE AUTOMOBILE THEFT
PREVENTION AUTHORITY IN THE OFFICE OF SUPERINTENDENT OF
INSURANCE; DECLARING AN EMERGENCY.

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

SECTION 1. Section 59A-16C-1 NMSA 1978 (being Laws
1998, Chapter 115, Section 1) is amended to read:

"59A-16C-1. SHORT TITLE.-- Chapter 59A, Article 16C
NMSA 1978 may be cited as the "Insurance Fraud Act"."

SECTION 2. A new section of the Insurance Fraud Act is
enacted to read:

"AUTOMOBILE THEFT PREVENTION AUTHORITY--CREATED--BOARD--
POWERS--DUTIES.--

A. The "automobile theft prevention authority" is
created in the office of superintendent of insurance. The
automobile theft prevention authority shall be governed by a
board of directors. The board shall consist of nine members
as follows:

- (1) the superintendent;
- (2) the director of the administrative
office of the district attorneys or the director's designee;
- and
- (3) seven members appointed by the
superintendent as follows:

1 (a) four representatives from different
2 insurance companies who are authorized by the office of
3 superintendent of insurance to issue motor vehicle insurance
4 policies in New Mexico;

5 (b) two representatives from different
6 law enforcement agencies; and

7 (c) a representative from the public.

8 B. Prior to August 1, 2018, the appointing
9 authorities shall appoint all initial members of the board.
10 Board members shall serve six-year terms; except that of the
11 initial members representing insurance companies appointed to
12 the board, the superintendent shall select one member whose
13 initial term is four years and one member whose initial term
14 is two years; and of the initial members representing law
15 enforcement agencies appointed to the board, the
16 superintendent shall select one member whose initial term is
17 two years. The initial public member shall serve an initial
18 term of four years.

19 C. No appointed member shall serve more than two
20 terms. If a member fails to complete the member's term, the
21 member shall be replaced as soon as practicable by the
22 original appointing authority.

23 D. Board members shall serve without compensation.

24 E. The authority shall solicit, review and approve
25 applications for grants to improve and support automobile

1 theft prevention programs or programs for the enforcement or
2 prosecution of automobile theft crimes. The authority shall
3 give priority to applications representing multi-
4 jurisdictional programs. Each application, at a minimum,
5 shall describe the type of theft prevention, enforcement or
6 prosecution program to be implemented.

7 F. In selecting grant recipients, when
8 practicable, the authority shall award grants to law
9 enforcement agencies.

10 G. The authority shall not require as a condition
11 of the award of a grant that an agency or political
12 subdivision provide other funding to operate an automobile
13 theft prevention program or a program for the enforcement or
14 prosecution of automobile theft crimes.

15 H. On or before December 1 of every year, a law
16 enforcement agency that received a grant pursuant to this
17 section in the previous twelve months shall submit a report
18 to the authority concerning the implementation of the program
19 funded through the grant.

20 I. On or before November 1 of every year, the
21 authority shall report to the appropriate interim legislative
22 committee on the implementation of the programs receiving
23 grants pursuant to this section. The report to the committee
24 shall include:

25 (1) the number and geographic jurisdiction

1 of law enforcement agencies that received grants under the
2 authority and the amount and duration of the grants;

3 (2) the change in the number of automobile
4 thefts in areas of the state; and

5 (3) recommendations for legislative changes
6 to assist in the prevention, enforcement and prosecution of
7 automobile-theft-related criminal activities.

8 J. On or before November 1 of every year, the
9 authority shall report to the legislative finance committee
10 on the finances of the authority.

11 K. The authority may seek and receive grant
12 funding from federal, state or local governments or private
13 philanthropic organizations to defray the costs of operating
14 automobile theft prevention programs or programs for the
15 enforcement or prosecution of automobile theft crimes.

16 L. A law enforcement agency may apply for grants
17 to assist in improving and supporting automobile theft
18 prevention programs or programs for the enforcement or
19 prosecution of automobile theft crimes through statewide
20 planning and coordination."

21 **SECTION 3.** Section 59A-16C-4 NMSA 1978 (being Laws
22 1998, Chapter 115, Section 4, as amended) is amended to read:

23 "59A-16C-4. SUPERINTENDENT'S DUTIES.--The
24 superintendent shall:

25 A. initiate inquiries and conduct investigations

1 when the superintendent has reason to believe that insurance
2 fraud may have been or is being committed;

3 B. respond to notifications or complaints of
4 suspected insurance fraud generated by state and local police
5 or other law enforcement authorities and governmental units,
6 including the federal government and any other person;

7 C. review notices and reports of insurance fraud
8 submitted by authorized insurers, their employees, agents or
9 producers or by public adjusters and select those incidents
10 of alleged fraud that, in the superintendent's judgment,
11 require further investigation and conduct the investigations;

12 D. conduct independent investigations and
13 examinations of insurance transactions and alleged insurance
14 fraud, conduct studies to determine the extent of insurance
15 fraud, deceit or intentional misrepresentation of any kind in
16 the insurance process and publish information and reports on
17 the office of superintendent of insurance's examinations and
18 studies;

19 E. report incidents of alleged insurance fraud
20 supported by investigations and examinations to the
21 appropriate district attorney and any other appropriate law
22 enforcement, administrative, regulatory or licensing agency
23 and assemble evidence, prepare charges and otherwise assist
24 any prosecutorial authority having jurisdiction over
25 insurance fraud enforcement;

1 F. assist any official or agency of this state,
2 any other state or the federal government that requests
3 assistance in investigating insurance fraud;

4 G. maintain records and information in order to
5 produce an annual report of the superintendent's activities
6 undertaken in connection with carrying out the provisions of
7 the Insurance Fraud Act;

8 H. conduct, in cooperation with the attorney
9 general and the department of public safety, public outreach
10 and awareness programs on the costs of insurance fraud to the
11 public and how members of the public can assist themselves,
12 the superintendent and law enforcement officials in
13 preventing and prosecuting insurance fraud; and

14 I. assign staff and maintain the automobile theft
15 prevention authority."

16 **SECTION 4.** Section 59A-16C-5 NMSA 1978 (being Laws
17 1998, Chapter 115, Section 5) is amended to read:

18 "59A-16C-5. SUPERINTENDENT'S AUTHORITY.--The
19 superintendent may:

20 A. select and contract with investigative
21 personnel and prosecutors to discharge the superintendent's
22 duties pursuant to the provisions of the Insurance Fraud Act;

23 B. conduct statewide investigations and
24 prosecutions related to automobile theft;

25 C. coordinate with law enforcement agencies to

1 investigate and with the attorney general and district
2 attorneys to prosecute cases involving stolen vehicles and
3 insurance fraud; and

4 D. promulgate rules relating to the creation and
5 operation of the automobile theft prevention authority."

6 SECTION 5. EMERGENCY.--It is necessary for the public
7 peace, health and safety that this act take effect
8 immediately. _____

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