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AN ACT

RELATING TO INSURANCE; REVISING THE DUTIES OF THE INSURANCE
NOMINATING COMMITTEE; PROVIDING FOR AN INTERIM SUPERINTENDENT
OF INSURANCE; REVISING QUALIFICATIONS FOR SUPERINTENDENT OF
INSURANCE.

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

SECTION 1. Section 59A-2-2 NMSA 1978 (being Laws 1984,
Chapter 127, Section 20, as amended) is amended to read:

"59A-2-2. SUPERINTENDENT--APPOINTMENT--TERM--
COMPENSATION--REMOVAL.--

A. The position of superintendent of insurance
shall be the chief officer of the office of superintendent of
insurance.

B. The superintendent shall be appointed by the
insurance nominating committee.

C. The superintendent shall serve for a term of
four years, except that the initial term beginning July 1,
2013 shall end on December 31, 2015. An incumbent
superintendent may apply to the insurance nominating
committee for appointment to additional terms.

D. The superintendent's annual compensation shall
be subject to legislative appropriation and established by
the insurance nominating committee at the start of each term
and annually thereafter. The superintendent's annual

1 compensation shall be no lower than that of the lowest-
2 compensated cabinet secretary and no higher than that of the
3 highest-compensated cabinet secretary.

4 E. The superintendent shall not be removed except
5 for incompetence, willful neglect of duty or malfeasance in
6 office. The insurance nominating committee may remove the
7 superintendent after providing the superintendent with notice
8 and a hearing."

9 SECTION 2. Section 59A-2-2.1 NMSA 1978 (being Laws
10 2013, Chapter 74, Section 15, as amended) is amended to read:

11 "59A-2-2.1. INSURANCE NOMINATING COMMITTEE--DUTIES--
12 ADMINISTRATIVE ATTACHMENT.--

13 A. The "insurance nominating committee" is created
14 and consists of nine members, including:

15 (1) four members who are selected by the New
16 Mexico legislative council as follows:

17 (a) two members who shall represent the
18 interests of the insurance industry;

19 (b) two members who shall represent the
20 interests of insurance consumers and who have experience
21 advocating on behalf of consumers or the public interest on
22 insurance issues. These consumer members shall not be
23 employed by or on behalf of or have a contract with an
24 employer that is regulated by the office of superintendent of
25 insurance; and

1 (c) no more than two of the four
2 members shall be from the same political party;

3 (2) four members who are selected by the
4 governor as follows:

5 (a) two members who shall represent the
6 interests of the insurance industry;

7 (b) two members who shall represent the
8 interests of insurance consumers and who have experience
9 advocating on behalf of consumers or the public interest on
10 insurance issues. These consumer members shall not be
11 employed by or on behalf of or have a contract with an
12 employer that is regulated by the office of superintendent of
13 insurance; and

14 (c) no more than two of the four
15 members shall be from the same political party; and

16 (3) a ninth member who shall be chair of the
17 committee and who shall be selected by a majority of the
18 other eight members; provided that the member shall:

19 (a) not be a candidate for the position
20 of superintendent of insurance; and

21 (b) be either a former New Mexico
22 superintendent of insurance or another person with extensive
23 knowledge of insurance regulation in New Mexico, but does not
24 have, nor have a spouse or child who has, any direct
25 financial interest in an insurer, insurance agency or

1 insurance transaction except as a policyholder or a claimant
2 under a policy or as an owner of less than one percent of the
3 shares of an insurer that is a publicly traded corporation.

4 B. A vacancy on the committee shall be filled by
5 the original appointing authority for the remainder of the
6 term.

7 C. A committee member shall:

8 (1) be a resident of New Mexico;

9 (2) serve a four-year term; except that a
10 member of the first committee appointed shall serve for a
11 term that ends on June 30, 2015; and

12 (3) serve without compensation, but shall be
13 eligible to receive per diem and mileage pursuant to the
14 Per Diem and Mileage Act.

15 D. The committee is subject to the Inspection of
16 Public Records Act and the Open Meetings Act. Individual
17 members of the committee are subject to the Governmental
18 Conduct Act and the Financial Disclosure Act.

19 E. The committee shall convene within ninety days
20 in anticipation of the occurrence of a vacancy in the
21 superintendent position or the expiration of a
22 superintendent's term of office.

23 F. Upon the occurrence of a vacancy in the
24 superintendent position, or after the conclusion of the
25 superintendent's term, the chair of the committee may appoint

1 an interim superintendent who shall serve until a successor
2 is duly qualified.

3 G. The committee shall actively solicit, accept
4 and evaluate applications from qualified individuals for the
5 position of superintendent and may require an applicant to
6 submit any information it deems relevant to the consideration
7 of the individual's application.

8 H. The committee shall appoint the superintendent
9 by a vote of a majority of all members of the committee.

10 I. The committee shall meet no less often than
11 annually.

12 J. The committee is administratively attached to
13 the office of superintendent of insurance. The office of
14 superintendent of insurance shall provide staff for the
15 committee.

16 K. An employee of the office of superintendent of
17 insurance who serves as staff for the committee shall not
18 reveal to any person, except another committee staff person,
19 any requests or statements disclosed in confidence by a
20 committee member, except that this restriction shall not
21 apply to any disclosure that is:

22 (1) protected under the Whistleblower
23 Protection Act; or

24 (2) required by law."

25 SECTION 3. Section 59A-2-3 NMSA 1978 (being Laws 1984,

1 Chapter 127, Section 21, as amended) is amended to read:

2 "59A-2-3. SUPERINTENDENT--QUALIFICATIONS AND BOND.--The
3 superintendent shall:

4 A. be bonded as provided in the Surety Bond Act;

5 B. not have a direct financial interest in an
6 insurer, insurance agency or insurance transaction except as
7 a policyholder or a claimant under a policy or as an owner of
8 less than one percent of the shares of an insurer that is a
9 publicly traded corporation; and

10 C. not have a spouse who:

11 (1) has a direct financial interest in an
12 insurer or insurance agency regulated by the office of
13 superintendent of insurance, except as an owner of less than
14 one percent of the shares of an insurer that is a publicly
15 traded corporation; or

16 (2) is licensed as an individual by the
17 office of superintendent of insurance." _____