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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED

SPONSOR Ely HB 234

SHORT TITLE Revise Insurance Nominating Committee Duties SB _____

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI			NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Superintendent of Insurance

SUMMARY

Synopsis of Bill

House Bill 234 proposes to amend the Insurance Code, specifically Sections 59A-2-2, 59A-2-2.1, and 59A-2-3.

Section 59A-2-2.1 relates to, among other things, appointment of a successor superintendent of insurance. Section 59A-2-2.1(E) currently requires the insurance nominating committee to convene within 90 days of the end of a superintendent's term of office, and requires the committee to then appoint a new superintendent within 60 days of convening. Section 59A-2-2.1(F) currently requires that, upon the occurrence of a vacancy in the superintendent position, the insurance nominating committee shall convene within thirty days of the date of the vacancy and shall appoint a successor to fill the remainder of the superintendent's term within 60 days of convening.

HB234 would remove previous listed requirements and, instead: (1) require the insurance nominating committee to convene within 90 days in anticipation of the occurrence of a vacancy in the superintendent position or the expiration of a superintendent's term of office; and (2) allow the chair of the insurance nominating committee to appoint an interim superintendent upon the occurrence of a vacancy in the superintendent position or after the conclusion of the superintendent's term. That appointed interim superintendent would then serve until a successor is duly qualified.

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HB234 would amend Section 59A-2-2 to remove language providing that if the position of superintendent becomes vacant, the successor (appointed by the insurance nominating committee) shall serve for the remainder of the term.

HB234 amends Section 59A-2-3 to remove the requirement that the superintendent shall be a resident of New Mexico at the time of appointment.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

HB234 does not contain an appropriation and will not have a fiscal impact on the Office of the Superintendent of Insurance.

SIGNIFICANT ISSUES

The Office of the Superintendent of Insurance provided the following:

HB234 would amend Section 59A-2-2 to remove language providing that if the position of superintendent becomes vacant, the successor (appointed by the insurance nominating committee) shall serve for the remainder of the term, this is seen as necessary clean up.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Office of the Superintendent of Insurance provided the following:

The insurance nominating committee will retain successor superintendent appointment authority that must be exercised within very specific time-frames.

JM/rl