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HOUSE BILL 154

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

DANICE R. PICRAUX

AN ACT

CREATING A JOINT INTERIM AUTOMOBILE INSURANCE TASK FORCE; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. AUTOMOBILE INSURANCE TASK FORCE CREATED-- TERMINATION. --There is created a joint interim legislative, executive, judicial and public member task force which shall be known as the "automobile insurance task force". The task force shall function from the date of its appointment until the first day of December prior to the first session of the forty-third legislature.

Section 2. MEMBERSHIP-- APPOINTMENT-- VACANCIES. --

A. The automobile insurance task force shall be composed of seventeen voting members, including eight legislative members. Four members of the house of

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1 representatives shall be appointed by the speaker of the house
2 of representatives, and four members of the senate shall be
3 appointed by the committees' committee of the senate or, if the
4 senate appointments are made in the interim, by the president
5 pro tempore of the senate after consultation with and agreement
6 of a majority of the members of the committees' committee.

7 B. Members shall be appointed from each house so as
8 to give the two major political parties in each house the same
9 proportional representation on the task force as prevails in
10 each house; however, in no event shall either party have less
11 than one member from each house on the task force. Vacancies on
12 the task force shall be filled by appointment in the same manner
13 as the original appointments. The chairman and vice chairman of
14 the task force shall be appointed by the speaker of the house of
15 representatives and the president pro tempore of the senate.

16 C. No action shall be taken by the task force if a
17 majority of the total legislative membership from either house
18 on the task force rejects the action.

19 D. The additional nine voting members shall be:

20 (1) the three state corporation commissioners
21 or their designees;

22 (2) the director of the motor vehicle division
23 of the taxation and revenue department;

24 (3) a metropolitan or magistrate court judge
25 appointed by the chief justice of the supreme court;

1 (4) the secretary of public safety or his
2 designee;

3 (5) the attorney general or his designee; and

4 (6) two public members to represent consumer
5 interests, one appointed by the speaker of the house of
6 representatives and one appointed by the president pro tempore
7 of the senate.

8 E. The public members shall be paid per diem and
9 mileage in accordance with the provisions of the Per Diem and
10 Mileage Act.

11 F. The speaker of the house of representatives and
12 the president pro tempore of the senate may appoint an advisory
13 group to the task force of nonvoting persons that includes
14 representatives of interests and organizations concerned about
15 automobile insurance, including trial lawyers and the automobile
16 insurance industry.

17 Section 3. DUTIES. --

18 A. After its appointment, the automobile insurance
19 task force shall hold one organizational meeting to develop a
20 work plan and budget for the ensuing interim. The work plan and
21 budget shall be submitted to the New Mexico legislative council
22 for approval.

23 B. Upon approval of the work plan and budget by the
24 legislative council, the task force shall examine the statutes,
25 constitutional provisions, regulations, court decisions and

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1 practices governing automobile insurance in New Mexico and
2 elsewhere and recommend legislation or changes if any are found
3 to be necessary to the first session of the forty-third
4 legislature. The task force shall seek in its study to
5 determine why automobile insurance rates are at the level they
6 are in New Mexico; investigate whether, and if so, why those
7 rates are disproportionately high; assess what options are
8 reasonably available to lower the rates; determine what
9 percentage of New Mexicans are uninsured, and what options may
10 be pursued to decrease that percentage; consider what options
11 are in general available to address automobile insurance
12 problems in New Mexico, including the advantages and
13 disadvantages of each; address concerns about competition in the
14 marketplace, fraudulent practices and their impact on rates; and
15 review how enforcement of effective automobile insurance laws
16 can be achieved, including consideration of effective methods
17 working in other states.

18 Section 4. SUBCOMMITTEES. -- Subcommittees shall be created
19 only by majority vote of all members appointed to the automobile
20 insurance task force and with the prior approval of the New
21 Mexico legislative council. A subcommittee shall be composed of
22 at least one member from the senate and one member from the
23 house of representatives, and at least one member of the
24 minority party shall be a member of the subcommittee. All
25 meetings and expenditures of a subcommittee shall be approved by

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1 the full task force in advance of the meeting or expenditure,
2 and the approval shall be shown in the minutes of the task
3 force.

4 Section 5. REPORT.--The automobile insurance task force
5 shall make a report of its findings and recommendations for the
6 consideration of the first session of the forty-third
7 legislature. The report and suggested legislation shall be made
8 available to the New Mexico legislative council on or before
9 December 15 preceding that session.

10 Section 6. STAFF.--The staff for the automobile insurance
11 task force shall be provided by the legislative council service,
12 and the staff of the department of insurance and other state
13 agencies shall provide assistance as requested. The legislative
14 council service, at the direction of the task force, may hire
15 additional staff as necessary and contract with experts to
16 assist the task force in carrying out its tasks.

17 Section 7. APPROPRIATION.--For the purpose of paying the
18 salaries and expenses of the technical, professional, legal,
19 clerical and stenographic assistants; for necessary equipment
20 and supplies used in carrying out the provisions of this act;
21 and for reimbursing the per diem and mileage expenses of the
22 automobile insurance task force, there is appropriated to the
23 legislative council service from the general fund the sum of one
24 hundred thousand dollars (\$100,000). All or any part of this
25 appropriation may be expended in fiscal years 1996 and 1997, and

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1 any unexpended or unencumbered balance remaining at the end of
2 fiscal year 1997 shall revert to the general fund. Payments
3 from the appropriation shall be made upon vouchers signed by the
4 director of the legislative council service or his authorized
5 representative.

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

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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

January 25, 1996

Mr. Speaker:

Your RULES AND ORDER OF BUSINESS COMMITTEE, to
whom has been referred

HOUSE BILL 154

has had it under consideration and finds same to be
GERMANE in accordance with constitutional provisions.

Respectfully submitted,

Barbara A. Perea Casey,

Chairperson

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

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4 The roll call vote was 10 For 0 Against

5 Yes: 10

6 Excused: Luna, Pederson, Rodella, R. G. Sanchez, J. G. Taylor

7 Absent: None

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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 6, 1996

Mr. Speaker:

**Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred**

HOUSE BILLS 154 AND 674

**has had them under consideration and reports same with
recommendation that they DO NOT PASS, but that**

**HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE
FOR HOUSE BILLS 154 AND 674**

**DO PASS, and thence referred to the JUDICIARY
COMMITTEE.**

FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

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Respectfully submitted,

Fred Luna, Chairman

Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: None

Absent: Varela

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HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILLS 154 & 674

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
1996

AN ACT

CREATING A JOINT INTERIM AUTOMOBILE INSURANCE TASK FORCE; MAKING
AN APPROPRIATION; DECLARING AN EMERGENCY.

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Section 1. AUTOMOBILE INSURANCE TASK FORCE CREATED--
TERMINATION. --There is created a joint interim legislative,
executive, judicial and public member task force which shall be
known as the "automobile insurance task force". The task force
shall function from the date of its appointment until the first
day of December prior to the first session of the forty-third
legislature.

Section 2. MEMBERSHIP-- APPOINTMENT-- VACANCIES. --

A. The automobile insurance task force shall be
composed of sixteen members, including eight voting legislative
members. Four members of the house of representatives and four
members of the senate shall be appointed by the New Mexico

1 legislative council. No legislator appointed may be employed by
2 or be an agent of an automobile insurance company.

3 B. Members shall be appointed from each house so as
4 to give the two major political parties in each house the same
5 proportional representation on the task force as prevails in
6 each house; however, in no event shall either party have less
7 than one member from each house on the task force. Vacancies on
8 the task force shall be filled by appointment in the same manner
9 as the original appointments. The chairman and vice chairman of
10 the task force shall be appointed by the New Mexico legislative
11 council.

12 C. No action shall be taken by the task force if a
13 majority of the total legislative membership from either house
14 on the task force rejects the action.

15 D. Six additional voting members shall be the
16 following public members:

17 (1) two individuals to represent consumer
18 interests who are not affiliated with the automobile insurance
19 industry and who are knowledgeable about or interested in
20 automobile insurance matters, both of whom shall be appointed by
21 the legislative council;

22 (2) an attorney who regularly represents
23 injured plaintiffs in automobile insurance cases, who shall be
24 appointed by the governor;

25 (3) an attorney who regularly represents

1 defendant insurance companies in automobile insurance cases, who
2 shall be appointed by the governor; and

3 (4) two individuals who shall be representatives
4 of the automobile insurance industry, one of whom shall be an
5 automobile insurance agent and both of whom shall be appointed by
6 the governor.

7 E. Two additional nonvoting members of the task force
8 shall be:

9 (1) the chairman of the state corporation
10 commission, or the chairman's designee; and

11 (2) a retired judge appointed by the chief
12 justice of the supreme court.

13 F. The public members shall be paid per diem and
14 mileage in accordance with the provisions of the Per Diem and
15 Mileage Act.

16 Section 3. DUTIES. --

17 A. After its appointment, the automobile insurance task
18 force shall hold one organizational meeting to develop a work plan
19 and budget for the ensuing interim. The work plan and budget shall
20 be submitted to the New Mexico legislative council for approval.

21 B. Upon approval of the work plan and budget by the New
22 Mexico legislative council, the task force shall examine the
23 statutes, constitutional provisions, regulations, court decisions
24 and underwriting and other practices governing automobile insurance
25 in New Mexico and elsewhere and recommend legislation or changes if

1 any are found to be necessary to the first session of the forty-
2 third legislature. The task force shall seek in its study to
3 determine why automobile insurance rates are at the level they are
4 in New Mexico; investigate whether, and if so, why those rates are
5 disproportionately high; assess what options are reasonably
6 available to lower the rates; determine what percentage of New
7 Mexicans are uninsured, and what options may be pursued to decrease
8 that percentage; consider what options are in general available to
9 address automobile insurance problems in New Mexico, including the
10 advantages and disadvantages of each; address concerns about
11 competition in the marketplace, fraudulent practices and their
12 impact on rates; and review how enforcement of effective automobile
13 insurance laws can be achieved, including consideration of
14 effective methods working in other states.

15 Section 4. SUBCOMMITTEES. --Subcommittees shall be created
16 only by majority vote of all voting members appointed to the
17 automobile insurance task force and with the prior approval of the
18 New Mexico legislative council. A subcommittee shall be composed
19 of at least one member from the senate and one member from the
20 house of representatives, and at least one member of the minority
21 party shall be a member of the subcommittee. All meetings and
22 expenditures of a subcommittee shall be approved by the full task
23 force in advance of the meeting or expenditure, and the approval
24 shall be shown in the minutes of the task force.

25 Section 5. REPORT. --The automobile insurance task force

1 shall make a report of its findings and recommendations for the
 2 consideration of the first session of the forty-third legislature.
 3 The report and suggested legislation shall be made available to the
 4 New Mexico legislative council on or before December 15 preceding
 5 that session.

6 Section 6. STAFF.--The staff for the automobile insurance
 7 task force shall be provided by the legislative council service,
 8 and the staff of the department of insurance and other state
 9 agencies shall provide assistance as requested. The legislative
 10 council service, at the direction of the task force, may hire
 11 additional staff as necessary and contract with experts, including
 12 an actuary, to assist the task force in carrying out its tasks.

13 Section 7. APPROPRIATION.--For the purpose of paying the
 14 salaries and expenses of the technical, professional, legal,
 15 clerical and stenographic assistants; for necessary equipment and
 16 supplies used in carrying out the provisions of this act; and for
 17 reimbursing the per diem and mileage expenses of the automobile
 18 insurance task force, there is appropriated to the legislative
 19 council service from the general fund the sum of one hundred
 20 thousand dollars (\$100,000). All or any part of this appropriation
 21 may be expended in fiscal years 1996 and 1997, and any unexpended
 22 or unencumbered balance remaining at the end of fiscal year 1997
 23 shall revert to the general fund. Payments from the appropriation
 24 shall be made upon vouchers signed by the director of the
 25 legislative council service or his authorized representative.

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