SENATE BILL 572

44TH LEGISLATURE - **STATE OF NEW MEXICO** - FIRST SESSION, 1999

INTRODUCED BY

Roman Maes III

AN ACT

RELATING TO TITLE INSURANCE; EXEMPTING TITLE INSURERS FROM
DUPLICATE REQUIREMENTS FOR FRAUD DETECTION; AMENDING SECTIONS
OF THE NMSA 1978.

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

Section 1. Section 59A-16C-3 NMSA 1978 (being Laws 1998,
Chapter 115, Section 3) is amended to read:

"59A-16C-3. DEFINITIONS.--As used in the Insurance Fraud
Act:

A. "direct written premiums" means the amount of
money received by the insurer as the premium for a policy of
insurance minus commissions paid or retained by agents or
direct sales operations;

[A.] B. "fund" means the insurance fraud fund;

[B.] C. "insurance fraud" means any act or

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1 practice in connection with an insurance transaction that

2 constitutes a crime under the Criminal Code or the Insurance

3 Code;

4   [C.] D. "insurance transaction" means any act or

5 practice relating to insurance and includes complying with the

6 Insurance Code or any rule adopted under its authority; and

7   [D.] E. "superintendent" means the superintendent

8 of insurance."

9   Section 2. Section 59A-16C-14 NMSA 1978 (being Laws

10 1998, Chapter 115, Section 14) is amended to read:

11   "59A-16C-14. INSURANCE FRAUD FUND CREATED--

12 APPROPRIATION.--

13   A. There is [hereby] created an "insurance fraud

14 fund" in the state treasury. All fees collected under the

15 provisions of the Insurance Fraud Act shall be deposited in

16 the fund and are subject to appropriation for use in paying

17 the expenses incurred by the superintendent in carrying out

18 the provisions of the Insurance Fraud Act. Interest on the

19 fund shall be credited to the fund. The fund is a continuing,

20 nonreverting fund.

21   B. To implement the provisions of the Insurance

22 Fraud Act, [upon the effective date of the Insurance Fraud

23 Act] the superintendent shall determine a rate of assessment

24 and collect a fee from authorized insurers in an amount not

25 less than two hundred dollars ($200) and not exceeding one-

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1   tenth of one percent of the correctly reported [gross] direct

2   written premiums on policies written in New Mexico by the

3   authorized insurers. The superintendent, after taking into

4   account unexpended money produced by collection of the fee,

5   shall adjust the rate of assessment each year to produce the

6   amount of money that he estimates will be necessary to pay

7   expenses incurred by the superintendent in carrying out the

8   provisions of the Insurance Fraud Act.

9   C.   In calculating the [gross] direct written

10   premiums for an insurer pursuant to the provisions of this

11   section, all [gross] direct written premiums for workers'

12   compensation insurance shall be excluded from the calculation.

13   D.   The fees required by this section are in

14   addition to all other taxes and fees now imposed or that may

15   be subsequently imposed."

16   Section 3.   Section 59A-16C-15 NMSA 1978 (being Laws

17   1998, Chapter 115, Section 15) is amended to read:

18   "59A-16C-15.   APPLICATION OF ACT TO OTHER ACTS.--

19   A.   No authority granted the superintendent under

20   the Insurance Fraud Act shall be construed to abrogate or

21   interfere with the authority of the safety and fraud division

22   of the workers' compensation administration under the Workers'

23   Compensation Act or of the medicaid fraud control unit under

24   the Medicaid Fraud Act.

25   B.   Nothing in the Insurance Fraud Act shall:

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1   (1)   preempt the authority of or relieve the

2   duty of any other law enforcement agencies to investigate and

3   prosecute alleged violations of law;

4   (2)   prevent or prohibit a person from

5   voluntarily disclosing any information concerning insurance

6   fraud to any law enforcement agency;

7   (3)   limit any of the powers granted elsewhere

8   by law to the superintendent to investigate alleged violations

9   of law and take appropriate action; or

10   (4)   interfere with the duties and authority

11   of the workers' compensation administration.

12   C.   A title insurer under the control and

13   supervision of the superintendent pursuant to provisions of

14   the New Mexico Title Insurance Law is not an insurer for

15   purposes of the Insurance Fraud Act. "

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FORTY-FOURTH LEGISLATURE

FIRST SESSION, 1999

March 3, 1999

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to

whom has been referred

SENATE BILL 572

has had it under consideration and reports same with

recommendation that it DO NOT PASS, but that

SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE

SUBSTITUTE FOR SENATE BILL 572

DO PASS.

Respectfully submitted,

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Roman M Maes, Chairman

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4 Adopted_____ Not Adopted_____

5 (Chief Clerk) (Chief Clerk)

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8 Date _____

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11 The roll call vote was 6 For 0 Against

12 Yes: 6

13 No: 0

14 Excused: Aragon, Fidel, Kysar, McKibben

15 Absent: None

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AN ACT

RELATING TO TITLE INSURANCE; PROVIDING AUTHORITY TO THE SUPERINTENDENT OF INSURANCE TO DETERMINE TITLE INSURER ASSESSMENTS; AMENDING A SECTION OF THE NMSA 1978.

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

Section 1. Section 59A-16C-14 NMSA 1978 (being Laws 1998, Chapter 115, Section 14) is amended to read:

"59A-16C-14. INSURANCE FRAUD FUND CREATED--APPROPRIATION.--

A. There is [hereby] created an "insurance fraud fund" in the state treasury. All fees collected under the provisions of the Insurance Fraud Act shall be deposited in the fund and are subject to appropriation for use in paying the expenses incurred by the superintendent in carrying out the provisions of the Insurance Fraud Act. Interest on the

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1   fund shall be credited to the fund. The fund is a continuing,

2   nonreverting fund.

3   B.   To implement the provisions of the Insurance

4   Fraud Act, [upon the effective date of the Insurance Fraud

5   Act] the superintendent shall determine a rate of assessment

6   and collect a fee from authorized insurers in an amount not

7   less than two hundred dollars ($200) and not exceeding one-

8   tenth of one percent of the correctly reported [gross] direct

9   written premiums on policies written in New Mexico by the

10   authorized insurers. The superintendent, after taking into

11   account unexpended money produced by collection of the fee,

12   shall adjust the rate of assessment each year to produce the

13   amount of money that he estimates will be necessary to pay

14   expenses incurred by the superintendent in carrying out the

15   provisions of the Insurance Fraud Act. The assessment for a

16   title insurer, as defined in Section 59A-30-3 NMSA 1978, shall

17   be determined by the superintendent at the annual hearing

18   conducted pursuant to Section 59A-30-8 NMSA 1978.

19   C.   In calculating the [gross] direct written

20   premiums for an insurer pursuant to the provisions of this

21   section, all [gross] direct written premiums for workers'

22   compensation insurance shall be excluded from the calculation.

23   D.   The fees required by this section are in addition

24   to all other taxes and fees now imposed or that may be

25   subsequently imposed."

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FORTY-FOURTH LEGISLATURE

FIRST SESSION, 1999

March 16, 1999

Mr. Speaker:

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

SENATE CORPORATIONS AND TRANSPORTATION COMMITTEE SUBSTITUTE FOR SENATE BILL 572

has had it under consideration and reports same with recommendation that it **DO PASS.**

Respectfully submitted,

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Fred Luna, Chairman

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Adopted _____   Not Adopted _____

5   (Chief Clerk)   (Chief Clerk)

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7   Date _____

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9   The roll call vote was 11 For 0 Against

10 Yes: 11

    Excused: None

11 Absent: Lutz

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underscored material = new
[bracketed material] = delete

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