

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 724

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO PUBLIC FUNDS; PROVIDING STANDARDS FOR ASSESSING
CONTRIBUTIONS AGAINST STATE AGENCIES AND LOCAL PUBLIC BODIES.

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

Section 1. Section 15-7-2 NMSA 1978 (being Laws 1978,
Chapter 166, Section 7, as amended) is amended to read:

"15-7-2. RISK MANAGEMENT DIVISION. --

A. There is established a "risk management
division" of the general services department. The director of
the risk management division shall be appointed by the
secretary of general services. The director shall be
knowledgeable and experienced in general insurance practices.
The director shall be responsible for the acquisition and
administration of all insurance purchased by the state. Except
as provided by this section, no state agency may procure any

1 kind of insurance other than through the risk management
2 division.

3 B. The risk management division shall apportion to
4 each state agency its contributions toward the purchase of
5 insurance or for the providing of coverage for any risk not
6 insured. The amount of contribution by each agency shall be
7 determined by the risk management division and shall reflect
8 the respective risks of each agency. All contributions toward
9 the purchase of insurance or for the coverage of any risk not
10 insured shall be paid into the public liability fund, the
11 workers' compensation retention fund, the public property
12 reserve fund or the group self-insurance fund, as appropriate.
13 The department of finance and administration may collect or
14 transfer funds from each agency to cover insurance or other
15 costs, pursuant to the risk management division's instructions.

16 C. If, at the beginning of a fiscal year, a fund
17 administered by the risk management division is not actuarially
18 sound, the total amount of contributions to be assessed state
19 agencies and participating local public bodies for that fund
20 during that fiscal year shall equal not less than one hundred
21 ten percent of the total incurred claims against that fund in
22 the fiscal year before the preceding fiscal year.

23 [~~C.~~] D. The director, upon a finding that
24 efficiency and economy so require, may authorize any state
25 agency to purchase insurance for, or otherwise cover, vision,

1 dental, any group or individual health, life, accidental death
2 and dismemberment or disability coverage. Any authorization
3 granted shall be conditioned upon the prior approval by the
4 director of any policy to be purchased and the premium to be
5 paid by the agency. "

6 Section 2. EFFECTIVE DATE. --The effective date of the
7 provisions of this act is July 1, 2006.

underscored material = new
[bracketed material] = delete