

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Superintendent of Insurance (“OSI” or “Superintendent”) will hold a public video/telephone hearing regarding proposed new rules 13.2.8 NMAC CREDIT FOR REINSURANCE. This hearing will commence on **May 20, 2022 at 9:00 a.m.**

PURPOSE OF THE PROPOSED RULES: These proposed new rules are intended to implement the Credit for Reinsurance Act (“CFR Act”), enacted as New Mexico Senate Bill 150 and signed into law by the Governor on March 2, 2022. Effective March 2, 2022, Laws 2022, Ch. 35, § 19 repealed former section 59A-7-11 NMSA 1978, as enacted by Laws 1984, Ch. 127, § 117, relating to reinsurance. The CFR Act, codified at Sections 59A-12E-1 through 59A-12E-18 NMSA 1978, eliminates reinsurance collateral and local presence requirements for reinsurers located in jurisdictions outside the United States.

Covered Agreements entered into by the United States with the European Union (EU) and the United Kingdom (UK) require states to eliminate collateral requirements for reinsurers in reciprocal jurisdictions. New Mexico’s CFR Act accomplishes that objective. Now, new rules are necessary in order to implement the CFR Act.

The new rules will include requirements for reciprocal jurisdictions, and they will clarify requirements for reinsurance in general. This rulemaking is intended to result in a repeal of the existing rules, with replacement by new rules that will conform to the new CFR Act. It is necessary that the new rules be in effect as soon as possible in order to avoid federal preemption.

STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978 and the Credit for Reinsurance Act (“CFR Act”), 59A-12E-1 to 59A-12E-18 NMSA 1978.

TO ATTEND THE HEARING:

Join via Video: <https://us02web.zoom.us/j/2916274744>

Join via telephone: 1-312-626-6799

Meeting ID: 291 627 4744

The Superintendent designates R. Alfred Walker to act as the hearing officer for this rulemaking. Oral comments will be accepted at the public hearing from members of the public and other interested parties. Any updates concerning the hearing date, time, or location will be available by subscribing to the “Rulemaking and Ratemaking” newsletter at: <https://newsletter.osi.state.nm.us/>.

Copies of the Notice of Proposed Rulemaking and proposed new rules are available by electronic download from the OSI eDocket <https://edocket.osi.state.nm.us/guest/case-view/5754> or by requesting a copy by calling (505) 476-0333. Note: Due to the COVID-19 pandemic, the physical offices of the OSI remain closed to the public until further notice.

Written comments will be accepted through 4:00 p.m. May 20, 2022. Responses to written comments or oral comments will be accepted through 4:00 p.m. on May 31, 2022. All comments shall be filed electronically through the OSI eDocket <https://edocket.osi.state.nm.us/guest/case-view/5754> or mailed to:

**OSI Records and Docketing, NM Office of Superintendent of Insurance
P.O. Box 1689, Santa Fe, NM 87504-1689**

For help submitting a filing, please contact OSI-docketfiling@state.nm.us.

The below docket number must be indicated on filed comments.

Docket No. 2022-0033

IN THE MATTER OF ADOPTION OF NEW RULES 13.2.8 NMAC CREDIT FOR REINSURANCE

All filings must be received between the hours of 8:00 a.m. and 4:00 p.m. Monday through Friday except on state holidays. The Superintendent will consider all oral comments and will review all timely submitted written comments and responses.

SPECIAL NEEDS: Any person with a disability requiring special assistance to participate in the hearing should contact Melissa Gutierrez at 505-476-0333 no later than ten (10) business days prior to the hearing.

DONE AND ORDERED this 19th day of April, 2022
/S/RUSSELL TOAL