

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Superintendent of Insurance (“Superintendent”), and the New Mexico Office of Superintendent of Insurance (“OSI”), pursuant to the New Mexico Insurance Code, Section 59A-1-1 *et seq.* NMSA 1978 (“Insurance Code”), proposes a new rule pertaining to credit for reinsurance requirements to be codified in the New Mexico Administrative Code, 13.2.8 NMAC – Insurance Company Licensing and Operation – Credit For Reinsurance

The purpose of this rule is to implement the following rulemaking requirement contained in 2014 amendments in to Section 59A-7-11 NMSA 1978 as follows:

59A-7-11(B)(5)(c) NMSA 1978 “If the superintendent recognizes as qualified a jurisdiction that does not appear on the list of qualified jurisdictions, the superintendent shall provide thoroughly documented justification in accordance with criteria developed by the rule.”;

59A-7-11(B)(5)(d) NMSA 1978 “The superintendent shall consider the financial strength ratings that were assigned by rating agencies deemed acceptable to the superintendent pursuant to rule and assign a rating to each certified reinsurer.”;

59A-7-11(B)(5)(e) NMSA 1978 “A certified reinsurer shall secure obligations assumed from United States ceding insurers pursuant to this subsection at a level consistent with its rating, as specified in rules promulgated by the superintendent.”

This proposed rule adopts the National Association of Insurance Commissioners (NAIC) 2012 version of the Credit for Reinsurance Model Regulation. This proposed rule along with the 2014 amendments to 59A-7-11 NMSA 1978 are part of a broad effort to modernize reinsurance regulation and to conform with the Nonadmitted and Reinsurance Reform Act component of Dodd-Frank. Statutory authority for promulgation of this rule is found at Section 59A-7-11 NMSA 1978.

The proposed rule may be found on the OSI website at <http://www.osi.state.nm.us/>, under the “Rulemaking” tab and is incorporated by reference into this NOPR. A copy of the full text of the proposed rule is available by electronic download from the OSI website or the New Mexico Sunshine portal, or by requesting a copy in person at the NM Office of Superintendent of Insurance, 1120 Paseo de Peralta, Santa Fe, NM 87501.

The Superintendent will hold a public comment hearing beginning at **9:30 a.m. on Friday, March 30, 2018**, at the Office of Superintendent of Insurance, Fourth Floor Conference Room, PERA Building, 1120 Paseo de Peralta, Santa Fe, New Mexico.

OSI staff, all insurers, licensees, insurance business entities, other persons transacting insurance business in New Mexico, and the members of the public are encouraged to provide comments or file any written proposals or comments according to the criteria and schedule set forth as follows: (a) oral comments will be accepted at the public hearing from any interested parties; (b) written statements, proposals or comments may be submitted for the record, in lieu of providing oral testimony at the hearing are due no later than **4:00 p.m. on Thursday March 29, 2018**.

Written responses may be submitted for the record following the hearing and are due no later than **4:00 pm on Friday, April 6, 2018**. The Superintendent will consider all oral comments, and will review all timely submitted written comments and responses.

The record shall be closed at **4:00 p.m. on Friday, April 6, 2018**. Any person with a disability requiring special assistance in order to participate in a hearing should contact Melissa Martinez, at 505-476-0333 at least 48 hours prior to the commencement of the hearing.

Written comments, proposals, or responsive comments may be submitted via email to mariano.romero@state.nm.us or may be filed by sending original copies to:

OSI Records & Docketing, NM Office of Superintendent of Insurance

Attention: Mariano Romero, Room 331

1120 Paseo de Peralta, P.O. Box 1689, Santa Fe, NM 87504-1689

Docket No. 18-00009-RULE-PC

Only signed statements, proposals or comments will be accepted. Scanned or facsimile signatures or electronic signatures conforming to federal and state court requirements will be accepted with the understanding that if there is any dispute regarding a signature, OSI reserves the right to require that original signatures be provided to verify the electronic or facsimile signature. All filings must be received between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday except on state holidays. Any filings after 4:30 will be filed to the docket the next business day.

DONE AND ORDERED this 15th day of February, 2018.

S/JOHN G. FRANCHINI