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# PRC Insurance 'Meddling' Denounced

## Ex-Supers Support Independent Entity

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SANTA FE — Two former state insurance superintendents who support removing insurance regulation from the Public Regulation Commission say the current system is burdened with commissioners' meddling, political pressure, favoritism and instability.

Voters will be asked to change the state Constitution on Nov. 6 to establish an independent committee to appoint a superintendent of insurance. The Legislature would determine how the committee would be appointed, what its members' qualifications would be, and what the qualifications would be for the superintendent.

Today state law gives the PRC authority to appoint the superintendent but no authority to regulate insurance. That does not keep PRC members from trying to dictate decisions, manage personnel and meddle in day-to-day operations, the former superintendents said. Every superintendent since the PRC was formed in 1999 has been fired or pressured to resign, they said.

Don Letherer, superintendent from October 1999 until he was fired in early 2001, said elected public regulation commissioners pressured him into unwarranted investigations of insurance companies and insisted he hire incompetent but politically connected personnel. He said he lost PRC support when he proposed the Legislature appoint a committee to study title insurance reform.

Chris Krahling, who was insurance superintendent from 1995 through 1999 and an insurance industry executive until 2008, said the five elected public regulation commissioners are susceptible to lobbying by insurance, medical, hospital and other business lobbyists.

"The lobbyists exercise all of the influence they can on the commissioners," Krahling said. "That's their job. No one is on the other side except for the superintendent and the staff."

The commissioners in turn pressure the superintendent and the division's staff. "You spend 90 percent of your time dealing with commissioners," Krahling said, who reported to the elected three-member State Corporation Commission before it was replaced by the PRC.

"Insurance is a multibilliondollar industry regulated by people who earn thousands and are working for pensions," Letherer said. "The fight isn't fair."

The current system has given New Mexico a reputation for unstable regulation, Krahling said. Stability is essential "so the industry knows what to expect and consumers know they are being treated fairly," he said. "Stability comes from a good governmental structure."



LEATHERER: Pressured into investigations



KRAHLING: Says PRC susceptible to lobbying

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