

NEW MEXICO INSURANCE NOMINATING COMMITTEE

MEETING AGENDA MONDAY, NOVEMBER 4, 2019 10:00 A.M. New Mexico Gaming Control Board 4900 Alameda NE, Albuquerque, New Mexico

1. CALL TO ORDER

Chairman Thompson called the meeting to order at approximately 10:00 a.m.

A. Introductions

Each member of the Committee introduced herself/himself. Staff members and other attendees also introduced themselves as follows:

Members Present

R.E. Thompson, Chair
Randall Perkins, Vice Chair
Allegra Carpenter
Jennifer Ford
David Hunton
Geoffrey Romero
Patricia Greene Williams
Scott Yurcic

Members Absent

Benny Hodges

Staff Present

Melissa Martínez, Board Administrator

Others Present

John G. Franchini, Superintendent of Insurance
Bryan E. Brock, OSI General Counsel
Marah deMeule, Assistant Attorney General
Kevin Armijo, Public Information Officer, OSI
R.E. Thompson, Chairman Candidate (Previous) [later in the meeting]
Ray Vargas, Chairman Candidate (Previous)
Angela Romero, Attorney
Amy Landau, Chairman Candidate (New)
Gary Sandoval, New Mexico Title Association
Diane Denish, Chairman Candidate (New)

Carl Boaz, Stenographer

B. Approval of the Agenda

MOTION: Member Yurcic moved, seconded by Member Hunton, to approve the agenda as published.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

C. Approval of Minutes

- Regular Meeting Minutes of October 11, 2019

Member Williams requested these changes to the minutes:

- On page 3 at the top was a departure from what happened. Chair Thompson should become Mr. Thompson.
- On page 3, it should say that Member Hodges requested the pages be numbered.
- The next line had Member Yurcic with question marks and three lines down it had a member's first name and we need to be more formal than that.
- On page 12, 4th paragraph from the bottom, she thought Member Ford said she was not an attorney.

Ms. deMeule requested the following changes to the minutes:

- On page 18, second line from bottom, she suggested the word "other" be removed from the phrase "other cabinet secretaries" because the Superintendent is not a cabinet secretary.
- She would say, "a final motion as amended was approved." Mr. Hodges had an amendment, so it was approved as amended.

MOTION: Member Romero moved, seconded by Member Perkins, that the minutes of October 12, 2019 be approved as amended.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

Mr. Thompson turned the meeting over to Randall Perkins, Vice Chair, and sat in the audience as a Chair candidate.

2. INTERVIEW AND SELECT A COMMITTEE CHAIR

A. Requirements for the Chair Position

Vice Chair Perkins read the requirements concerning the election of Chair of the Nominating Committee, specifying the requirements on who could be a nominee for Chair of the Nominating Committee. He assumed all applicants have met those qualifications.

He also noted that another application had been submitted by Mr. Isidro Esquibel. He asked the Board whether to consider Mr. Esquibel, since the circumstances surrounding that application were that it was submitted after the deadline.

Member Williams said that after reading the email that came in, it was clear to her that there was a difference between in and that and the problem of Ms. Landau's application last time. The advertisement indicated that the application had to be received on a particular date, but no time of day was specified. It did not say by the close of business or by noon. Mr. Esquibel's application was received on that date due. In practicing in New Mexico courts, "You can file something until midnight on the date due. And with no time specified, in New Mexico, she believed it was timely and should be considered.

Vice-Chair Perkins agreed with that interpretation and indicated that in his work, they often accepted that premise.

MOTION: Vice-Chair Perkins moved, seconded by Member Hunton, to accept Mr. Esquibel's application for the ninth position of this Committee as Chair.

VOTE: The motion was approved on a unanimous (6-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

B. Introduction of Candidates for the Chair Position

- R.E. Thompson

- Ray Vargas

Vice-Chair Perkins reminded the Committee that we will not interview the two previous applicants, Mr. R.E. Thompson and Mr. Ray Vargas, again, since they were interviewed at the last meeting. He asked if any Committee members had further

questions after the last meeting.

By the silence, he presumed there were no other questions for them. He introduced both of them.

- Roman Garcia

Mr. Roman Garcia, a new applicant, was not present at the meeting for his interview.

- Amy Landau

Ms. Amy Landau introduced herself. She thanked the Committee for this opportunity and said she would very much like to serve as the Chair of this Committee, given her actual personal knowledge of the way the Office of the Superintendent of Insurance operates. She worked as Assistant General Counsel at OSI for over a year. She is now in private practice and has substantial experience, as well, as an attorney.

- Diane Denish

Ms. Diane Denish was invited to introduce herself.

Ms. Denish said she thought she was uniquely qualified to be the Chair of this Committee. She grew up in the independent insurance agency sector in Hobbs, New Mexico. Her first job, after being a babysitter and a soda jerk, was working for her dad. While married, she and her husband owned an independent insurance agency in Farmington, New Mexico for seven years. She worked every single day in that business for five years. When she returned to Albuquerque, she worked for a brokerage for a brief time, but most of the time it was insurance.

She said most of the reason she would like to serve was because of her recent experience as Lt. Governor and when she ran the "Insure New Mexico" program effort to promote all kinds of coverages and Medicare benefits. Out of that came the pregnant assistance program for pregnant women in which we expanded the opportunity for kids to stay on the parents' insurance until the age of 25, prior to the federal regulation on that. It also provided additional coverage for children under 5.

In 2012, she became a member of the Rural New Mexico Health Connections which was created as part of the Affordable Care Act. She served on that board for six years. And for any who don't know about New Mexico Health Connections, it was created as part of the Affordable Care Act as a consumer owned and operated plan. The requirement was to have a majority of consumers on the Board. She was not a consumer. However, they had to interview the consumers who applied after weeding out applications. They interviewed about two dozen people who were consumers on the health plan and chose Board members to put forward as a slate to be elected as the Board of Directors of New Mexico Health Connections.

In addition to that, she has served on many committees searching for CEOs, Department Directors under two Mayors, and nonprofits. She recently served under Tim Keller to help screen attorney applicants as well as City Clerk applicants. "I know how to run a meeting. I'm very familiar with the Statutes, the Open Meeting laws." She was proud, when she was Lt. Governor, to establish the Sunshine Portal, which gave citizens the opportunity to investigate every agency in State Government and, when used appropriately, with oversight and requirements. So the job of this Committee is to interview and hire a Superintendent. "I believe I have the unique skills to run the Committee, reach your levels of interest, application, work for the Committee to be fair and balanced and open for everybody."

- Isidro Esquibel

Mr. Esquibel was not present at the meeting to be interviewed for the position.

C. Interview New Candidates

- Amy Landau, New Applicant

Vice Chair Perkins asked Ms. Landau why she was seeking to be the 9th member of this Committee.

Ms. Landau said on a personal level, she didn't want her insurance premiums raised. She wanted the public to realize how important the Office of the Superintendent of Insurance is. She has personal experience, having worked there. She also worked for the AG's office for five years on Medicaid issues. Prior to that, she was in private practice, she worked with bonding and title insurance. She thought the Superintendent of Insurance impacts every citizen in New Mexico in some way. She said, "I think I can act as a bridge for Committee members because I am familiar with all divisions of OSI. I worked with many OSI employees and there is a lot of room for improvement both in the insurance industry, and consumers of the public."

Member Hunton asked why she left OSI.

Ms. Landau said it was because she retired.

Member Hunton saw in her resume a statement that since OSI left the PRC, the Office has not operated at that highest standards possible and necessary. He asked her why.

Ms. Landau said it is the way OSI responds to the public. While there, she handled the section of IPRA requests. Those people need a quick turnaround on their questions. She said since then, those people did not get a quick response.

Regarding hearings and filings of insurance that the Office is required to make, she

pointed out that the Insurance Docket is not inclusive of all matters that it should be. It is a matter of public record. Those kinds of things she has seen. People should be able to go to the docket to see exactly what is going on.

Member Williams thanked Ms. Landau for applying. After reviewing her resume, Member Williams did not see any experience on boards and commissions listed.

Ms. Landau said she did have experience with the mayor's office long ago. She is also a licensed architect and a member of the Mayor's Committee on selecting architects for city projects for several years. She agreed that recently, she didn't have experience on boards and commissions, but she did before working for the State.

Member Williams asked if she has ever been a chair of a board.

Ms. Landau said no.

Member Williams pointed out that there are over 20 departments in OSI.

Ms. Landau agreed. She said she used the 15 departments that are listed in their recent report.

Member Williams asked which department she is an expert in and which department she is weak in.

Ms. Landau said as Assistant General Counsel, she was familiar with all of them. She was very familiar with Company Licensing until it was shifted over to a more automated system per the National Association. There is a huge overlap and interaction between the Office and the National Association of Insurance Superintendents. They provide an enormous amount of support and recommendations on how the systems should work. She was familiar with all of that.

At the far end of IT, she was probably weaker. So much of IT is automated. She was familiar with examinations and there is much room for improvement with the examination processes used in the Office currently. She was very familiar with financial audits and worked with employees on figuring out premium tax issues. She also had five years of experience with Medicaid in the Office of Health and Health Insurance.

She said the Patient Compensation Fund has issues and she was involved in looking at questionable accounting. The area she was least familiar with, would be the Patient Compensation Fund because it is purposely opaque.

Member Carpenter asked if she was there when the Patient Compensation Fund was taken off the website.

Ms. Landau said she was trying to remember. She worked with it and made some recommendations on how to handle it. She was there when a lawsuit was filed but she

was not involved in it.

There were no other questions.

- Diane Denish - New Applicant

Vice-Chair Perkins asked Ms. Denish why she wanted to be Chair of this Committee.

Ms. Denish said when the administration changed, she indicated a couple of places where she would like to work with this administration and included the Nominating Committee was the second place she listed. So she applied to have a chance to serve the public again. It was all done quickly.

Member Williams asked how she views the interaction between this Committee and OSI.

Ms. Denish saw in the short term; the job is to make sure all Superintendent applications are appropriate, and the information is complete; then to work out the questions. She said she has not worked for the OSI and had not interacted except as Chair of the Board of New Mexico Health Connections over a six-year period. The interaction needs to be open and transparent to make sure the Committee has all the information needed.

Member Romero noted her experiences are on both industry side and consumer side. On the industry side, what lines of insurance she had experience with.

Ms. Denish said that since she first started, things have changed. It was customer service all the way then. As a co-owner, she was more involved in property and casualty insurance business and liability side of the business.

Member Romero asked about her involvement on the healthcare side.

Ms. Denish said it was primarily as Chair of the Board with New Mexico Health Connections and with the changes in the health industry with ACA. It was clear that our financial capability was going to rest on that law staying in place. "What was needed was providing a high-quality package for individuals and small businesses. We worked with the industry to market that product. It was essentially opening a new product line in the health insurance business. We interacted with co-ops around the country. New Mexico Health Connections still does exist for individuals. We sold it on the exchange and the agency-to-agency network."

Member Romero agreed that one function of this Committee is picking the Superintendent and overseeing the Superintendent's work to make sure his or her performance is satisfactory. He asked if she has the experience needed to actually function in that position.

Ms. Denish said she does. "I have had to evaluate CEOs before and will make sure I understood the various areas that needed attention; what was being ignored or not being enforced, and make sure to work with the Committee. I am not an attorney but will work with the legal entities necessary to make sure we have all the information needed to make a good decision."

Vice-Chair Perkins asked what qualified her to be the Chair of New Mexico Health Connections.

Ms. Denish said it was her past experience in the New Mexico insurance industry. I was on the founding Board for receiving the grant and executing the strategy for forming the Board and establishing the budget and opened the door for operation.

Ms. Ford asked what experience she has had on bi-partisan work specific to insurance.

Ms. Denish responded that the insurance industry in New Mexico is completely bipartisan. It involves legislators and department heads and people from coalitions that included both industry people and advocates. "We worked for over a year with regular meetings. One of my other bipartisan efforts was the creation of the Sunshine Portal, of which I am very proud of to take a step toward transparency in State Government." She gave an example. Most recently, she worked for the bi-partisan coalition to establish the Department of Education and Care. "We got two four no votes in the House and two no votes in the Senate, so that is about as bipartisan as you can get."

There no further questions

D. Follow-up Questions for Previous Applicants

Vice-Chair Perkins asked if there were follow-up questions for Vargas or Thompson.

There were none from the Committee.

Ms. deMeule addressed the number of votes required in the absence of Mr. Hodges. In reviewing the Statute, it is clear that "the ninth member of the Committee and Chair shall be selected by the majority of the other eight members. The absence of Mr. Hodges in no way prevents the Committee from moving forward. Since we have seven members of the Committee here today, I am confident the Committee can go ahead."

E. Invitation for Nominations

Vice-Chair Perkins said the nomination for Chair will include the applicants that are not present. He reasoned that there is no other way but to go down the list.

Vice-Chair Perkins nominated R.E. Thompson for the Chair's position. Member Hunton seconded the nomination.

Vice-Chair Perkins started to ask for a vote on the *motion* and asked for Ms. Martinez to call the roll.

A call for a point of order was made.

Ms. deMeule clarified the process. She indicated that once the nominations have been made, the Committee can take a vote on the nominees.

Member Yurcic asked if members are allowed to vote yes for more than one candidate if there are more than one candidate.

Ms. deMeule pointed out that at the last meeting, we allowed that. But it is up to the Committee to determine that. At the last meeting, there was a deadlock and was not able to reach a consensus.

Vice-Chair Perkins surmised, so he understood what Ms. deMeule just said, today we have more than two applicants and we go down the roll. He asked if each member is entitled to only one yes vote.

Ms. deMeule said in that method, then all are allowed to vote on each applicant in favor or not.

Member Carpenter nominated Diane Denish. Member Romero seconded the nomination.

Member Romero nominated Ray Vargas. Member Hunton seconded the nomination.

Member Carpenter nominated Amy Landau. Member Williams seconded the nomination.

Vice-Chair Perkins nominated Mr. Esquibel. Member Williams seconded the nomination.

Nobody nominated Roman Garcia and his name was removed from the list of applicants.

- Selection of Chair by majority vote

Member Hunton was still not sure if he could vote for more than one.

Vice-Chair Perkins explained that the first candidate who received a majority of votes from the Committee would be selected.

Ms. deMeule clarified that a majority of votes is 5 (majority of eight members). So the candidate must receive 5 votes to be elected.

Two members disagreed and believed it should be a majority of those present.

Ms. deMeule said her interpretation was based on the statute language.

MOTION: Member Carpenter moved, seconded by Vice-Chair Perkins, to accept a majority of those present.

Member Romero favored Ms. deMeule's interpretation instead of just those present.

Member Williams asked if the absent person is counted as a no vote.

Ms. deMeule said no.

MOTION: Member Williams moved, seconded by Member Romero, to table the motion.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

Vice-Chair Perkins asked for the vote for Mr. Thompson:

Mr. Thompson received two votes in favor and five votes against.

Ms. Denish received six votes in favor and was selected as Chair.

Vice-Chair Perkins thanked everyone here for the work in getting to a 9th member of this Committee.

Member Williams thanked all of the applicants for offering their time in public service.

Mr. Thompson said he appreciated being on the Committee and honored the Committee's selection.

Chair Denish also thanked the other candidates and from the Committee also.

4. SWEARING IN COMMITTEE CHAIR BY BOARD ADMINISTRATOR AND SEATING OF THE CHAIR

Ms. Martinez gave the oath of office to Diane Denish as Chair of the Nominating Committee and she was sworn in.

Member Romero thanked Vice-Chair Perkins for his service as Vice Chair.

Member Williams asked if the Committee could give Chair a few minutes to review the Superintendent applications since she has not had access to review the applications yet.

MOTION: Member Williams moved, seconded by Member Hunton to take a short break.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

At 10:00, Chair Denish declared a 20-minute break to review the applications for Superintendent.

The Committee reconvened at 10:19 a.m.

Chair Denish understood additional applications were in inboxes.

Ms. Martinez agreed. Mr. Russell Toal tried to apply on October 31. He tried without success per Ms. Williams, and per Ms. deMeule's email. She sent the questions to him and asked him to respond. He responded last night, answering the questions with his letter, references and his resume. But she was not able to print it last night.

Ms. deMeule said the decision whether to accept it is solely within the Committee's discretion.

Chair Denish said she would accept discussion on whether to accept his application.

Vice-Chair Perkins pointed out that the notice did not identify a specific time.

Ms. Martinez agreed that in the ad there was not a specific time given but on the application form it said by close of business.

The Committee members spent time reviewing the application on their phones and it was resent to those who did not have it and they all received the application.

MOTION: Member Romero moved, seconded by Member Yurcic to consider the application from Mr. Toal.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and

Yurcic voting in favor and none voting against.

5. SUPERINTENDENT OF INSURANCE CANDIDATE APPLICATIONS

A. Screening of Candidate Applications

Chair Denish announced there are eleven applications to consider.

For purposes of responding on this agenda and screening, the appropriate question is to ask if anyone sees a candidate whom you think is not a qualified applicant. Now is the time to speak to it.

None of the applicants were considered ineligible.

Chair Denish asked if the last applicant was qualified. He was a state employee for five years in technology. The Committee would need to ask him about his experience with insurance matters.

Member Williams asked for Staff remind the Committee of the statute qualifications.

Ms. deMeule read the statutory requirements again. She noted that the published ad also indicated other restrictions or qualifications. She handed a copy of that to the Chair.

Member Carpenter pointed out that the sub-committee that created the job description had the qualifications for the Chair but that same standard is not provided for the Superintendent position. She thought the statute, by design, doesn't want to cut out the possibility of a Superintendent who doesn't have that as a qualification.

Ms. deMeule clarified that the statute requires the Committee to actively solicit and evaluate. And the Committee has the right to inquire the candidate to submit any information that seems relevant to their consideration. So Member Carpenter is quite correct in talking about that.

Member Ford noted that it looked like one of the candidates (Joel Fierro) is not a New Mexico resident.

Member Williams said the way the application was designed was that if they answered "no" that they could be a New Mexico resident when sworn in.

B. Selection of Candidates for Interviews

Chair Denish asked if the Committee could consider all eleven.

Ms. deMeule said the last time, in 2013, the Committee had seven candidates and interviewed 5 of the 7.

MOTION: Member Romero moved, seconded by Member Yurcic, to interview all eleven candidates.

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

6. PROCESS FOR DEVELOPMENT OF INTERVIEW QUESTIONS

Vice-Chair Perkins had a set of questions that could be used to make sure we ask the same questions to all applicants and could weight them 1 through 5. He shared copies with the members to look at. He did not remember where he got them but liked the format.

The members looked over the list and began a discussion on which ones to include in an effort to pare down the number but understood they could add others to the list. They spent considerable time discussing the merits of each of the twelve questions on the list and worked toward a consensus.

In the discussion, the Committee decided that questions 1 and 4 could be combined; that question 12 could be covered in #3; that they should eliminate questions 8, 9, 10, and 11. They also decided to split #5 into two separate questions.

The Committee also decided to send the final list of questions to all candidates to consider beforehand and send responses back for the Committee to review ahead of time.

Member Williams suggested having a subcommittee work on finalizing the list of questions.

At the end of the discussion, the Committee had nine questions for the candidates.

Chair Denish thought the Committee members should have a score sheet for scores of 1-5. Member Carpenter thought scoring was unnecessary.

Ms. Martinez said she could circulate the final list on the day after this meeting.

Ms. deMeule cautioned them not to vote on it outside of the meeting which would constitute a rolling quorum.

Chair Denish asked for a new motion.

MOTION: Member Romero moved, seconded by Member Hunton, to adopt the revised list of questions and "enunciate the changes."

VOTE: The motion was approved on a unanimous (7-0) voice vote with Members Carpenter, Ford, Hunton, Perkins, Romero, Williams and Yurcic voting in favor and none voting against.

A. Possible Creation of Subcommittee

MOTION: Member Carpenter moved, seconded by Member Ford, that a subcommittee of one finalize the list for sending out.

Chair Denish asked for volunteers.

Member Romero agreed to do it.

No vote was taken. Chair Denish designated Member Romero to finish it.

7. PUBLIC COMMENT

There were no public comments.

8. CALENDAR NEXT MEETING

Ms. Martinez asked for deadlines. She will send the list out on the following day and said she could get them to the applicants by Wednesday. Then they could be returned by November 13. She would send the responses to the Committee members for the review on 14th and consider them at the meeting on Saturday, November 16.

Member Ford asked her to request their return by 5 pm.

Member Williams suggested half-hour interviews and lunch in order to be done by 5 pm.

Vice-Chair Perkins asked about interview order and when applicants need to be present.

Ms. Martinez said the room is reserved from 8-5 on Saturday and 10-3 on Sunday. The meeting is scheduled to start at 9:00 a.m. on Saturday.

Ms. deMeule mentioned the 60-day time frame which carries a deadline of November 18 so this schedule will be compliant with the statute.

Member Williams asked about the need for public comment.

Ms. deMeule said, in looking at past minutes, that the Committee could move up public comment on the agenda before the interviews.

The Committee agreed to restrict public comments to 2 minutes per commenter.

Member Carpenter favored not having time for public comment and favored not giving references for specific candidates.

PUBLIC COMMENT

There were no public comments.

9. ADJOURNMENT

Member Romero moved, seconded by Vice-Chair Perkins to adjourn the meeting at 12:21 p.m.