

FOR IMMEDIATE RELEASE

Media Contact: Heather Widler
O: 505-977-2335 | E: heather.widler@state.nm.us



Superintendent of Insurance Recovers Over \$50 million *Premium tax audit process moves swiftly and efficiently for resolution*

Santa Fe, NM – Beginning in 2014, Superintendent of Insurance, John G. Franchini, had concerns regarding premium tax collection and expressed a need to take a comprehensive look into the process and tax filings by insurance companies. After a 2016 limited-scope audit revealed potential issues and areas of correction needed, the Office of Superintendent of Insurance (OSI) worked with the Office of the State Auditor (OSA), the Legislative Finance Committee, and the Department of Finance and Administration to proceed with an independent audit.

OSI contracted with an audit-consulting firm, Examination Resources, to perform a special audit and targeted examination of 30 selected insurance companies from 2003 to 2016. Released in October 2017, the resulting reports revealed 13 of the 30 companies owed additional premium taxes. The in-depth analysis into premium tax collection provided resolution to Superintendent Franchini's requests for an independent examination of the process to determine under/overpayments, identify areas of improvements needed, and ultimately establish a solid, vetted collection methodology.

“Our office has worked diligently to abide by the statutes and by the guidance of both the OSA and Examination Resources to complete and improve the premium tax collection process and bring resolution to this chapter. With over \$50 million collected to-date and only one company still outstanding, we have been able to resolve 98% of the underpayments due to the State of New Mexico,” said Superintendent John G. Franchini.

OSI will proceed with the collection process and work to bring resolution to the single outstanding company's examination.

The special audit of premium taxes is available here:

https://www.saonm.org/media/audits/440_OSISpecialAuditSeptember2017PREMIUMTAXFILINGS.pdf

About the New Mexico Office of the Superintendent of Insurance

The Office of Superintendent of Insurance was created through New Mexico legislative action in 2012. Article XI, Section 20, of the New Mexico Constitution separated the Insurance Division

from the Public Regulation Commission, with the Superintendent of Insurance, John G. Franchini, being appointed by an insurance nominating committee, made of members chosen by the Legislature, governor, and by committee members.

OSI remains committed to consumer protection and fraud prosecution and education, through our mission to provide convenient access to consumers to reliable insurance products which are underwritten by dependable and financially sound companies. We strive to ensure that these companies have a proven history of fair and reasonable rates and are represented by trustworthy and qualified agents.

For consumer assistance through the Office of Superintendent of Insurance, please visit www.osi.state.nm.us or call us at 1-855-857-0972.

###