



Protecting New Mexico Residents Living in High-Risk Wildfire Areas Focus of Initiative

New Mexico State Senator Peter Wirth and State Representative Harlan Vincent and the Office of the Superintendent of Insurance Partner for the Fair Access to Insurance Requirements (FAIR) Plan

For Immediate Release

Contact: Tim Vigil, timothy.vigil@osi.nm.gov (505) 690-0651

Tom Garrity, tom@garritypr.com (505) 898-8689

The New Mexico Office of the Superintendent of Insurance (OSI) is taking steps to shore up resources to protect residents and business owners living in high-risk wildfire areas. Working with State Senator Peter Wirth (D-Santa Fe) and State Representative Harlan Vincent (R-Lincoln & Otero), the bi-partisan effort could provide for increased property insurance coverages in New Mexico.

With the recent fires that happened in California and the fires that burned in New Mexico near Las Vegas and Ruidoso, now is an important time to address increased insurance needs for these perils and address how the NM FAIR (Fair Access to Insurance Requirements) Plan can help New Mexican citizens and businesses.

The New Mexico FAIR Plan Act was enacted by the legislature in 1969 to provide essential property insurance to qualified applicants in the State of New Mexico who are unable to secure insurance in the open market. This Act created the NM FAIR Plan which allows consumers to purchase a policy at Actual Cash Value of the structure. The proposed changes to the NM FAIR Plan are to offer increased limits of coverage of \$1 million on occupied residential structures (up from \$250,000-\$350,000), and \$5 million on Commercial Structures (up from \$250,000- \$1,000,000). The NM FAIR Plan is managed by the New Mexico Property Insurance Program (NMPIP). The NMPIP is a “property Insurance pool” that is supported by every admitted property insurance company licensed to do business in the state of NM.

“The 1969 NM FAIR Act established an important state tool to assist New Mexico residents who cannot secure insurance coverage because they live in high-risk areas” said bill sponsor Senate Majority Leader Peter Wirth (D – Santa Fe). “With the recent natural disasters in New Mexico and the ever-increasing cost of replacement, now is the right time to update the coverages that have been offered in the past and make needed changes to the NM FAIR Plan.”

“The New Mexico FAIR Plan has been giving New Mexicans options to purchase coverage for their homes and businesses when Insurance Companies are not able to offer coverage in these high-risk areas,” said Representative Harlan Vincent (R- Lincoln & Otero). “Adding security to this program and increasing the limits of coverages is an important step that this legislation hopes to accomplish.”

OSI has identified that 7210 residents and 280 business owners are currently enrolled in the NM FAIR Plan.



“Having the NM FAIR Plan available to New Mexico residents who live in high-risk areas is a valuable resource that helps them rebuild their lives and businesses after a natural disaster” said Alice Kane, Superintendent of Insurance. “The high cost of replacing items that have been lost makes keeping this program funded a high priority for the Office of the Superintendent of Insurance”.

The amount of devastation that natural disasters are creating and the cost to rebuild today are significantly greater than when the Legislation was passed in 1969. Many Property Insurance Companies around the country and in New Mexico are pulling out of states that have a high potential for major events like fire, flooding and wind damage. Ruidoso is currently experiencing a high number of insurance non-renewals in addition to companies declining to write policies.

The New Mexico Property Insurance Program (NMPIP) offers an alternative for residents who have been turned down for insurance. This program is funded through premiums that are collected as well as any contingency funding that it receives from the New Mexico Legislature. The program will also require mitigation to help prevent future losses from wildfires and other perils. Without this program many New Mexicans would have no options to help them rebuild their homes and businesses after a natural disaster.

About the Office of the Superintendent of Insurance

The Office of the Superintendent of Insurance (OSI) is New Mexico’s agency for oversight and regulation of insurance. OSI oversees private health and life insurance, auto insurance, business insurance, home insurance, and title insurance. OSI reviews premium rates and other plan details to ensure insurance is reliable, the company is financially solvent, and rates are fair and reasonable. By overseeing producers (formerly known as brokers and agents) who sell insurance in New Mexico, OSI is committed to consumer protection and will do everything in its power to make sure that New Mexicans are treated with fairness and honesty when it comes to matters of insurance. For more information visit: <https://www.osi.state.nm.us/>

###