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HOUSE MEMORIAL 55

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Harlan Vincent

A MEMORIAL

URGING THE OFFICE OF SUPERINTENDENT OF INSURANCE TO PROMPTLY APPROVE THE PROPOSED CHANGES TO THE NEW MEXICO PROPERTY INSURANCE PROGRAM TO PROVIDE RELIEF TO HOMEOWNERS IN LINCOLN COUNTY AND OTHER COMMUNITIES THROUGHOUT THE STATE.

WHEREAS, the South Fork and Salt fires of 2024 devastated Lincoln county and other areas of New Mexico, destroying hundreds of homes and businesses and leaving many residents displaced; and

WHEREAS, the increasing risks of wildfires have made it difficult for homeowners to secure affordable insurance coverage through the private market; and

WHEREAS, the New Mexico property insurance program, commonly referred to as the "FAIR plan", was created under the FAIR Plan Act to provide essential property insurance to

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1 responsible and qualified applicants unable to secure coverage
2 through the normal market; and

3 WHEREAS, the FAIR plan acts as the insurer of last resort
4 and provides minimal coverage on an actual-cash-value basis,
5 which is accepted by certain mortgage lenders, to meet mortgage
6 requirements; and

7 WHEREAS, the governing committee of the New Mexico
8 property insurance program approved changes to the FAIR plan in
9 February 2025, including new coverage limits that align with
10 the needs of Lincoln county residents and other affected New
11 Mexico residents; and

12 WHEREAS, under the proposed changes, the FAIR plan would
13 increase coverage limits for residential properties up to seven
14 hundred fifty thousand dollars (\$750,000) while maintaining
15 coverage limitations for commercial properties; and

16 WHEREAS, these changes strike a balance between providing
17 necessary coverage for homeowners in high-risk areas and
18 maintaining the long-term financial sustainability of the FAIR
19 plan; and

20 WHEREAS, the office of superintendent of insurance is
21 responsible for reviewing and approving proposed changes to the
22 FAIR plan before they can be implemented; and

23 WHEREAS, delaying approval of these changes continues to
24 prolong uncertainty for Lincoln county residents and other
25 state residents in need of insurance coverage to rebuild and

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1 return to their homes;

2 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
3 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the house of
4 representatives fully support the governing committee of the
5 New Mexico property insurance program's decision to approve
6 increased coverage limits under the New Mexico property
7 insurance program, recognizing that this action will provide
8 critical relief to homeowners in Lincoln county and other
9 communities across the state; and

10 BE IT FURTHER RESOLVED that the house of representatives
11 urge the office of superintendent of insurance to promptly
12 approve the governing committee of the New Mexico property
13 insurance program's proposed changes so that Lincoln county
14 residents can secure policies as soon as possible and begin the
15 process of rebuilding and returning to their homes; and

16 BE IT FURTHER RESOLVED that copies of this memorial be
17 transmitted to the superintendent of insurance, the governor
18 and the members of the governing committee of the New Mexico
19 property insurance program.