

underscored material = new
[bracketed material] = delete

SENATE BILL 224

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

Gabriel Ramos and Jenifer Jones and Luis M. Terrazas

AN ACT

RELATING TO INSURANCE; ENACTING A NEW SECTION OF THE FAIR PLAN
ACT; PROVIDING A MAXIMUM INSURABLE VALUE FOR PROPERTIES INSURED
UNDER THE FAIR PLAN.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the FAIR Plan Act is enacted
to read:

"[NEW MATERIAL] FIRE DEPARTMENT INSURANCE LIMITS.--

A. The maximum limit of liability for a property
insured and subsequently damaged or destroyed by fire that is
located in the service area of a fire department that may be
insured under a FAIR plan shall be seven hundred fifty thousand
dollars (\$750,000) for a property insured and subsequently
damaged or destroyed by fire that is located in the service
area of a:

.233327.2

1 (1) fire department with a class rating of
2 eight, nine or ten or a similar rating system as determined by
3 a nationally recognized insurance service; and

4 (2) well-staffed and well-equipped fire
5 department with a class rating of one through seven or a
6 similar rating system as determined by a nationally recognized
7 insurance service.

8 B. As used in this section, "nationally recognized
9 insurance service" means an organization that collects
10 statistical data, promulgates rating information, develops
11 standard policy forms and files information with state
12 regulators of insurance on behalf of insurance companies and
13 rates fire departments based on the following factors:

14 (1) emergency communication systems, including
15 911 dispatch;

16 (2) fire department staffing, training and
17 equipment;

18 (3) water supply availability and pressure;
19 and

20 (4) community risk reduction programs and
21 other factors."