

1 SENATE BILL 224

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

3 INTRODUCED BY

4 Gabriel Ramos and Jenifer Jones and Luis M. Terrazas

10 AN ACT

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

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

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

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

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

.233327.2

underscored material = new
[bracketed material] = delete

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

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

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

(1) emergency communication systems, including 911 dispatch;

(2) fire department staffing, training and equipment;

(3) water supply availability and pressure;

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