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Insurance and Risk

Wind and Hail remain a huge risk for homeowners in New Mexico

- Risk is very high. It is almost inevitable that your roof will need significant repair or replacement at least once due to storm damage.
 - A new roof costs upwards of \$30,000. If you pay \$2500 annually in premium, that is a lot of risk for your insurer.
 - Many people see insurance as a sort of savings account, but that is incorrect.
 - Your policy resets every year. So, while it is understandable that a policyholder would want a generous payment on a claim after years of paying premium to the same carrier on the same property, it's just not that simple.

An Agent's Perspective

Customers are shopping around more.

- Prices are up across the board
- Policies are being non-renewed
- Some companies are not writing policies in certain places or are even pulling out of the market entirely.

Mitigation education for consumers is key.

- This is the single best way to increase availability of insurance.
- Customers need to know how insurance works and be able to understand the risk that insurers take on by covering their property.

Cost Drivers

- Home insurance premiums rise for a simple reason: It costs more to rebuild homes after storms and disasters.
 - Even if the insurance “rate” stays the same, higher replacement costs drive higher premiums—this isn’t something insurers can control.
- Insurers must be financially able to pay claims and are regulated to remain solvent.
- Some “rate caps” or restrictions can backfire.
 - If laws prevent insurers from pricing based on real risk, fewer companies may offer coverage. That can mean fewer choices for homeowners.

What actually helps lower long-term premiums?

- Build smarter and safer and encourage good land management
- Policyholders can choose to build their homes to certain standards and mitigate their risk.
- **Premiums go down when the “loss curve” improves (fewer big losses and less costly repairs).**

Thank You

The healthier the market, the more consumers are educated, and the more responsible the regulation, the better that New Mexicans will be protected.