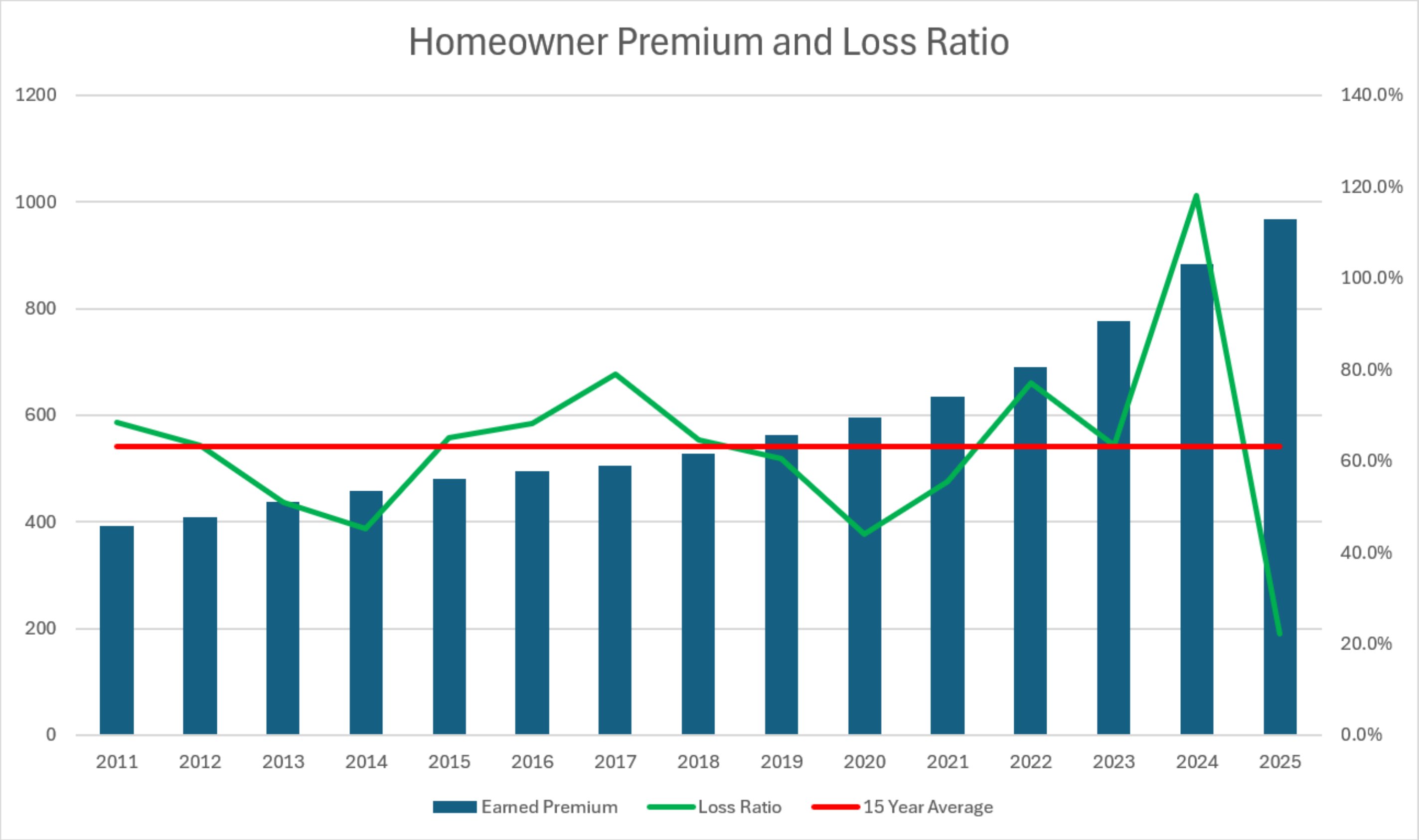
New Mexico Property Insurance Market Overview

Presented to the Legislative Finance Committee
July 21, 2026

Agenda

- Premium Volume and Loss Performance
- Market Concentration
- Rate Changes
- Non-Renewal Activity
- Fair Plan Update
- Rate Filing Statute

New Mexico Homeowners Market Performance



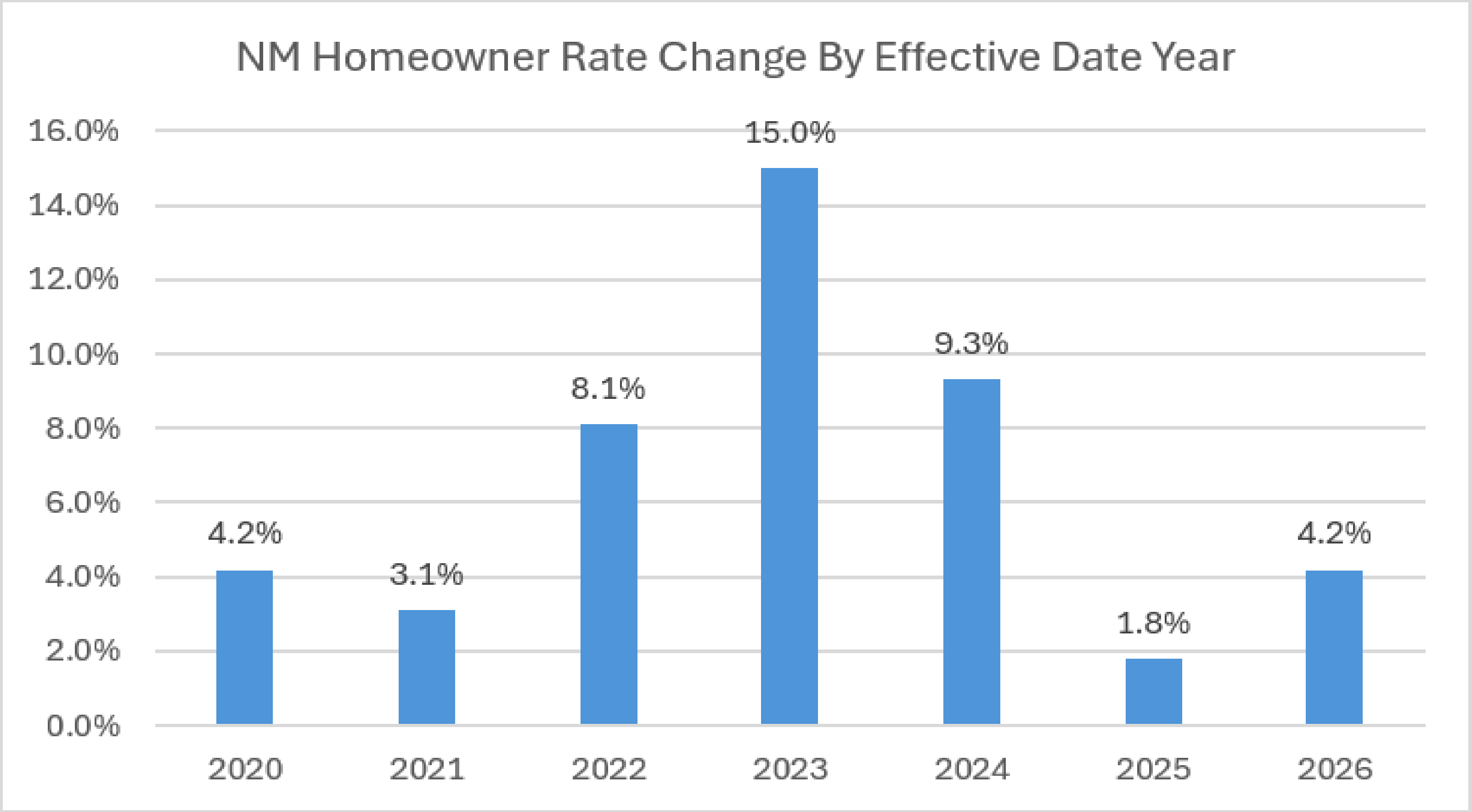
- Homeowners' premium has grown steadily and has accelerated with recent heightened rate changes.
- Loss ratio has hovered around 63% until 2024 (South Fork and Salt Fires) and 2025 (reserve releases from fires).

New Mexico Homeowners Market Concentration

Carrier	2025 Market Share	2024 Market Share
State Farm	21%	20%
Farmers	14%	16%
USAA	12%	12%
Liberty	10%	11%
Allstate	10%	9%
Travelers	6%	6%
American Family	4%	4%
Ioaw Farm Bureau	4%	4%
Munich Re (American Modern)	3%	3%
Auto Club (AAA)	2%	2%

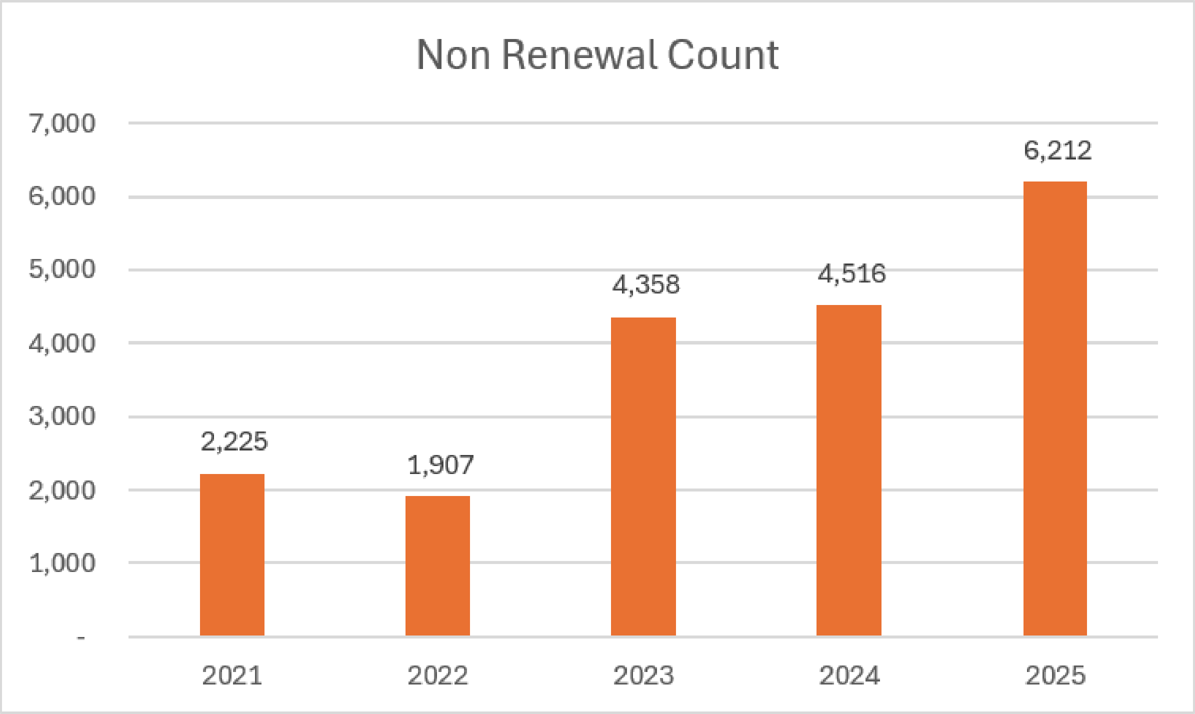
- The top 10 carriers account for 87% of New Mexico homeowners premium
- State Farm is the largest carrier and continues to gain market share

New Mexico Homeowners Rate Activity



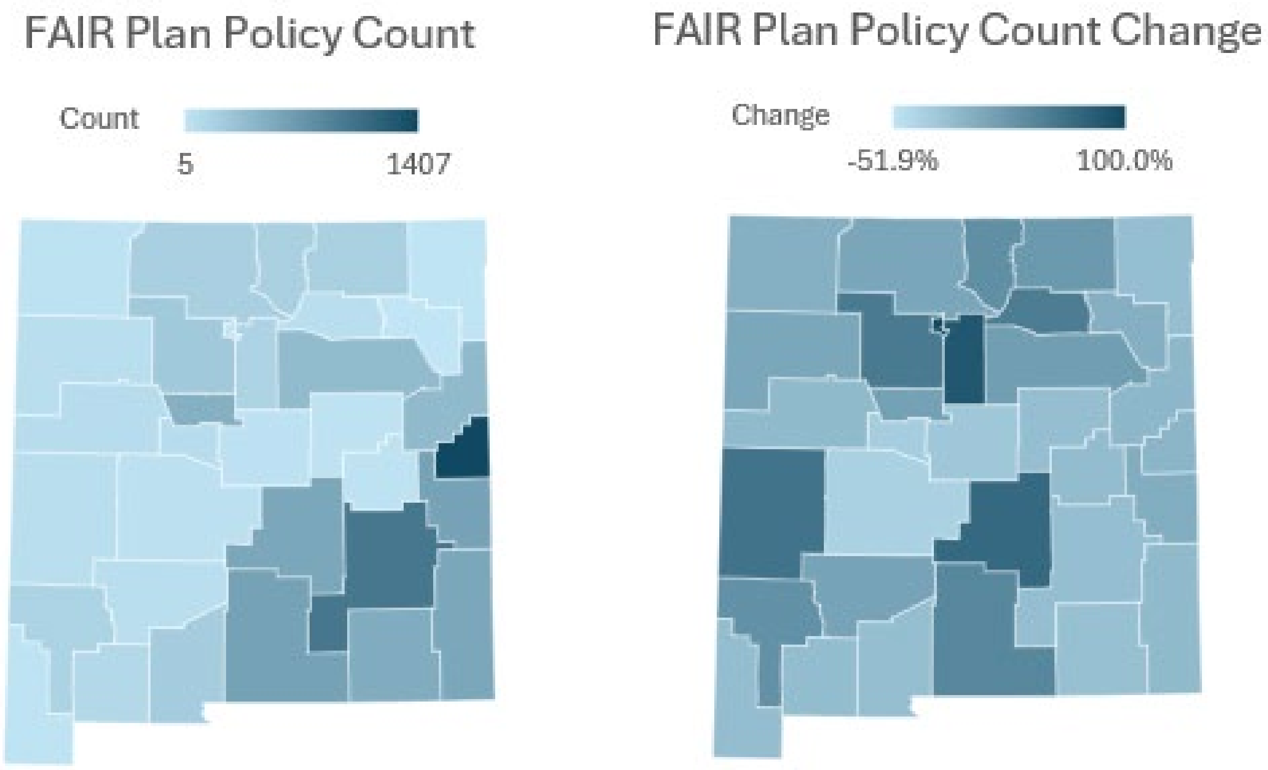
- The cost of construction materials increased with supply chain pressure during the pandemic.
- The frequency and severity of catastrophic events has increased and impacted the catastrophic models underlying premiums.
- Top carriers have begun to file significant mitigation discounts. 2026 homeowner filings include discounts up to 18% for IBHS Wildfire Prepared Home Plus mitigation and 5% for Firewise communities.

New Mexico Homeowners Nonrenewal Activity



- Nonrenewal activity continued to increase in 2025
- The largest increases in nonrenewal count were from wildfire prone counties (Rio Arriba, Sandoval, Santa Fe, Taos)
- OSI will be introducing quarterly data call with top 10 carriers to collect regular nonrenewal information going forward.

New Mexico FAIR Plan Growth



- The largest concentration of FAIR plan policies is in the southeast portion of the state. Wind and hail catastrophe prone counties of Chaves, Curry have the most polices, followed by Wildfire prone Lincoln and Otero.
- The most significant growth in the FAIR plan has been in wildfire prone areas. Lincoln, Los Alamos, Santa Fe, Mora and Otero are seeing rapid growth.
- The FAIR plan has written 577 policies over $350K since expanding coverage limits up to $750K. The two counties with the most policies at the higher limits are in Lincoln and Otero counties.

Rate Filing Statutes

<u>Rate Filing Statute Types</u>

Filing Law	NM P&C Line Example	Effective Date Timing	Disapproval Allowed
File and Use	Home, Auto	Filing must be SUBMITTED before rates effective	Inadequate/Unfairly Discriminatory
Prior Approval	Workers' Compensation	Filing must be submitted 30 to 60 days in advance and APPROVED before rates effective	Excessive/Inadequate/Unfairly Discriminatory
No File	Commercial Auto	Not Applicable	Not Applicable

- Private Passenger Auto and Homeowners have seen significant rate increases since the pandemic and both fall under "File and Use" rating law in New Mexico.
- 19 states throughout the country treat these lines of business as "Prior Approval" for rate filings. These states vary in size and political demographics.
- MT recently announced they had saved Montanans over $18M in premium from denying excessive rate increases.
- NM could consider revising the filing law for these lines of insurance through legislation.