July 2026

Property Insurance in New Mexico

Alice T. Kane, Superintendent, Office of Superintendent of Insurance
Melissa Robertson, Bureau Chief of Property and Casualty, OSI
Homeland Security and Emergency Management Department
Prepared by: Julisa Rodriguez, Fiscal Analyst, LFC

Property Insurance in New Mexico

- Based on the most recent available National Association of Insurance Commissioners (NAIC) homeowners insurance data, New Mexico homeowners paid an average annual premium of $1,340 per policy, compared with the national average of $1,559. The statewide average increased approximately 9 percent compared to the previous year.
  - Multiple factors have contributed to rising property insurance premiums, including higher costs to repair and replace damaged property, increased catastrophe risk, changes in development patterns, and variations in claims experience across markets.
- Based on 2024 NAIC data, New Mexico's homeowners insurance market had an average loss ratio of 118 percent. Loss ratio is the percentage of premiums paid out as claims. The ideal loss ratio generally falls between 50 percent to 70 percent.
  - The loss ratio in New Mexico rose dramatically from 55.5 percent in 2021 to 188 percent in 2024, roughly 239 percent increase over the 2021 level.
  - The US average in 2024 was 61.2 percent.
  - The elevated loss ratio in New Mexico is likely influenced by wildfires, including the South Fork and Salt wildfires, and other severe weather events.

Homeowners Insurance in New Mexico: Market Share and Loss Ratios 2024

Company	Direct Written Premium ($000)	Direct Earned Premium ($000)	Loss Ratio	Market Share
State Farm	187,269	173,932	219.1%	20.0%
Farmers Insurance	148,999	148,373	88.6%	15.9%
USAA	113,760	110,254	87.9%	12.1%
Liberty Mutual	99,496	91,223	100.6%	10.6%
Allstate	80,868	72,847	64.8%	8.6%
Travelers	56,952	55,075	53.5%	6.0%
American Family	37,351	35,048	42.9%	3.9%
Iowa Farm Bureau	36,187	31,576	226.9%	3.8%
Munich Re	30,840	26,377	351.3%	3.3%
Hartford Fire & Casualty	18,196	17,780	73.6%	1.9%
Total	**935,370**	**883,957**	**118%**	**100%**

Source: NAIC, 2024 Market Share Reports for Property/Casualty Groups

- The Office of the Superintendent of Insurance (OSI) analyzed non-renewal data from the 10 largest homeowners insurance carriers from January 2021 through July 2024 and identified 10,569 statewide non-renewals. Non-renewal activity increased significantly in 2023, rising 129 percent statewide, and remained elevated during the first half of 2024.

Fair Access to Insurance Requirements (FAIR) Plan

- New Mexico's Fair Access to Insurance Requirements (FAIR) plan offers coverage to owners who cannot access insurance in the normal market. The program offers limited liability for residential and commercial properties. The program recently increased maximum liability limits.
    - Unlike normal coverage, the plan only covers actual cash value, or the depreciated value of the property. It does not cover the full recovery cost.
    - The FAIR plan is funded by assessments on insurance companies and homeowner insurance premiums.

Coverage Limits for FAIR Plan

Property Type	Coverage Category	Max Liability Limit (in thousands)
Residential	Adequate fire protection	$750.0
	Limited or no fire protection	$500.0
Commercial	Per-building	$2,000.0
	Per-policy	$5,000.0

Source: NMPIP

- Based on the 2025 NM FAIR plan exposure data, the five counties with the largest combined commercial and residential exposure are Curry, Chaves, Bernalillo, Lincoln, and Otero counties, which together account for approximately $565 million of the plan's $1.21 billion total exposure, or about 47 percent of statewide exposure. Residential dwellings continue to represent the largest share of the plan's exposure, accounting for approximately $1.09 billion (90 percent) of total insured exposure statewide.

Largest County Exposures in the New Mexico FAIR Plan 2025

County	Exposure (in millions)	% of Total FAIR Plan
Curry	$154.7	12.8%
Chaves	$113.7	9.4%
Bernalillo*	$103.8	8.6%
Lincoln	$99.5	8.2%
Otero	$93.1	7.7%

* Includes Bernalillo County and Albuquerque exposures combined.

Source: NMPIP

The Legislature appropriated $2 million to OSI for a study of the fire insurance market for expenditure in FY25 and FY26. The agency has spent $1.6 million, or 80 percent, to date. The unspent balances will revert to the general fund.

- OSI allocated $1 million to contract with a software company, Zesty AI, for its wildfire risk mapping technology to identify high-risk properties and communities, assess wildfire concentration risk, and prioritize mitigation efforts for FAIR plan properties.
- OSI also allocated $60 thousand for each of three additional studies: an updated wildfire risk market study, development of statewide standards for safe residential re-entry following wildfire smoke and fire damage, and an analysis of property owners insured through the New Mexico FAIR plan.
- The remaining $300 thousand was spent on public outreach and education efforts, including statewide advertising, research and polling, FAIR plan awareness campaigns, and stakeholder engagement to promote wildfire preparedness and mitigation.

NM FAIR Plan Claims Activity by Peril 2025

Peril	Number of Claims	Amount Paid
Wind/Hail	469	$3,572,162
Fire	22	$860,895
Vehicles	7	$20,646
Vandalism	6	$19,148
Lightning	1	$0
Smoke	0	$0
Total	**505**	**$4,472,851**

Source: NMPIP

- During the 2025 session, the Legislature appropriated $10 million to OSI to the New Mexico FAIR program for mitigation, property insurance needs, programs and initiatives statewide. The appropriation was extended through fiscal year 2027. To date, OSI has encumbered $65 thousand, of the appropriation. Of current expenditures, $56.9 thousand has been spent on personnel costs and $8.1 thousand on other expenses, such as meals, lodging, and airfare. Previously, OSI had noted it plans to use funds to support mitigation efforts in areas with the highest wildfire risk following the fire insurance market study.