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FISCAL IMPACT REPORT

SPONSOR Steinborn LAST UPDATED _____
ORIGINAL DATE 2/17/2023
SHORT TITLE Search & Rescue Volunteer Insurance BILL NUMBER Senate Bill 455
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DPS (risk premiums)	No fiscal impact	\$19.0	\$19.0	\$38.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Department of Public Safety (DPS)

General Services Department (GSD)

Department of Homeland Security and Emergency Management (DHSEM)

SUMMARY

Synopsis of Senate Bill 455

Senate Bill 455 (SB455) would create the Search and Rescue Act as a new section to Chapter 24 to require the Risk Management Division (RMD) at GSD to maintain an accident insurance policy that covers search and rescue volunteers. The bill sets policy minimums of \$150 thousand for accidental death or dismemberment of a volunteer that occurs during an authorized search and rescue mission and \$50 thousand for medical expenses related to injuries a volunteer may incur during an authorized search and rescue mission or training exercise.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

Presumably, some volunteers would be employees of agencies or organizations, and some would not. Employer workers' compensation coverage does not generally cover volunteers.

RMD reports it maintains an insurance policy for noncompensated search and rescue (SAR)

volunteers while under the direction of DPS. Funding for claims comes from the public liability fund. The cost to DPS is approximately \$4,000 per year and the maximum benefit for accidental death and dismemberment is \$50 thousand and the maximum for accident medical expenses is \$25 thousand. The increase in benefits will increase the cost of coverage in the agency's base budget request by approximately \$19 thousand.

The combined financial position of the agency's major risk funds declined from 98 percent in FY21 to 55 percent in FY22. The position of the public liability fund was particularly hit hard, with assets falling from \$63.4 million to \$52.7 million while projected liabilities increased from \$59.5 million to \$75.9 million. Because the RMD funds claims payments on a trailing five-year basis, this deterioration could indicate agencies will face increased rates in future fiscal years.

SIGNIFICANT ISSUES

The Department of Homeland Security and Emergency Management expects the insurance coverage to provide relief to a search and rescue volunteer, in the event that such a policy is utilized due to a tragic event.

Section 24-15A-5 NMSA 1978 currently requires the state search and rescue resource officer at DPS to periodically review requirements for insurance coverage for volunteers, in addition to maintaining rosters of people, agencies, and organizations available for search and rescue purposes; developing a training program for instructors; and adopting a system of certification.

TECHNICAL ISSUES

DPS suggests an amendment to either SB455 or Section 24-15A-3 (Definitions) to add a definition of "search and rescue volunteer" as "a noncompensated individual who is registered with the state search and rescue control agency as having volunteered on a search and rescue mission."

NONSUBSTANTIVE

There are currently more than 40 volunteer search and rescue organizations in New Mexico and surrounding states. Many specialize in areas such as man tracking, high angle technical rescue, cave rescue, water recovery, missing aircraft, dog or horse search teams, and 4WD search teams.

QUESTIONS

How many incidents with search and rescue volunteers claiming injuries the past five years?

AHO/hg/al