

LFC Requester:

Austin Davidson

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 1/27/2026

Check all that apply:

Bill Number: SB 154Original  Correction Amendment  Substitute Sponsor: Sen. DuhiggShort Title: Insurance Coverage forWildfire & FloodsAgency Name  
and Code430 – Public Regulation  
Commission

Number:

Person Writing

Scott CameronPhone: (505)490-2696Email jerri.mares@prc.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### **Synopsis:**

Section 1 of SB 154 seeks to add a new Section to NMSA 59A-18 that would add related flooding damages to insurance policies that include wildfire damage as a covered loss. These new damage categories would be required to be considered covered losses for 5 years after the wildfire was controlled.

Section 2 provides that these requirements will apply to policies issued on or after July 1, 2026.

#### **FISCAL IMPLICATIONS**

N/A

#### **SIGNIFICANT ISSUES**

None

#### **PERFORMANCE IMPLICATIONS**

None

#### **ADMINISTRATIVE IMPLICATIONS**

None

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

#### **TECHNICAL ISSUES**

None

#### **OTHER SUBSTANTIVE ISSUES**

Section 1's additional mandatory coverage requirements for wildfire policies may result in changes to the insurance market, including significant premium increases for policyholders as well as market exit by some insurers. The bill's requirement that these costs be included for a period of five years after a wildfire has been controlled may further exacerbate these impacts by extending the duration of uncertainty and exposure for insurance carriers.

#### **ALTERNATIVES**

None

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo

#### **AMENDMENTS**

N/A