

STATE OF NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE



SUPERINTENDENT OF INSURANCE
Alice T. Kane

DEPUTY SUPERINTENDENT
Colin Baillio

BULLETIN 2024-007

JUNE 18, 2024

TO: ALL INSURANCE COMPANIES THAT HAVE ISSUED RESIDENTIAL PROPERTY INSURANCE POLICIES COVERING RISKS LOCATED IN THE STATE OF NEW MEXICO

RE: PAYMENT OF RESIDENTIAL PROPERTY LOSS CLAIMS FOLLOWING THE SALT AND SOUTH FORK WILDFIRES

This bulletin is issued in accordance with Sections 59A-2-8, 59A-2-10 and 59A-4-3 NMSA 1978, and with 13.1.2.9 NMAC.

Upon an order by the Governor based upon the invocation of a state of emergency under the All Hazard Emergency Management Act, the Superintendent of Insurance, may “take those actions necessary to ensure access to insurance and the stability of insurance markets during the emergency.” NMSA 1978, Section 59A-2-8(A)(11). The Superintendent issued an Emergency Order on June 18, 2024 related to the subject matter of this bulletin. A link to the Emergency Order may be found at the following link to the Office of Superintendent of Insurance website: <https://a.storyblok.com/f/132761/x/02ff23b826/amended-emergency-order-06182024.pdf>

The Salt Fire and South Fork Fire, and others, have burned and continue to burn nearly 20,000 acres and are 0% contained in the State of New Mexico. The Governor has issued an Executive Order, No. 2024-033 declaring emergencies caused by the Salt Fire and South Fork Fire. Executive Order No. 2024-033 declared that over 500 structures have been impacted by the fires thus far; the fires have led to the evacuation of the Village of Ruidoso and may require other nearby communities to evacuate; the Mescalero Apache Tribe has issued an executive order declaring a

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state of emergency due to these fires; Lincoln County has issued a local disaster declaration, confirming that all local resources available are insufficient to cope with the resulting situation and requested aid, assistance, relief programs, and funding from the State of New Mexico.

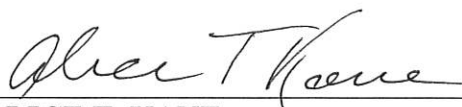
The purpose of this bulletin is to remind insurers of the statutory coverage requirements for residential property insurance policies contained in Section 59A-18-17(C), NMSA 1978, and to require all insurance companies that have issued residential property insurance policies covering risks located in the state of New Mexico that they must follow the applicable requirements of the Superintendent's Emergency Order dated June 18, 2024, Docket No. 2024-0051. The Emergency Order may be found at the following link to the Office of Superintendent of Insurance Website:

Insurance policies covering residential property are statutorily required to provide coverage for the cost to repair or replace the damaged or destroyed property without any deduction for depreciation. If the insured party elects to make the repairs themselves, a reasonable overhead expense is required.

While individual company policy forms that provide for coverage in an amount less than full replacement value may have been approved for use in New Mexico, the coverage requirements found in Section 59A-18-17(C), NMSA 1978, control. The Office of Superintendent of Insurance expects all property and casualty insurance companies to act in good faith and use fair claim settlement practices that comply with state law. The Office of Superintendent of Insurance will closely monitor claims settlements and consumer complaints related to the wildfires and may take additional measures as necessary.

Questions regarding this bulletin should be directed to Melissa Robertson, by emailing Melissa.Robertson@state.nm.us or by calling (505) 670-2704.

ISSUED this 18th day of June, 2024.



ALICE T. KANE
Superintendent of Insurance