



**NEW MEXICO
BUSINESS COALITION**

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RE: SB 154 Insurance Coverage for Wildfire & Floods – NMBC Opposes

Dear Chair and Committee Members:

On behalf of the New Mexico Business Coalition (NMBC), I write to respectfully express our opposition to Senate Bill 154.

NMBC strongly supports policies that promote resilience and protect New Mexicans from the devastating impacts of wildfire and other natural disasters. However, SB 154 imposes a new insurance mandate that fundamentally alters private insurance contracts by requiring wildfire policies to automatically include flood coverage for an extended period of time. While well-intentioned, this approach raises serious concerns regarding market fairness, cost impacts, and long-term insurance availability in our state.

Insurance markets operate on actuarial risk assessment and pricing integrity. Mandating additional coverage without a clear actuarial framework distorts risk pools and undermines the principles that allow insurers to price products responsibly.

New Mexico has already experienced insurance market instability in certain sectors. Adding additional mandated exposure may unintentionally reduce competition, discourage carriers from expanding coverage in high-risk areas, or result in tightened underwriting standards that make it harder — not easier — for property owners to obtain affordable coverage.

We are also concerned that this proposal moves forward without sufficient engagement with insurers, actuaries, and the broader business community to fully evaluate long-term impacts. Well-intended policy changes can carry unintended economic consequences if not carefully balanced.

New Mexicans deserve access to stable, affordable insurance markets. Policies that significantly expand mandated coverage should be carefully vetted to ensure they do not create higher costs, reduced availability, or market contraction.

For these reasons, NMBC respectfully urges a **NO vote on SB**.

Thank you for your consideration.

Carla J. Sonntag
President and CEO