

LFC Requester:

Julisa Rodriguez

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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: 2/11/2025

Check all that apply:

Bill Number: SB284Original Correction Amendment Substitute Sponsor: Berhmans, Duhigg
Charley, Brantley
TobiassenAgency Name
and CodeOffice of Superintendent of
Insurance - 440Short Title: Foster Children & Homeowners
Insurance

Number:

Person Writing Timothy VigilPhone: 505-690-0651 Email Timothy.Vigil@osi.n**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$85,209	\$85,209	\$170,418		

(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:

SB284 enacts a new Section of the New Mexico Insurance Code so that a foster child is not disqualified from premises (homeowner's) liability insurance coverage.

FISCAL IMPLICATIONS

This change would require the hiring of an additional full time employee at pay band 65.

SIGNIFICANT ISSUES

None identified.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

SB284 would cause a significant increase in the number of filings OSI's Property and Casualty Bureau would need to review. If passed, form filings (insurance policies and addendums) would need to be examined to determine compliance with the law. Compliance would require removal of the term foster children from the definition of "family member" or "residents" (or similar definitions). Existing Homeowner's liability insurance policies generally exclude coverage for owners and "relatives", a definition which frequently includes foster children. Policy language would need to be developed to include "foster children" as covered persons to provide for coverage. Also, form language would need to be developed to address those circumstances when the foster care placement situation changes in a manner that would affect coverage, and to address those situations where a foster child is placed in a blood relative's home (disqualified from coverage) as opposed to a non-relative's home (not disqualified).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

The bill seeks to ensure premises liability insurance coverage for a minor child placed in substitute care or foster care by CYFD or by a licensed child placement agency but fails to identify where or in what Article of the Insurance Code the exemption would be located.

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None

AMENDMENTS

Identify the appropriate Article of the Insurance Code that would be amended.