

New Mexico Counties

Advancing Counties through Service, Education, Advocacy and Leadership



NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

December 4, 2024, 8:30 a.m.

**NMC Office
444 Galisteo Street
Santa Fe, NM 87501**

Serving New Mexico's Counties for More than 75 Years

**New Mexico Counties
444 Galisteo Street
Santa Fe, NM 87501
1-877-983-2101
505-983-2101
www.nmcounties.org**

Harnessing the winds of change...

Our Mission

The NMCI insurance Pool delivers superior, comprehensive and sustainable insurance and risk management services to New Mexico counties with a culture focused on leadership, innovation and integrity to save counties money and keep their citizens & employees safe

We collaboratively partner with our members through...

- Flexible and affordable insurance programs
- Efficient claims processing with specialized services
- Targeted education
- Advocacy for good legislation
- Strategic partnerships
- Comprehensive loss prevention services
- Legal bureau
- Networking opportunities
- Sound technology platforms
- Diversification of our membership
- Consistent communication

Our Bold Steps

- Hold member NMCI workshops at summer conference & district meetings
- Articulate our core values & mission
- Develop a communication & marketing plan
- Educate board about the Captive & discuss strategy
- Perform Capital Adequacy Assessment process
- Create a comprehensive history archive & condensed version
- Develop a plan to approach non-county entities
- Change process to elect board members earlier
- Develop a member services strategy
- Develop an internal succession plan

Our Vision

It's 2025 and...

- We anticipate & adapt to changes, are responsive to our members' needs and provide innovative education for members, board and staff
- Our growing membership value their ownership of the pool, are invested in NMCI's long term success & meet their responsibilities
- We are financially stable and invest our growing capital to meet the coverage needs of our members over the long term
- Our board and staff equip future leaders to steer NMCI forward, informed by our history and core values

2022 NMCI Board Retreat



**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 1.	<u>Item Title:</u> Call to Order /Roll Call
<u>Presenter (s):</u> Lance Pyle, Chair Cynthia Stephenson, Risk Management Specialist	
Call to order time:	



NMCIA Board of Directors 2024

Officers

Chair	Vice-Chair	NMC Representative
Lance Pyle <i>Curry County Manager</i>	Gregory S. Shaffer <i>Santa Fe County Manager</i>	Michael Meek <i>County Commissioner</i>

GROUP I, GEOGRAPHICAL DIRECTORS

Term Expires 1/2025

NORTHWEST	NORTHEAST	SOUTHWEST
Jhonathan Aragon <i>Valencia County Deputy Manager</i>	Lance Pyle <i>Curry County Manager</i>	Charlene Webb <i>Grant County Manager</i>
Cibola, Los Alamos, McKinley, Rio Arriba, Taos, Torrance, Valencia	Colfax, Curry, Guadalupe, Harding, Mora, Quay, San Miguel, Union	Catron, Grant, Hidalgo, Luna, Sierra, Socorro

SOUTHEAST
Roberta Gonzales <i>Eddy County Finance Director</i>
Chaves, De Baca, Eddy, Lea, Lincoln, Otero, Roosevelt

GROUP II, CLASS A DIRECTORS**Term Expires 1/2026**

BERNALILLO	BERNALILLO	DOÑA ANA
Lisa Sedillo-White <i>Deputy County Manager for General Services</i>	Shirley Ragin <i>Deputy County Manager for Finance</i>	Diana Murillo <i>County Commissioner</i>

SAN JUAN	SANDOVAL	SANTA FE
Cynthia Singleton <i>Claims Manager</i>	Michael Meek <i>County Commissioner</i>	Gregory S. Shaffer <i>County Manager</i>

GROUP III, POPULATION DIRECTORS**Term Expires 1/2026**

SMALL COUNTY	MID-LEVEL-LOW COUNTY	MID-LEVEL-HIGH COUNTY
Brandy Thompson <i>Union County Manager</i>	Kate Fletcher <i>Cibola County Manager</i>	Danny Monette <i>Valencia County Manager</i>
Catron, Colfax, De Baca, Guadalupe, Harding, Hidalgo, Mora, Quay, Sierra, Torrance and Union	Cibola, Grant, Lincoln, Los Alamos, Luna, Roosevelt, San Miguel, Socorro and Taos	Chaves, Curry, Eddy, Lea, McKinley, Otero, Rio Arriba and Valencia

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
Annie Hogland <i>Curry County Clerk</i>	Terri Fortner <i>San Juan County Clerk</i>	Michael Eshleman <i>Sandoval County Attorney</i>

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 2.	<u>Item Title:</u> Approval of Agenda
<u>Presenter (s):</u> Lance Pyle, Chair	
<div style="display: flex; justify-content: space-between; margin-top: 10px;"><div>Motion by:</div><div>Seconded by:</div></div>	



NEW MEXICO COUNTY INSURANCE AUTHORITY BOARD OF DIRECTORS MEETING

December 4, 2023, 8:45 a.m. *

This meeting immediately follows the New Mexico County Reinsurance Inc.
annual shareholders meeting.

AGENDA

Online

<https://us02web.zoom.us/j/89884488395?pwd=u7lnbYSxftVMYwBelEnhb518aPbUN.1>

* In accordance with the New Mexico Open Meetings Act, the New Mexico County Insurance Authority Board of Directors (NMCIA Board) may recess and reconvene this meeting on December 5, 2024, at 8:30 a.m. If the NMCIA Board does, in fact, recess and reconvene this meeting, notice of the date, time, and place of the reconvened meeting will be posted (1) on or near the door of the place where the original meeting was held (if any); (2) at New Mexico Counties' offices (444 Galisteo Street Santa Fe NM 87501); and (3) on New Mexico Counties' website (<https://www.nmcountries.org/services/insurance>).

If the NMCIA Board completes the agenda on December 4, 2024, it will not meet on December 5, 2024.

1. Call to Order / Roll Call	Lance Pyle	Pg. 3
2. Approval of Agenda	Lance Pyle	Pg. 6
3. Approval of Minutes of October 23, 2024 and November 14, 2024	Lance Pyle	Pg. 8
4. 9:00 a.m. Executive Session – Pending and Threatened Litigation for Bernalillo and Eddy Counties Per New Mexico Open Meetings Act 10-15-7-H(7)	Lance Pyle	Pg. 17
5. Board Action Items		
A. Approve NMCIA Board 2025 Open Meetings Act Resolution	Lance Pyle	Pg. 18
6. Board Presentations		
A. Executive Director Update	Joy Esparsen	Pg. 19
B. Financial Reports	Richard Garcia	Pg. 34
C. Risk Management Update	Grace Philips	Pg. 60
7. Board Reports		
A. Legal Bureau Update	Brandon Huss	Pg. 62
B. Loss Prevention Update	Greg Rees	Pg. 64
C. Workers' Compensation Update	Kamie Denton	Pg. 72
8. Other Business	Lance Pyle	Pg. 75
9. Adjournment	Lance Pyle	Pg. 76

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> <p style="text-align: center;">3.</p>	<u>Item Title:</u> Approval of Minutes of October 23, 2024 and November 14, 2024
<u>Presenter (s):</u> Lance Pyle, Chair	
<div style="display: flex; justify-content: space-between; margin-top: 20px;"><div style="width: 45%;">Motion by:</div><div style="width: 45%;">Seconded by:</div></div>	

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING**

October 23, 2024, 8:30 a.m.

Hilton Santa Fe Buffalo Thunder
Caldera Room
20 Buffalo Thunder Trail, Santa Fe, NM 87506

MINUTES

Call to Order/Pledge of Allegiance / Roll Call / Introductions

Chair Lance Pyle called the meeting to order at 8:40 a.m. Cynthia Stephenson called the roll and announced that a quorum was present. Lance Pyle welcomed new board member Roberta Gonzales.

Board Members Present

Jhonathan Aragon, NMC Past President, Valencia County Deputy Manager
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Roberta Gonzales, Eddy County Finance Director
Danny Monette, Valencia County Manager
Lance Pyle, Chair, Curry County Manager
Shirley Ragin, Bernalillo Deputy County Manager of Finance
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Cynthia Singleton, San Juan County Claims Manager
Brandy Thompson, Union County Manager
Charlene Webb, Grant County Manager

Board Members Absent/Excused

Terri Fortner, NMC President Elect, San Juan County Clerk
Annie Hogland, NMC President, Curry County Clerk
Michael Meek, Sandoval County Commissioner
Diana Murillo, Dona Ana County Commissioner

NMC Staff Present

Mark Allen, General Counsel
Kamie Denton, Workers' Compensation Manager
Richard Garcia, Finance Director
Brandon Huss, Legal Bureau Chief
Patricia Lovato, Risk Management Data Analyst
Robin Martinez, Multi-Line Claims Manager
Grace Philips, Risk Management Director
Greg Rees, Loss Prevention Manager
Cynthia Stephenson, Risk Management Specialist
Lori Urban, Asst. Risk Management Director

Guests Present

Nick Autio, NM Local Government Law LLC

Chris Brice, Luna County Manager

John Chino, Gallagher Area Vice President

Ian Skelley, Gallagher Re Executive Vice President, San Francisco Branch Manager

Approval of Agenda

Lance Pyle asked the Board to move 7B loss prevention update to after approval of the minutes. Danny Monette made a motion to approve the agenda, moving 7B after approval of the minutes and Brandy Thompson seconded the motion, which passed unanimously.

Approval of Minutes of August 14, 2024

Greg Shaffer made a motion to approve the August 14, 2024, minutes and Charlene Webb seconded the motion, which passed unanimously.

Executive Session – Pending and Threatened Litigation for Bernalillo, Dona Ana, Luna, Otero and Socorro Counties Per New Mexico Open Meetings Act 10-15-7-H(7)

Jhonathan Aragon made a motion to go into executive session to discuss pending litigation in accordance with the Open Meetings Act 10-15-7-H(7) for Bernalillo, Dona Ana, Luna, Otero and Socorro Counties. Danny Monette seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Cynthia Singleton, Greg Shaffer, Kate Fletcher, Brandy Thompson and Danny Monette. Lance Pyle certified that the only things discussed were pending and threatened litigation for Bernalillo, Dona Ana, Luna, Otero and Socorro Counties in accordance with the Open Meeting Act. Greg Shaffer made a motion to come out of executive session and Kate Fletcher seconded the motion. Brandy Thompson made a motion to authorize the amounts as discussed by the Board in cases 2024-10-1, 2024-10-2, 2024-10-3, 2024-10-4 and 2024-10-5, and Danny Monette seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Cynthia Singleton, Greg Shaffer, Kate Fletcher, Brandy Thompson and Danny Monette.

The board took a break at 12:50 p.m., resuming at 1:01 p.m.

Board Presentations

Executive Director Update

Joy Esparsen discussed Amendment 4 that will appear on the November ballot, affecting more than 300 county elected officials' compensation. She discussed strategy for changes to IPRA, stating she, Michael Eshleman and Mark Allen met with NMFOG, adding that dozens of cities and counties responded with concrete recommended changes to the law. She noted that FOG recognizes IPRA is being misused. She let members know Grace Philips met with LFC director Charles Sallee regarding funding \$8.2 million for the Detention Reimbursement Fund. She said last month the NMC board did her annual review and approved the 2025 meeting calendar. She said the Legislative Conference website will go live next week, adding that the state has 60 new commissioners who will attend NMC's BIPO Conference.

Financial Reports

Richard Garcia reviewed payment status from members of their capital investment, noting Eddy, Lea, Luna, Roosevelt and Union Counties paid their three-year investment in full and Curry and Guadalupe Counties paid one year in full. He noted counties that had not yet submitted payment for their Year 1 first half and Lance asked board members representing those counties to reach out to the managers. Richard reviewed the consolidated financials as of August 31, 2024, noting current assets of \$19.48 million indicating more cash on hand due to capital investment payments by members that were not yet invested. He noted investment unrealized loss of \$4 million and increase of \$3.8 million the prior year. Total liabilities of \$112.7million increased \$30 million from the prior year. NMCIAs net position as of August 31, 2024 was \$24.9 million. Reviewing the income budget statement, Richard noted claims and claims adjusting expenses were 111% of budget as of August 31, with total expenses of \$44.9 million at 103% of budget. Richard presented the August 31 investment statement that indicated \$96.1 million fair market value of investments with 87% of assets invested with Wells Fargo. Grace Philips let board members know Strategic Asset Alliance was conducting a SWOT analysis of investments that would be finished by the end of the month.

Risk Management Update

Grace Philips let the Board know that the increase in law enforcement claims was extraordinary and resulted in an 80% increase in reinsurance premium for 2025. She said she emailed every county manager not serving on the NMCIAs board about the large increases expected in contributions. She said she sent a letter to Chaves County about their contribution increase and coverage decrease considering the detention center not receiving reaccreditation. She said San Juan County would like to hear a presentation for their March 31 renewal. She has collected data for three years on the cost to operate detention centers in the state which are \$321 million annually, adding the average occupancy rate is 57%. She will ask to meet with the Courts, Corrections & Justice committee again. She said the medical assisted treatment (MAT) procedures take effect September 1 and are very onerous, especially with no funding, adding that Roosevelt County has a MAT program and has spent hundreds of thousands of dollars to launch it.

Patricia Lovato presented the loss ratio reports as of September 30, noting the 10-year average for law enforcement through policy year 2023 was 115.22%. The five-year average for multiline excluding property and auto physical damage (ADP) was 88.80%, the APD five-year loss ratio was 82.57%, the 10-year property loss ratio was 86.33% and the workers' compensation loss ratio was 80.49%.

NMCIRe Update and Renewal Premiums

Grace Philips said the NMCIRe board at their September 19 meeting set the date for their annual shareholder meeting of 8:30 a.m. December 4. She said the board elected Greg Shaffer as secretary with Steve Kopelman's resignation from the board, as he now serves as chief operating officer. The board also approved reinsurance for NMCIAs for 2025, with Law Enforcement coverage unchanged and a total premium of \$5,874,256, an 80.4% increase. Multi-Line coverage will remain unchanged with a flat renewal of \$470,000. She said premiums were determined by the actuary with a 75% confidence level.

Board Action Items

Approve 2025 Multi-Line and Law Enforcement Reinsurance

Greg Shaffer made a motion to approve reinsurance coverage offered by NMCR in the amounts of \$5,874,256 for Law Enforcement and \$470,000 for Multi-Line. Brandy Thompson seconded the motion, which passed unanimously.

Approve 2025 Budget

Grace Philips presented the 2025 budget, noting she kept everything flat that she could, including administrative fees and loss prevention. She indicated the large increase was the law enforcement claims expenses. She let board members know she reduced the Legal Bureau budget from \$250,000 to \$50,000, as the bureau is paying for itself. Charlene Webb made a motion to approve the 2025 budget as presented and Kate Fletcher seconded the motion, which passed unanimously.

Consideration of Policy on Sheriff Commission Agreements

Grace Philips presented a proposed policy on sheriff commission agreements, as assigned from the Board at their last meeting. She said the policy included eight provisions she would like to see in all agreements. Cynthia Singleton asked for a change to the last provision to include language that would accommodate her officers traveling out of state, as her do in neighboring Colorado. Danny Monette made a motion to approve the policy with the noted language change and Brandy Thompson seconded the motion, which passed unanimously.

Schedule Special Board Meeting and Underwriting Committee Meeting in November

Cynthia Stephenson let members know the underwriting committee would meet November 4 but had not scheduled a follow-up meeting that likely will be necessary. She also let members know Lance Pyle wanted the board to consider a special meeting via Zoom to approve contributions before re the next regularly scheduled meeting. The underwriting committee agreed to a second meeting at 8:15 a.m. on November 8 and Lance Pyle called for a special board meeting at 3:00 p.m. November 14.

Approve 2025 NMC/NMCIA Calendar

Cynthia Stephenson presented the NMC-board-approved calendar, noting the six regularly scheduled NMCIA meetings. She also presented the 2025 litigation committee schedule and the schedule of staff presentations during regular board meetings. Jhonathan Aragon made a motion to approve the NMC/NMCIA calendar as presented, and Charlene Webb seconded the motion, which passed unanimously. Lance Pyle made a motion to approve the 2025 litigation committee meeting schedule and Brandy Thompson seconded the motion, which passed unanimously.

Approve Updated 2024 Coverage Agreement: LE-6

Grace Philips presented one change to the 2024 Coverage Agreement: LE-6 that details limited per-occurrence coverage for whole or partial allegations of failure to provide adequate medical or mental healthcare to inmates or detainees. She let members know that Chaves County did not receive reaccreditation of their detention facility. Brandy Thompson made a motion to approve changes to the coverage agreement as presented and Jhonathan Aragon seconded the motion, which passed unanimously.

Board Reports

Legal Bureau Update

Brandon Huss reviewed actions of the Bureau since the Board's last meeting, including handling cases on behalf of 18 counties, managing 87 open litigation matters for member counties directly, and finalizing settlements in 10 cases.

Loss Prevention Update

Greg Rees updated board members on the rollout of the Lexipol program to sheriff offices, indicating Sandoval County is up and running and Chief Deputy Allen Mills praised the program, saying it is a game changer. He also reviewed a risk control tool created by Benchmark Analytics that provides a risk forecast paired with recommendations to reduce risk through an analysis of claims data and an evidence-based survey. Greg said the program will also analyze the Pool's loss prevention program and will help us collect data, stating Benchmark will analyze our claims in Origami. He said he will focus the program initially on detention operations.

Workers' Compensation Update

Kamie Denton let members know she updated the department's claims manual and is working to finalize it. She reminded the Board that the Workers' Compensation Administration is completing an audit of operations and that she is confident the department will receive a good outcome. She said senior adjuster Pamela Lowrance is leaving and that her last day with NMC will be October 30.

Multi-Line Update

Robin Martinez said she interviewed three applicants for the claims examiner position and made an offer to one individual which was declined with no further response. She will likely re-advertise the position. She hired NMC's receptionist Rebecca Young as the department's administrative assistant.

CRL Update

Grace Philips let members know, she, Lori Urban and Robin Martinez attended the CRL property meeting, noting it is a tough line of coverage nationally, reminding members we must have an accurate property value, as CRL's margin clause provides 125% of the reported on a total loss claim. She said CRL has seen a significant erosion of their unrestricted fund balance and as a result is under surveillance by the Vermont insurance regulators, adding that the surcharges and capital adequacy contributions are an attempt to increase that balance. She then gave a history of CRL and noted CRL covers \$3 billion in property for NMCI members.

Other Business

No other business was discussed.

Adjournment

Danny Monette made a motion to adjourn the meeting and Brandy Thompson seconded the motion. The meeting was adjourned at 2:46 p.m.

**NEW MEXICO COUNTY INSURANCE AUTHORITY
SPECIAL BOARD OF DIRECTORS' MEETING**

November 14, 2024, 3:00 p.m.

Via Video Conference

MINUTES

Call to Order/Roll Call

Chair Lance Pyle called the meeting to order at 3:01 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present

Jhonathan Aragon, NMC Past President, Valencia County Deputy Manager
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Roberta Gonzales, Eddy County Finance Director
Michael Meek, Sandoval County Commissioner
Danny Monette, Valencia County Manager
Lance Pyle, Chair, Curry County Manager
Shirley Ragin, Bernalillo Deputy County Manager of Finance
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Cynthia Singleton, San Juan County Claims Manager
Brandy Thompson, Union County Manager
Charlene Webb, Grant County Manager

Board Members Absent/Excused

Kate Fletcher, Cibola County Manager
Terri Fortner, NMC President Elect, San Juan County Clerk
Annie Hogland, NMC President, Curry County Clerk
Diana Murillo, Dona Ana County Commissioner
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services

NMC Staff Present

Mark Allen, Loss Prevention Attorney
Kamie Denton, Workers' Compensation Manager
Richard Garcia, Finance Director
Robin Martinez, Multi-Line Claims Manager
Grace Philips, Risk Management Director
Greg Rees, Loss Prevention Manager
Cynthia Stephenson, Risk Management Specialist
Lori Urban, Asst. Risk Management Director

Guests Present

Joy Ansley, San Miguel County Manager
John Chino, Gallagher Area Vice President
Nathaniel Simon, Strategic Asset Alliance

Approval of Agenda

Charlene Webb made a motion to approve the agenda and Brandy Thompson seconded the motion, which passed unanimously.

Board Action Items

Approval of 2025 Multi-Line Contributions

Grace Philips presented the proposed 2025 Multi-Line and Law Enforcement contributions. Board discussion included request that she schedule a meeting with county managers to provide context for the 2025 contributions. Lance Pyle noted individual county contributions reduced as by much as 30% and increased by as much as 187% from the last year. He noted that actual contribution amounts may change based on member deductibles. Greg Shaffer made a motion to approve the Multi-Line contributions as presented and Charlene Webb seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Danny Monette.

Approval of 2025 Law Enforcement Contributions

Lance Pyle asked staff to try to get the contribution information to members before the BIPO conference, possibly hosting a Zoom meeting with managers so they are briefed ahead of time. Grace Philips stated she would reach out to manager affiliate chair Joy Ansley to get a meeting scheduled. Lance Pyle noted individual contributions will reduce by as much as 47% and increase by as much as 271% compared to the prior year, depending on the deductibles chosen by members. Brandy Thompson made a motion to approve the Law Enforcement contributions as presented and Shirley Ragin seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Danny Monette.

Approval of 2025 Pass-through Coverages

John Chino presented the 2025 renewal premiums for the pass-through coverages, noting the cyber liability carrier will not provide a bindable quote until December because of possible cyber events. He said he spoke with the underwriter who said NMCI had good loss experience in 2024, and he expected a flat renewal for 2025. John stated the crime premium is a slight decrease, the special event liability and directors and officers policy renewals will have a flat premium. He said he did not have a quote yet for the equipment breakdown policy and let the board know to conservatively expect a 10% increase, adding he may not have a proposal for a couple of weeks. He noted a flat premium for the flood policy, a small increase of 7.17% in the pollution premises liability policy, a slight decrease in premium for the pollution storage tank premium, with an anticipated flat renewal for the Grant County fuel tank policy, which is written separately. He said in 2024 NMCI paid \$1,037,000 in premiums. He is confident in the numbers he presented, with approximately 94% of the premiums known. Charlene Webb made a motion to approve the renewal premiums as presented and Danny Monette seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Danny Monette.

Board Presentation

Strategic Asset Alliance Presentation

Nathaniel Simon of Strategic Asset Alliance presented his firm's SWOT analysis of NMCI and NMCI's investment program. Designed to be a high-level review of the key investment process recommendations, the Strengths, Weaknesses, Opportunities and Threats analysis will serve as a road map for future priorities and activities. Strengths included robust investment policies for both NMCI and NMCI. Noted weaknesses included current net position (excluding the captive NMCI) falls below the risk capital target and remains under pressure, especially from the Law Enforcement program.

Other Business

Lance Pyle asked Richard Garcia if all members had paid their first capital adequacy invoice. Richard noted he had not received payment from San Miguel or Taos Counties. Lance instructed staff that if the members did not pay by November 30, to put an item on the December 4 agenda to discuss how to handle the situation.

Adjournment

Lance Pyle adjourned the meeting at 4:18 p.m.

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> <p style="text-align: center;">4.</p>	<u>Item Title:</u> Executive Session – Pending and Threatened Litigation for Bernalillo and Eddy Counties, Per New Mexico Open Meetings Act 10-15-7-H(7)						
<u>Presenter (s):</u> Lance Pyle, Chair							
<p>A motion may be made to go into Executive Session to discuss pending and threatened litigation in accordance with the Open Meetings Act.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> Motion In by: Roll Call Vote </td> <td style="width: 50%; vertical-align: top;"> Seconded by: </td> </tr> <tr> <td style="vertical-align: top;"> Motion Out by: </td> <td style="vertical-align: top;"> Seconded by: </td> </tr> <tr> <td style="vertical-align: top;"> Certified by: </td> <td style="vertical-align: top;"> ... that the only thing discussed was pending and threatened litigation </td> </tr> </table>		Motion In by: Roll Call Vote	Seconded by:	Motion Out by:	Seconded by:	Certified by:	... that the only thing discussed was pending and threatened litigation
Motion In by: Roll Call Vote	Seconded by:						
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Motion by:	Seconded by:						

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> <p style="text-align: center;">5.A.</p>	<u>Item Title:</u> Approve NMCI Board 2025 Open Meetings Act Resolution
<u>Presenter (s):</u> Lance Pyle, Chair	
<div style="display: flex; justify-content: space-between; margin-top: 20px;"><div>Motion by:</div><div>Seconded by:</div></div>	

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 6.A.	<u>Item Title:</u> Executive Director Update
<u>Presenter (s):</u> Joy Esparsen, Executive Director	



Memorandum

Date: December 4, 2024
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

On October 28th, NMC participated in a roundtable discussion with the New Mexico Municipal League and Home Builders Association on housing issues around the state. The conversations focused on the lack of affordable housing, current markets, interest rates, supply chains, construction workforce, permitting delays, planning and zoning, and other relevant topics. It is anticipated that the NMML will schedule subsequent meetings to engage local mayors and managers.

Online registration for the NMC 2025 Legislative Conference opened on October 30th. The conference will be held in Santa Fe from January 20th – 23rd. The last day for advance registration was November 18th. There are currently 561 registrants and standard registration rates of \$350.00 will continue through January 9th. Rooms have been held for the NMCIA Board of Directors, NMC Board of Directors, and Advisory Council at the Eldorado Hotel and will need to be confirmed with a credit card. Courtesy rates for lodging will be offered to all other participants at the Drury Plaza, Hilton Santa Fe, La Posada, and Hotel Santa Fe.

Constitutional Amendment #4 was successfully passed by the voters on November 5th. This amendment removes the legislative authority over county elected official salaries. NMC has responded to several questions from counties about the implementation process and shared these responses with both the Managers and Attorneys Affiliates. Ultimately, counties will need to work through their leadership and county attorneys to determine how they will choose to implement any increases in elected official salaries.

The Better Informed Public Officials (BIPO) Conference registration opened immediately following the General Election. The conference will be held at the Marriot Pyramid Albuquerque on December 10th – 12th and is done in collaboration with the NM EDGE Program. There are currently 109 registrants and counties are encouraged to have all newly elected officials participate.

NMC's Executive Committee met with the New Mexico Municipal League Executive Committee on November 20th to discuss their respective legislative priorities. The meeting generated good dialogue about the importance of local government collaboration prior to and during the upcoming legislative session. Additional negotiations and discussion are anticipated on the inspection of public records amendments, municipal code cleanup, and equitable

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Santa Fe, NM 87501

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Fax: 505-983-4396

NMCOUNTIES.ORG

disclosure initiative. The next equitable disclosure stakeholder meeting is also being held on December 4th. NMC Legislative Team also presented the the legislative priorities during the Department of Finance Budget Conference on November 21st and will be presenting to the Revenue Stabilization and Tax Policy interim committee on December 17th. Currently, 18 counties have adopted resolutions in support of the NMC legislative priorities.

NMC staff is in the process of updating and consolidating its meetings and travel policies to remove redundancies, repeal outdated information, and address conflicts between the two documents. The Board of Directors will consider these changes during the January board meeting.

NMC has hired Hannah Woods as the new Government Relations Specialist in the Administrative Services Department. She has a background in public policy and is looking forward to working with NMC's Legislative Team and federal grant programs. NMC has had difficulty filling the vacancies for the ML Claims Adjuster and Operations Assistant. Both positions have been readvertised in local newspapers and on social media.

Additional Meetings & Initiatives:

Constitutional Amendment #4 Marketing and Media Buys
NM Finance Authority Board of Directors
Water Trust Board of Directors
Senior Staff Meeting
BIPO Conference Planning
Legislative Conference Planning
Annual Conference Planning
NMCIA Board Retreat
NMCIA Claims Committee Meetings
NMC Legislative Team Meetings

Please reach out to me if I may be of any assistance to you. I can be reached on my cell phone at (505) 660-9629 or via email at jesparsen@nmcountries.org at any time.



New Mexico Counties 2025 Legislative Priorities

HB2 Appropriations

Detention Reimbursement Fund

Fully fund the County Detention Facility Reimbursement Act Fund to reimburse counties for the actual cost of housing state inmates. Increase the Fund by \$3.2 million. Current fund at \$5 million.

Courthouse Funding

Authorize continued funding to AOC for the construction and renovation of state district courthouses. Counties maintain that courthouses are a state responsibility and that the rising costs of construction, security, and IT necessitate a shared revenue stream.

Detention Recruitment & Retention

Authorize continued funding for the newly formed Corrections Workforce Capacity Building Fund administered by DFA. Adequate detention staff are essential to a safe, well-operated facility, which is directly correlated to community safety.

Firefighter/EMS Recruitment Fund

Authorize continued funding for the Fire & EMS Recruitment Fund administered by DFA for fire departments to staff, recruit, and retain career and volunteer firefighters and EMS personnel. Call volumes have increased by 50% and response systems are over-burdened. The average volunteer age is 65 years.

700 MHz Radios

Authorize continued funding for the monthly operational costs of 700 MHz radios to build out state interconnectivity infrastructure.

Additional Appropriations

Ensure that SB 148: Repealing Taxation & Revenue Administrative Fees and SB 151: Insurance Premium Tax Distribution to the EMS Fund are implemented as passed during the 2024 Legislative Session.

Equitable Disclosure

Treat residential and non-residential property transfers equitably to allow for accurate valuation of non-residential real property. Information would be used for statistical and analytical purposes only.

IPRA Improvements

Amend the Inspection of Public Records Act (IPRA) to exempt from disclosing specific information and prohibit certain requests used to compromise and obstruct critical local government services.

Resources to Support Border-Related Humanitarian and Crime Efforts

Appropriate \$5 million to counties for services provided to state and federal agencies to support border humanitarian and crime efforts. This funding will be used to combat drug and human trafficking networks; to coordinate with community services that provide food, transportation, shelter, and family location; and to coordinate with state and federal agencies on information sharing and coordination of state law enforcement activities.

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NEW MEXICO COUNTIES

33 STRONG

2025 Legislative Priorities

Approved by the NMC Board of Directors
August 1, 2024



In 2024, the New Mexico Legislature and Governor Lujan Grisham were quick to respond to critical local government needs for public safety personnel and resources. The appropriations you provided are vital to filling vacancies in county detention centers, fire districts, and emergency response as well as increasing support services for the EMS Bureau and 700 MHz radio interoperability. We are also requesting continued funding for state district courthouses and an increase to the reimbursement amount for state prisoners housed in county detention facilities.

HB2 Appropriation Requests:

- ◆ \$3.2 million for the County Detention Facility Reimbursement Fund
- ◆ \$20 million for state district courthouses
- ◆ \$25 million Detention and Fire/EMS Recruitment
- ◆ \$6 million for 700 MHz radios
- ◆ Ensure implementation of the 10% Health Insurance Premium Tax to EMS Bureau (SB151—2024) and TRD administration fee repeal (SB148—2024)

The NMC Board is also advocating for legislative action to create equitable disclosure of commercial property sales to Assessors, amend the Inspection of Public Records Act, and secure local government funding to support state and federal initiatives related to border humanitarian efforts and crime prevention. Throughout the interim, NMC is actively collaborating with multiple stakeholders to refine these proposals.

On behalf of the NMC Board of Directors, we are grateful for your unwavering commitment to addressing the needs of county governments. Your thoughtful consideration and proactive approach have not only strengthened our local communities but have also set a commendable precedent for collaborative governance. It is through your dedicated efforts that we are able to build a more resilient and responsive system of local administration. Thank you for your continued support and for working together to make New Mexico a better place for all its residents.

For more information, please see the attached background on each of these initiatives or contact me at (505) 660-9629 or jesparsen@nmcountries.org.

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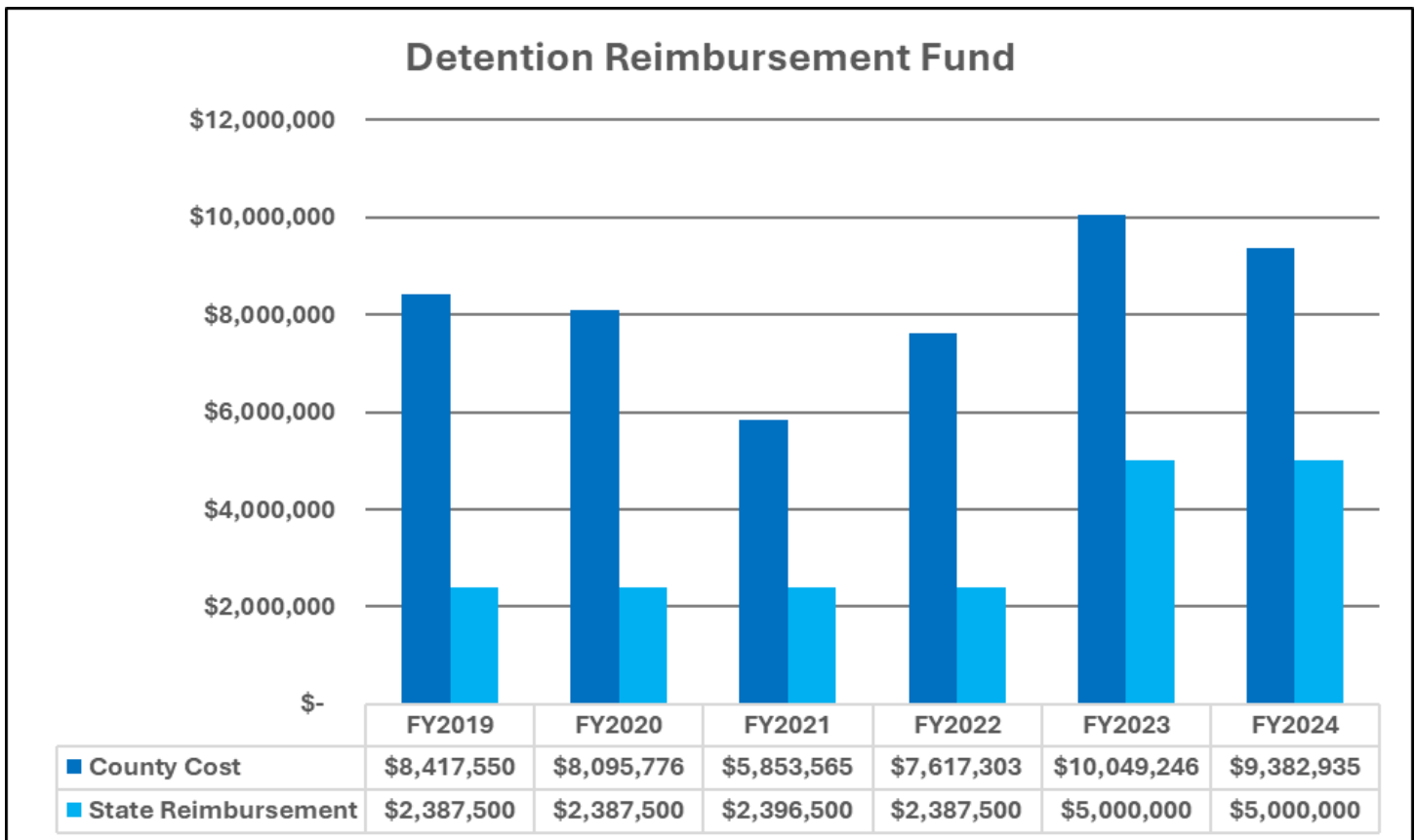
NMCOUNTIES.ORG

2025 Legislative Priorities

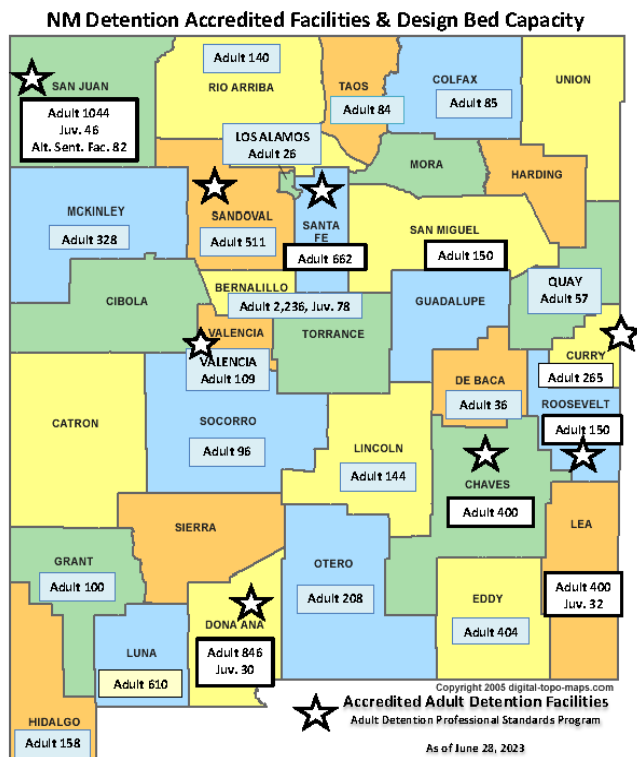
Detention Reimbursement Fund

New Mexico Counties requests an appropriation of **\$3.2 million** for the County Detention Facility Reimbursement Fund, (NMSA 1978 §33-3B-4), to reimburse counties a percentage of the cost for housing felony offenders who have been sentenced to confinement in state correctional facilities, in county facilities.

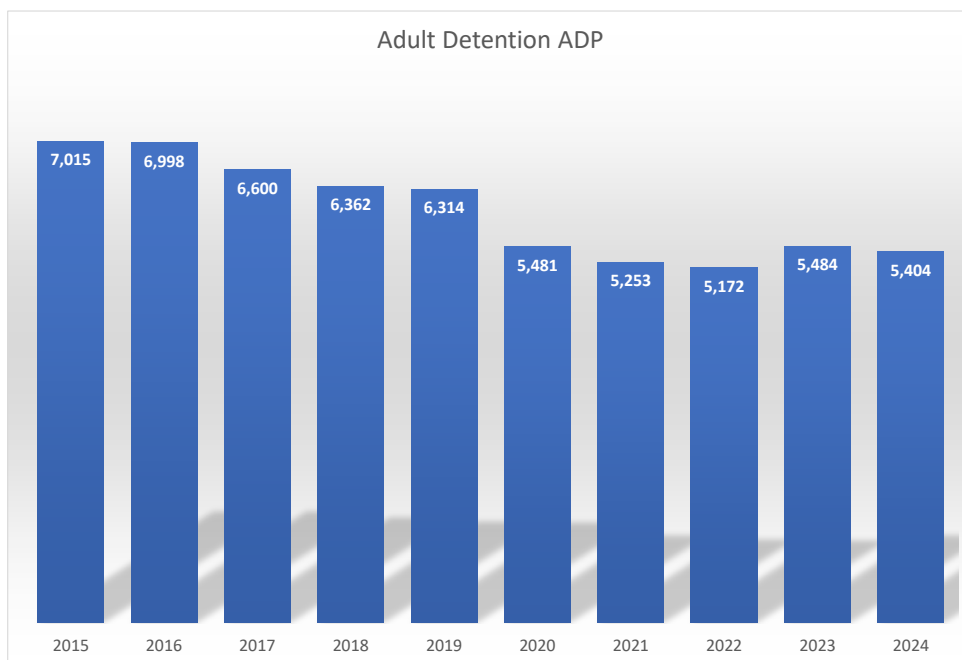
The County Detention Reimbursement Fund was **created in 2007 with a \$5 million** appropriation following litigation between the counties and state. It diminished to less than \$2.5 million over the next decade. The Legislature **restored it to the 2007 amount of \$5 million** in 2022 but the five-year average cost to house New Mexico Corrections Department inmates has been calculated by the New Mexico Sentencing Commission to be \$8.2 million.



NM County Detention Facilities' Design Bed Capacity & Accreditation Status



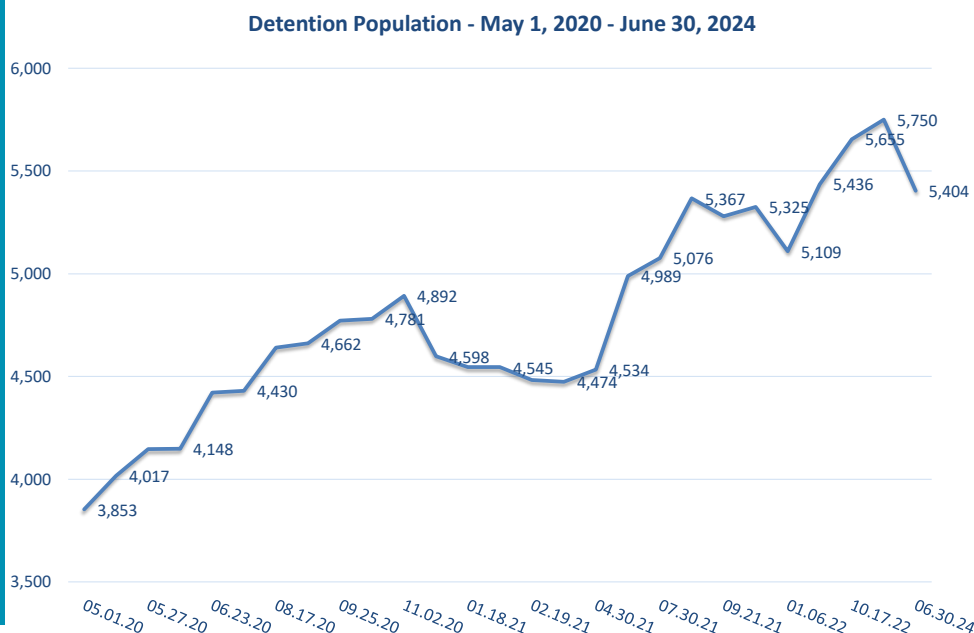
Adult Detention Average Daily Population 2015 - 2024



Statewide Detention Bookings 2018-2024



Statewide Detention Population May 1, 2020-June 30, 2024



Courthouse Funding

New Mexico Counties requests continued funding to the Administrative Office of the Courts (AOC) for the construction and renovation of state district courthouse complexes. State district courts no longer reflect a single judge residing at a county facility the way the territorial statute first intended. State courthouse complexes can reach well over \$50 million in construction costs, and the **addition of a single judge can cost a county \$2-\$3 million** for renovation and increased operational support. Counties maintain that courthouses are a state responsibility and that the rising costs of construction, security, and IT necessitate a shared revenue stream.

In 2023, the Legislature appropriated \$23 million to AOC to assist with these critical needs. \$15 million was designated to resolve litigation between the 8th Judicial District Court and Otero County. AOC received over **\$22 million in requests for the remaining \$8 million.**

In 2024, the Legislature appropriated \$10,000,000 to AOC to continue this shared revenue stream, contingent upon a county match of at least 50 percent of project costs. The Budget Committee met in May 2024 to consider project proposals and awarded the bulk of this funding. However, \$1,315,000 in matching funds remain and AOC is currently requesting proposals for this balance. A continued appropriation is necessary to meet the ongoing needs of state district court complexes.

Historic Increases in District Court Judges

JUDICIAL DISTRICT	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
1st	9	9	10	10	10	10	10
2nd	27	27	29	29	30	30	30
3rd	8	8	9	9	9	9	9
4th	3	3	3	3	3	3	3
5th	11	11	11	11	12	12	12
6th	4	4	4	4	4	4	4
7th	3	3	3	3	3	3	3
8th	3	3	3	3	3	3	3
9th	5	5	5	5	5	5	5
10th	1	1	1	1	1	1	1
11th	8	8	8	8	8	8	8
12th	4	4	5	5	5	5	5
13th	8	8	8	8	9	9	9
TOTAL	94	94	99	99	102	102	102

Detention Recruitment

Detention & Corrections Workforce Capacity

Awarded Entities and Departments	# of Officers
Acoma Adult Temporary Holding Facility	4
Bernalillo County Metropolitan Detention Center	23
Bernalillo County Youth Services Center	10
Bernalillo County Youth Services Center (Juvenile)	10
Colfax County - Vigil Maldonado Detention Center	4
Curry County	7
Eddy County Detention	10
Grant County Detention Center	4
Hobbs Detention Facility	3
Luna County	10
New Mexico Corrections Department	46
Otero County Detention Center	4
Quay County Detention Center	3
Rio Arriba County Detention Center	4
Roosevelt County Detention Center	3
San Juan County Adult Detention Center	10
San Miguel County Detention Center	5
Sandoval County Detention Center	6
Santa Fe County	7
Sierra County	2
Socorro County Detention Center	4
Taos Adult Detention Center	5
Valencia County Detention Center	5
TOTAL	189

New Mexico Counties requests an additional appropriation for the Detention and Corrections Workforce Capacity Building Fund established by the legislature in 2023 (NMSA 1978 §9-6-19). The Fund was created to assist counties with critical detention officer vacancy levels in county facilities notwithstanding significant pay increases, to attract and retain employees.

In 2024, the Legislature appropriated \$25 million to the Department of Finance & Administration (DFA) for grants to bolster public safety. This significant investment is designed to help offset the cost of new detention and correctional officer salaries for three years. DFA received requests for over **850** positions. Final awards included **189** new officer positions to provide critical support to 22 local entities and the New Mexico Corrections Department. It is evident in the number of requests that the need is greater than the funding provided and consideration for an additional appropriation is a priority for New Mexico counties.

Firefighter & EMS Recruitment

New Mexico Counties requests an additional appropriation for the Fire & Emergency Medical Services (EMS) Recruitment Fund. New Mexico's counties rely heavily on volunteer personnel for fire, EMS, and emergency management services. In many counties, paid staff is limited to one or two individuals. Increasing the number of paid firefighters and EMTs will improve response times, department capacity, and Insurance Services Office (ISO) ratings.

In 2024, the Legislature appropriated \$25 million to the Department of Finance & Administration (DFA) to help offset the cost of fire and EMT salaries for three years. DFA received 64 requests for over **330** positions. Final awards included **190** new positions to provide critical support to 59 local entities. It is evident in the number of requests that the need is greater than the funding provided and consideration for an additional appropriation is a priority for New Mexico counties.



700 MHz Radios

NMC requests **\$6 million** in continued funding to the Department of Information Technology for use in FY2025 to fund the payment of subscriber fees for the digital trunked radio communications system for municipal, county and tribal public safety agencies that provide law enforcement, fire, medical or other emergency services.

Additional Appropriations

EMS Funding

In 2024, SB151: Premium Tax for Emergency Services, as amended by Senate Tax, redistributes a portion of the Premium Tax from health insurance business to the Emergency Medical Services Fund at the New Mexico Department of Health.

The amendment also added an **\$11 million** non-reverting, General Fund appropriation to the Emergency Medical Services Fund for use in FY2025 and beyond to carry out the purposes of the Fund. These changes provide a critically needed reoccurring revenue stream for EMS statewide.

Repeal of TRD Administrative Fees

SB 148: Repealing Taxation & Revenue Administrative Fees passed on the final evening of the session. This bill abolishes the Taxation and Revenue Departments' authority to impose an administrative fee for the collection and distribution of local option gross receipts and compensating tax.

The fee elimination will provide an additional **\$26M** to counties after a delayed implementation period.

Equitable Disclosure

NMC seeks legislation to treat nonresidential (commercial) property owners the same as residential (homeowners) to ensure that property transfers and sales are handled fairly and equitably. Currently, commercial owners are held to a lesser degree of accountability than homeowners. All **property should be accurately assessed at fair market value** to ensure transparency for the property owner, reduce the risk of sudden and unanticipated increases, as well as provide stability for county revenues and services.

NMC and the Assessors' Affiliate are hosting statewide public meetings throughout the interim to garner input from business owners, realtors, builders, and other associations. This is an important discussion this year with the **two veteran ballot initiatives** that are likely to reduce impact property taxes. The potential impact cannot be made up through yield control as many counties are already at their mill rate caps.

Inspection of Public Records Improvements

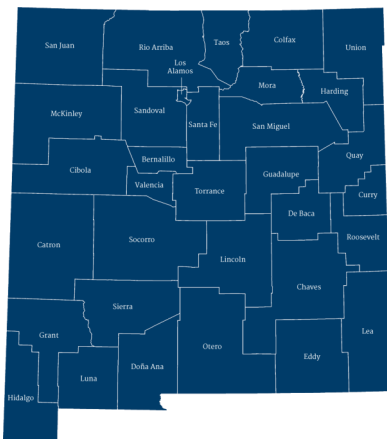
NMC seeks to amend the Inspection of Public Records Act (IPRA) to exempt from disclosing specific information and **prohibit certain requests used to compromise and obstruct critical local government services**. IPRA was intended to provide government accountability and transparency. Instead, overwhelmingly burdensome and often frivolous requests have been submitted solely for the purpose of interfering with vital services such as elections and public safety.

During the interim, NMC is working with multiple stakeholders to refine this proposal and identify solutions that do not interfere with the original intent of the Act. In 2023, HB232: Disclosure of Certain Information amended IPRA by enacting changes for the protection of critical IT systems, undercover law enforcement, and restricting certain proprietary technical and business information. It was the first time that IPRA had been amended since its enactment.

Resources to Support Border-Related Humanitarian & Crime Efforts

NMC requests an appropriation of **\$5 million** to counties for services provided to state and federal agencies to support border humanitarian and crime efforts. This funding will be used to combat drug and human trafficking networks; to coordinate with community services that provide food, transportation, shelter, and family location; and to coordinate with state and federal agencies on information sharing and coordination of state law enforcement activities.

New Mexico Counties Legislative Team



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**New Mexico Counties
Better Informed Public Officials (BIPO) Conference
Albuquerque Marriott Pyramid North
December 10 – 12, 2024**

Tuesday, December 10, 2024

9:30 AM – 5:30 PM	Registration & Information Desk	
11:30 AM – 1:00 PM	Welcome Luncheon & Introduction to New Mexico Counties <i>NMC President Annie Hogland, NMC Executive Director Joy Esparsen & NMC Senior Staff</i>	
1:00 PM – 1:30 PM	NM EDGE Class Sign-In – Session #1	Presenters
1:30 PM – 4:30 PM	Roles & Responsibilities for Commissioners (NM EDGE) CO 101 - This class will cover the specific duties and authority of the County Commissioner as policy maker. It will begin with the organization of County Government and an overview of other elected offices. Specific duties will be covered including appointments, filling vacancies, licensing, Canvassing Board, County Board of Finance, as well as other boards and offices.	Stanton L. Riggs, Esq. NM EDGE
1:30 PM – 4:30 PM	Roles & Responsibilities for Clerks (NM EDGE) CL 100 - This class covers the specific duties and responsibilities of the NM County Clerk and functions of their office including newspaper subscriptions, service of process against county, etc.	TBD NM EDGE
1:30 PM – 4:30 PM	Roles & Responsibilities for Assessors & Treasurers (NM EDGE) AOTO 100 - This class is designed to heighten awareness between the two offices to improve their professional interactions. The legal definition of each office will be reviewed, as well as roles and responsibilities of each office, including tax roll timeliness, tax roll corrections, tax rates, warrants, abstracts, mobile home issues and recording issues.	Damian R. Lara, Esq. NM EDGE
5:30 PM – 6:30 PM	Sponsor Reception	
6:30 PM – 8:00 PM	NMC Dinner & Veteran Panel Gain valuable insight from experienced elected officials and learn how to be better prepared for your term in office. <i>Moderators: Annie Hogland, NMC President & Joy Esparsen, NMC Executive Director</i> <i>Panelists: Damian Lara, Bernalillo County Assessor; Keith Manes, Lea County Clerk; Gerard Saiz, Valencia County Commissioner; TBD, County Manager; Eric Rodriguez, Doña Ana County Treasurer; Mark Cage, Eddy County Sheriff</i>	

Wednesday, December 11, 2024

7:30 AM – 4:30 PM	Information Desk	
8:00 AM – 8:30 AM	NM EDGE Class Sign-In - Session #2	Presenters
8:30 AM – 9:15 AM	County Government & Resources for Commissioners Structure of County Government <ul style="list-style-type: none"> - Elected Officials - Statutory Responsibilities - IPRA & Open Meetings Act 	Joy Esparsen Mark Allen
9:15 AM – 10:00 AM	Human Resources <ul style="list-style-type: none"> - Governance vs. Management - Employment Principals - Employee Rights - Individual Liability 	Mark Allen
10:15 AM – 11:00 AM	Legislative Process <ul style="list-style-type: none"> - Lobbying Effectively - Communication and Coordination - NMC Process - New Mexico Legislative Reports 	Joy Esparsen Katherine Carroll
11:00 AM – 11:30 AM	Government Relations <ul style="list-style-type: none"> - The Importance of Federal Partnerships - County Role in Federal Processes - National Association of Counties - PILT & Secure Rural Schools 	Joy Esparsen

8:30 AM – 11:30 AM	Public Meetings and Public Hearings for Clerks (NM EDGE) CPM 153 – This class first reviews the difference between a public meeting and the quasi-judicial public hearing. How to conduct both will be reviewed including assigning specific roles for elected officials, public administrators, and the public. Practical ideas on keeping public forums accessible, but bearable, to all will be reviewed. Logistics related to ADA, childcare, translators and safety will be discussed.	Stanton L. Riggs, Esq. NM EDGE
8:30 AM – 11:30 AM	Resources for Treasurers (NM EDGE) TO 101 – This class will explore a variety of resources available to NM County Treasurers including online resources (state government, federal government, financial organizations; educational & commercial sources), magazines and associations to aide in successful operations of offices.	Tracy Sedillo NM EDGE
11:30 AM – 1:00 PM	Media Panel Luncheon <i>Moderator: Devin Neeley, San Juan County Public Relations/Film Manager</i> <i>Panelists: Augusta Meyers, Wells Park Studio; Raul Turrieta, Grant County; & Joe Monahan, The News Guy</i>	
1:00 PM – 1:30 PM	NM EDGE Class Sign-In – Session #3	Presenters
1:30 PM – 4:30 PM	Risk Management for Commissioners <ul style="list-style-type: none">- History of Pooling & why the New Mexico County Insurance Authority is a Vital Resource- Understanding County Risks- Available Coverage- Resources to Reduce Liability Exposure Using Real Causes	John Chino Grace Philips Robin Martinez Greg Rees Brandon Huss
1:30 PM – 4:30 PM	General HR Law for Assessors, Clerks, Probate Judges, Sheriffs, and Treasurers (NM EDGE) CPM 131 - Learn the difference between Human Resources law in the public and private sectors including public employees' property interests in continued employment. Become familiar with the following laws: Fair Labor Standards Act (FLSA); Workers' Compensation (WC); Americans with Disabilities Act (ADA); Family & Medical Leave Act (FMLA); Equal Employment Opportunity (EEO); Title VII (Protected Classes); and the New Mexico Human Rights Act.	Sean J. Fitting, JD, MBA NM EDGE
After 4:30 PM	Dinner on Your Own	
Thursday, December 12, 2024		
7:30 AM – 9:30 AM	Information Desk	
8:00 AM – 8:30 AM	NM EDGE Class Sign-In - Session #4	Presenters
8:30 PM – 9:30 AM	Ethics & Public Finance for Commissioners	Jeremy Farris
9:30 AM – 10:15 AM	County Revenues & Financial Responsibility <ul style="list-style-type: none">- Gross Receipts & Property Taxes- Capital Outlay and the ICIP Process- Counties as Fiscal Agents- Special Funds (Eg11, DWI)	NMC/DFA/TRD
10:30 AM – 11:30 AM	Finance & Purchasing <ul style="list-style-type: none">- Board of Finance- Budgeting & Procurement- Accounting Contracts & Audit Procedures- Understanding Anti-donation	NMC/DFA/TRD
8:30 AM – 11:30 AM	Ethics & Professionalism for Assessors, Clerks, Probate Judges, Sheriffs, and Treasurers (NM EDGE) CPM 121 - This class examines professional codes of ethics adopted by public service organizations and reviews strategies for solving ethical dilemmas. The role of elected officials, managers and employees in creating an ethical organization is emphasized. Participants develop a personal code of ethics as an assignment.	Stanton L. Riggs, Esq. NM EDGE
11:30 AM – 12:00 PM	Wrap Up	



2025 Legislative Conference

January 20-23, 2025

Schedule of Events

Pre-Conference - Monday, January 20, 2025		
8:30 AM – 8:30 PM	NM EDGE Courses (<i>separate registration</i>)	SFCCC
Pre-Conference - Tuesday, January 21, 2025		
8:30 AM – 8:30 PM	NM EDGE Courses (<i>separate registration</i>)	SFCCC
8:00 AM – 5:00 PM	Conference Registration	SFCCC
9:00 AM – 12:00 PM	NMCIA Membership Meeting	Eldorado Hotel
10:00 AM – 4:30 PM	Exhibitor Move In	SFCCC
2:00 PM – 5:00 PM	NMC Board of Directors Meeting	Eldorado Hotel
5:00 PM – 7:00 PM	Exhibit Hall Open	SFCCC
5:00 PM – 7:00 PM	Sponsors & Exhibitors Reception	SFCCC
Conference Day 1 - Wednesday, January 22, 2025		
7:45 AM – 4:00 PM	Conference Registration	SFCCC
7:45 AM – 8:30 AM	Sponsors & Exhibitors "Mix N Mingle" Breakfast	SFCCC
7:45 AM – 4:30 PM	Exhibit Hall Open	SFCCC
8:30 AM – 9:45 AM	Opening General Session Keynote Speaker: Dr. Dave Schramm "Happy Hacks for Becoming Better After the Bitter"	SFCCC
9:45 AM – 11:45 AM	State & Federal Agency Expo	SFCCC
10:15 AM – 11:15 AM	Workshop Block I	SFCCC
11:30 AM – 12:30 PM	Workshop Block II	SFCCC
12:30 PM – 2:00 PM	<i>Lunch on Your Own</i>	
2:00 PM – 5:00 PM	Affiliate Meetings	SFCCC, Eldorado, Drury
5:30 PM – 10:30 PM	Legislative Reception & Dance	Eldorado
Conference Day 2 - Thursday, January 23, 2025		
7:00 AM – 12:30 PM	Conference Registration	SFCCC
7:30 AM – 8:30 AM	Legislative Breakfast General Session	SFCCC
8:00 AM – 1:15 PM	Exhibit Hall Open	SFCCC
8:45 AM – 11:30 AM	Affiliate Meetings	SFCCC, Eldorado, Drury
12:00 PM – 1:15 PM	Closing General Session & Awards Luncheon	SFCCC
1:15 PM – 3:00 PM	Exhibitor Move Out	SFCCC

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 6.B.	<u>Item Title:</u> Financial Reports
<u>Presenter (s):</u> Richard Garcia, Finance Director	



New Mexico County Insurance Authority Pool

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

10/31/2024

	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,842,190	\$ 6,941,399
Accounts Receivable - Members	394,344	13,733
Accounts Receivable - Deductibles	1,173,136	421,559
Accounts Receivable - Capital Adequacy	184,477	-
Accounts Receivable - LE Accreditation Fee	-	-
Accounts Receivable - Reinsurance	534	1,066
Accounts Receivable - Hi Ded Counties	29,961	33,988
Accounts Receivable - Other	10,398	153,005
Note Receivable	1,230,445	1,321,147
Prepaid Expenses	3,857,519	3,155,256
Total Current Assets	<u>16,723,003</u>	<u>12,041,153</u>
Investments		
Exchange Traded Funds	56,320,265	55,159,648
US Government Bonds	29,081,823	17,970,091
Mutual Funds	4,657,708	20,518,652
Unrealized Gain/Loss	(4,834,189)	(9,239,739)
County Reinsurance Pool Equity	<u>571,663</u>	<u>736,928</u>
County Reinsurance Property Plus Equity	3,502,986	2,050,478
Captive Reinsurance	<u>17,737,207</u>	<u>19,596,145</u>
Total Investments	<u>107,037,463</u>	<u>106,792,203</u>
Total Assets	<u>\$ 123,760,466</u>	<u>\$ 118,833,356</u>
Liabilities and Pool Net Position		
Current Liabilities		
Accounts Payable	\$ 11,464	\$ 5,855
Accounts Payable-NMAC Legal Bureau Atty Fees	154,340	108,947
Unearned Capital Adequacy Contributions	1,467,672	-
Unearned Member Contributions	11,789,112	11,088,201
Total Current Liabilities	<u>13,422,588</u>	<u>11,203,003</u>
Long Term Liabilities		
Reserve for Future Claims		
Multi-Line Program	12,201,943	12,575,687
Law Enforcement Program	52,969,475	32,105,461
Workers' Compensation Program	<u>19,411,963</u>	<u>20,041,193</u>
Total Long Term Liabilities	<u>\$ 84,583,380</u>	<u>\$ 64,722,341</u>
Total Liabilities	<u>\$ 98,005,968</u>	<u>\$ 75,925,344</u>
Fund Balance	36,916,722	44,601,748
Current Year Pool Net Position	<u>(11,162,223)</u>	<u>(1,693,737)</u>
Total Pool Net Position	<u>\$ 25,754,498</u>	<u>\$ 42,908,012</u>
Total Liabilities and Net Position	<u>\$ 123,760,466</u>	<u>\$ 118,833,356</u>



New Mexico County Insurance Authority Pool

Administered by New Mexico Counties
Income/Budget Statement (Unaudited)

10/31/2024

	2024 Budget	Jan 01, 2024 through Oct 31, 2024	83% of Budget
<u>Income</u>			
Member Contributions	\$ 42,012,768	\$ 35,152,980	84%
Capital Adequacy Contributions		2,935,344	
Accreditation Fees		11,000	
Total Income	\$ 42,012,768	\$ 38,099,324	91%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 28,726,274	\$ 40,630,631	136%
Pool Portion - Group 1 (up to \$5MM for IMM)	610,486	-	0%
Pool Additional - Group 1 (up to \$5MM for IMM)	484,000	-	0%
Adjustment to ULAE		608,123	
Nurse Case Manager		(87,580)	
Claims Reserves		7,876,017	
Recoveries - Deductibles		(6,118,865)	
Recoveries - Reinsurance		(1,857,769)	
Recoveries - County Settlements		(265,538)	
Recoveries - Subrogation & Salvage		(180,280)	
Reinsurance	6,994,242	7,021,640	100%
Brokerage Fees	100,000	78,334	78%
Total Claims & Claim Adjusting	\$ 36,915,003	\$ 47,704,713	129%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMAC	\$ 555,982	\$ 472,338	85%
Special Projects	90,000	56,024	62%
EDGE Detention Scholarships	15,000	-	0%
Online Training Tool	190,000	-	0%
Loss Incentive Program	50,000	35,000	70%
Legal Advice Program	50,000	34,087	68%
Lexipol	255,000	205,697	81%
Law Enforcement Accreditation	76,000	77,568	102%
Total Risk Mitigation Expense	\$ 1,281,981	\$ 880,714	69%
<u>Administrative & Other</u>			
Administrative Fee-NMAC	\$ 4,129,170	\$ 3,431,956	83%
Actuary	42,000	51,425	122%
Financial Audit	72,000	32,697	45%
Investment Advisor Expense	-	3,750	
Claims Audit	25,000	-	0%
Payroll Audit	60,000	48,431	81%
Legal Bureau Operations	250,000	-	0%
Property Appraisal Fees	135,000	125,397	93%
Legal Expense	42,500	-	0%
Software Support, Licensing, Training	410,000	298,096	73%
Board Training & Education	30,000	-	0%
Board D&O Insurance	129,000	24,701	19%
Miscellaneous	13,000	-	0%
Total Admin & Other	\$ 5,337,669	\$ 4,016,453	75%
Total Expenses	\$ 43,534,653	\$ 52,601,880	121%
Operating Income	\$ (1,521,885)	\$ (14,502,556)	
Investment Income	2,907,422	2,879,395	
Net Change in Fair Value of Investments	-	382,551	
Interest Income on Note Receivable	-	42,412	
Earnings from Investment in Captive Reinsurance	-	35,974	
Total Non-Operating Revenue	\$ 2,907,422	\$ 3,340,332	
Net Position	\$ 36 1,385,537	\$ (11,162,224)	



New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
10/31/2024

		Current Average		
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		0.95%	\$ 9,842,190	\$ 93,159
		Est.	Ending	Market
<u>Securities</u>		<u>Ann. Yld</u>	<u>Market Val</u>	<u>Gain/Loss *</u>
Exchange Traded Funds		4.08%	51,844,809	56,320,265 (4,475,456)
Certificates of Deposit		0.00%	-	- -
Government Bonds		3.11%	28,505,251	28,318,488 186,762
Govt Asset Backed Sec		5.11%	295,109	763,335 (468,226)
Mutual Funds		5.94%	4,580,439	4,657,708 (77,269)
Total Investments		4.02%	\$ 85,225,608	\$ 90,059,796 \$ (4,834,189)
Total Cash & Investments		3.69%	\$ 95,067,797	\$ 99,901,986
Estimated Annual Income on Cash & Investments			\$ 3,516,667	
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		86%	\$ 85,768,010	
Moreton Capital Markets		12%	12,486,612	
First National Santa Fe		2%	1,644,153	
State Treasurers LGIP		0%	3,211	
		100%	\$ 99,901,986	

* Investments are purchased based on "yield to maturity." Market fluctuations do not affect the yield to maturity unless a premature sale is made

Law Enforcement Program Financials



Law Enforcement Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
10/31/2024

	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 946,599	\$ 1,572,830
Accounts Receivable - Members	-	2,499
Accounts Receivable - Deductibles	857,028	191,649
Accounts Receivable - Capital Adequacy	83,105	-
Accounts Receivable - Due From NMAC	10,398	-
Prepaid Expenses	640,550	37,529
Total Current Assets	<u>2,537,679</u>	<u>1,804,506</u>
Investments		
Exchange Traded Funds	\$ 21,616,071	\$ 23,187,842
US Government Bonds	10,495,868	5,571,828
Mutual Funds	694,131	7,449,050
Unrealized Gain/Loss	(1,752,223)	(3,565,259)
Captive Reinsurance	17,735,408	19,596,145
Total Investments	<u>48,789,256</u>	<u>52,239,605</u>
Total Assets	<u><u>\$ 51,326,935</u></u>	<u><u>\$ 54,044,112</u></u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable	\$ -	\$ 5,518
Accounts Payable-NMAC Legal Bureau Atty Fees	88,897	69,760
Unearned Capital Adequacy Contributions	686,421	-
Unearned Member Contributions	3,373,032	3,070,873
Total Current Liabilities	<u>4,148,349</u>	<u>3,146,152</u>
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 19 - 2013	\$ -	\$ 18,989
Fund Year 22 - 2016	182,588	398,675
Fund Year 23 - 2017	1,049,010	1,231,572
Fund Year 24 - 2018	(719)	114,396
Fund Year 25 - 2019	587,680	1,047,943
Fund Year 26 - 2020	3,216,343	3,159,418
Fund Year 27 - 2021	6,572,656	5,592,620
Fund Year 28 - 2022	9,042,879	10,796,537
Fund Year 29 - 2023	16,288,023	8,370,444
Fund Year 29 - 2024	13,290,491	-
Claims Mgmt Fees-Future	2,740,524	1,374,868
Total Long Term Liabilities	<u>\$ 52,969,475</u>	<u>\$ 32,105,461</u>
Total Liabilities	<u><u>\$ 57,117,824</u></u>	<u><u>\$ 35,251,613</u></u>
 Fund Balance	 \$ 9,184,429	 \$ 17,960,289
Current Year Net Position	<u>(14,975,318)</u>	<u>832,210</u>
Total Net Position	<u><u>\$ (5,790,889)</u></u>	<u><u>\$ 18,792,499</u></u>
Total Liabilities and Net Position	<u><u>\$ 51,326,935</u></u>	<u><u>\$ 54,044,112</u></u>



Law Enforcement Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
10/31/2024

	2024 Budget	Jan 01, 2024 through Oct 31, 2024	83% of Budget
<u>Income</u>			
Member Contributions	\$ 19,870,424	\$ 16,865,159	85%
Capital Adequacy Contributions		1,372,842	
Accreditation Fees		11,000	
Total Income	\$ 19,870,424	\$ 18,249,001	92%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 13,837,552	\$ 23,061,799	199%
Pool Portion - Group 1 (up to \$5MM for IMM)	610,486	-	0%
Pool Additional - Group 1 (up to \$5MM for IMM)	484,000	-	0%
Adjustment to ULAE		664,910	
Claims Reserves		8,716,676	
Recoveries - Deductibles		(2,701,460)	
Recoveries - Reinsurance		-	
Recoveries - County Settlements		(16,250)	
Reinsurance - all (up to \$2MM for IMM)	3,300,000	2,713,386	82%
Brokerage Fees	35,000	29,167	83%
Total Claims & Claim Adjusting Expense	\$ 18,267,038	\$ 32,468,228	178%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 148,290	\$ 132,602	89%
Special Projects	45,000	56,024	124%
EDGE Detention Scholarships	15,000	-	0%
Online Training Tool	60,000	-	0%
Law Enforcement Accreditation	76,000	77,568	102%
Legal Advice Program	30,000	33,481	112%
Lexipol	255,000	205,697	81%
Loss Incentive Program	15,000	-	0%
Total Risk Mitigation Expense	644,290	505,372	78%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,737,040	\$ 1,438,507	83%
Actuary	15,000	18,375	123%
Financial Audit	30,000	10,899	36%
Investment Advisor Expense		3,750	
Legal Bureau Operations	250,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	88,215	68%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	8,232	19%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 2,236,540	\$ 1,567,978	70%
Total Expenses	\$ 21,147,868	\$ 34,541,578	163%
Operating Income	\$ (1,277,444)	\$ (16,292,577)	
Investment Income	1,140,222	1,097,398	
Net Change in Fair Value of Investments		185,686	
Earnings from Investment in Captive Reinsurance		34,175	
Total Non-Operating Revenue	\$ 1,140,222	\$ 1,317,259	
Net Position	\$ (137,222)	\$ (14,975,318)	



Law Enforcement Program
Administered by New Mexico Counties
Schedule of Investments 10/31/2024

		Current Average		
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		1.67%	\$ 946,599	\$ 15,807
		Est.	Ending	
<u>Securities</u>		<u>Ann. Yld</u>	<u>Market Val</u>	<u>Cost</u>
				<u>Gain/Loss *</u>
Exchange Traded Funds		3.99%	19,897,276	21,616,071
				(1,718,796)
Certificates of Deposit		0.00%	-	-
				-
Government Bonds		2.97%	10,406,313	10,282,636
				123,677
Govt Asset Backed Sec		5.14%	83,886	213,232
				(129,347)
Mutual Funds		6.94%	666,373	694,131
				(27,758)
Total Investments		3.72%	\$ 31,053,847	\$ 32,806,070
				\$ (1,752,223)
Total Cash & Investments		3.66%	\$ 32,000,446	\$ 33,752,669
Estimated Annual Income on Cash & Investments			\$ 1,169,625	
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		85%	\$ 28,792,722	
Moreton Capital Markets		13%	4,367,248	
First National Santa Fe		2%	592,023	
State Treasurers LGIP		0%	677	
		100%	\$ 33,752,669	

* Investments are purchased based on "yield to maturity." Market fluctuations do not affect the yield to maturity unless a premature sale is made

Multi-Line Program Financials



Multi-Line Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
10/31/2024

	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,307,527	\$ 2,858,608
Accounts Receivable - Deductibles	316,108	229,910
Accounts Receivable - Capital Adequacy	59,833	-
Note Receivable	1,230,445	1,321,147
Prepaid Expenses	2,454,242	2,507,758
Total Current Assets	<u>8,368,154</u>	<u>6,917,423</u>
Investments		
Exchange Traded Funds	\$ 20,478,701	\$ 18,301,758
US Government Bonds	3,720,191	4,217,582
Mutual Funds	2,545,321	3,384,741
Unrealized Gain/Loss	(1,673,272)	(2,446,464)
County Reinsurance Pool Equity	167,121	216,701
County Reinsurance Property Plus Equity	3,502,986	2,050,478
Captive Reinsurance	1,799	-
Total Investments	<u>28,742,846</u>	<u>25,724,796</u>
Total Assets	<u><u>\$ 37,111,000</u></u>	<u><u>\$ 32,642,219</u></u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable-NMAC Legal Bureau Atty Fees	\$ 65,443	\$ 39,187
Unearned Capital Adequacy Contributions	364,738	-
Unearned Member Contributions	2,075,693	1,698,444
Total Current Liabilities	<u>2,505,874</u>	<u>1,737,631</u>
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 16 - 2004	\$ 100	\$ -
Fund Year 21 - 2009	1,919	1,615
Fund Year 23 - 2011	231,046	154,809
Fund Year 26 - 2014	10,001	-
Fund Year 29 - 2017	15,076	94,068
Fund Year 30 - 2018	367,353	535,923
Fund Year 31 - 2019	223,236	434,800
Fund Year 32 - 2020	612,390	1,028,782
Fund Year 33 - 2021	1,488,768	2,999,139
Fund Year 34 - 2022	1,777,914	3,175,570
Fund Year 35 - 2023	2,894,375	3,533,508
Fund Year 36 - 2024	4,012,034	-
Claims Mgmt Fees-Future	567,732	617,472
Total Long Term Liabilities	<u>\$ 12,201,943</u>	<u>\$ 12,575,687</u>
Total Liabilities	<u>\$ 14,707,816</u>	<u>\$ 14,313,317</u>
Fund Balance	20,412,792	20,381,630
Current Year Net Position	1,990,392	(2,052,729)
Total Net Position	<u>\$ 22,403,184</u>	<u>\$ 18,328,901</u>
Total Liabilities and Net Position	<u><u>\$ 37,111,000</u></u>	<u><u>\$ 32,642,219</u></u>



Multi-Line Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
10/31/2024

	2024 Budget	Jan 01, 2024 through Oct 31, 2024	83% of Budget
<u>Income</u>			
Member Contributions	\$ 11,953,146	\$ 10,378,464	87%
Capital Adequacy Contributions		729,475	
Total Income	\$ 11,953,146	\$ 11,107,939	93%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 8,169,488	\$ 10,974,836	63%
Adjustment to ULAE		(43,344)	
Claims Reserves		(587,290)	
Recoveries - Deductibles		(3,068,135)	
Recoveries - Subrogation & Salvage		(145,812)	
Recoveries - Reinsurance		(1,693,390)	
Recoveries - County Settlements		(249,288)	
Reinsurance	2,611,374	3,484,246	133%
Brokerage Fees	35,000	29,167	83%
Total Claims & Claim Adjusting Expense	\$ 10,815,862	\$ 8,700,990	80%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 122,202	\$ 101,873	83%
Special Projects	45,000	-	0%
Online Training Tool	60,000	-	0%
Legal Advice Program	10,000	-	0%
Total Risk Mitigation Expense	\$ 237,202	\$ 101,873	43%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,333,128	\$ 1,110,902	83%
Actuary	15,000	18,150	121%
Financial Audit	30,000	10,899	36%
Claims Audit	15,000	-	0%
Property Appraisal Fees	135,000	125,397	93%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	110,094	85%
Board Training & Education	7,500	-	0%
Board D&O Insurance	43,000	8,237	19%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 1,732,628	\$ 1,383,679	80%
Total Expenses	\$ 12,785,692	\$ 10,186,542	80%
Operating Income	\$ (832,546)	\$ 921,397	
Investment Income	817,387	848,623	
Net Change in Fair Value of Investments		176,161	
Interest Income on Note Receivable	-	42,412	
Earnings from Investment in Captive Reinsurance		1,799	
Total Non-Operating Revenue	\$ 817,387	\$ 1,068,995	
Net Position	\$ (15,160)	\$ 1,990,392	



Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 10/31/2024

Cash		Current Average			
		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>	
Banks, Money Market Accts & State Treas LGIP		0.968%	\$ 4,307,527	\$ 41,707	
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>	
Exchange Traded Funds	4.11%	18,997,171	20,478,701	(1,481,531)	
Certificates of Deposit	0.00%	-	-	-	
Government Bonds	1.79%	3,454,437	3,384,168	70,270	
Govt Asset Backed Sec	5.39%	100,402	336,023	(235,621)	
Mutual Funds	5.37%	2,518,931	2,545,321	(26,390)	
Total Investments	3.93%	\$ 25,070,941	\$ 26,744,213	\$ (1,673,272)	
Total Cash & Investments	3.49%	\$ 29,378,468	\$ 31,051,739		
Estimated Annual Income on Cash & Investments		\$ 1,025,895			
By Institution:					
Wells Fargo/Salmon Hauger Wealth Mgmt.		98%	\$ 30,420,537		
First National Santa Fe		2%	630,731		
State Treasurers LGIP		0%	471		
		100%	\$ 31,051,739		

* Investments are purchased based on "yield to maturity." Market fluctuations do not affect the yield to maturity unless a premature sale is made

Workers' Compensation Program Financials



Workers' Compensation Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
10/31/2024

	As of October 31, 2024				As of October 31, 2023			
Assets								
Current Assets								
Cash and Cash Equivalents		\$	4,588,064			\$	2,509,961	
Accounts Receivable-Members			394,344				11,234	
Accounts Receivable-Capital Adequacy			41,539				-	
Accounts Receivable-Reinsurance			534				1,066	
Accounts Receivable-Hi Ded Counties			29,961				33,988	
Accounts Receivable-Other			-				153,005	
Prepaid Expenses			762,728				609,970	
Total Current Assets			5,817,170				3,319,224	
Investments								
Exchange Traded Funds	14,225,493				13,670,048			
US Government Bonds	14,865,764				8,180,682			
Mutual Funds/ETF	1,418,256				9,684,860			
Unrealized Gain/Loss	(1,408,694)	29,100,819			(3,228,016)	28,307,574		
County Reinsurance Limited Equity		404,542				520,227		
Total Investments		29,505,361				28,827,801		
Total Assets		\$	35,322,531			\$	32,147,025	
Liabilities and Surplus								
Current Liabilities								
Accounts Payable		\$	11,464			\$	337	
Unearned Capital Adequacy Contrib			416,514				-	
Unearned Member Contributions			6,340,387				6,318,884	
Total Current Liabilites			6,768,365				6,319,221	
Long Term Liabilities								
Reserves for Future Claims:								
Claims Reserves FY 4 - 1990/91	\$	(244)			\$	-		
Claims Reserves FY 5 - 1991/92		25,393				20,868		
Claims Reserves FY 6 - 1992/93		28,967				25,047		
Claims Reserves FY 8 - 1994/95		11,271				9,746		
Claims Reserves FY 9 - 1995/96		39,512				37,061		
Claims Reserves FY 11 - 1997/98		20,889				18,062		
Claims Reserves FY 12 - 1998/99		(1,277)				26,233		
Claims Reserves FY 14 - 2000/01		22,201				9,870		
Claims Reserves FY 15 - 2001/02		67,352				79,780		
Claims Reserves FY 16 - 2002/03		9,213				12,387		
Claims Reserves FY 17 - 2003/04		(3,677)				(15,674)		
Claims Reserves FY 18 - 2004/05		274,867				296,543		
Claims Reserves FY 19 - 2005/06		90,827				109,333		
Claims Reserves FY 20 - 2006/07		58,227				74,201		
Claims Reserves FY 21 - 2007/08	471,722	Bernalillo County	Other HDC's		482,700	Bernalillo County	Other HDC's	
Claims Reserves FY 22 - 2008/09	257,480	-	-		344,344	-	-	
Claims Reserves FY 23 - 2009/10	7,801	-	-		62,641	-	-	
Claims Reserves FY 24 - 2010/11	76,723	-	-		191,679	-	-	
Claims Reserves FY 25 - 2011/12	97,965	-	-		195,291	-	-	
Claims Reserves FY 26 - 2012/13	267,454	-	-		333,258	-	-	
Claims Reserves FY 27 - 2013/14	253,453	-	-		524,669	-	-	
Claims Reserves FY 28 - 2014/15	378,936	(92,177)	-		529,613	(157,644)	-	
Claims Reserves FY 29 - 2015/16	568,525	(32,246)	-		866,536	(190,382)	-	
Claims Reserves FY 30 - 2016/17	621,704	-	-		809,545	-	-	
Claims Reserves FY 31 - 2017/18	435,002	-	(2,836)		725,938	-	(6,581)	
Claims Reserves FY 32 - 2018/19	677,007	(9,105)	-		921,413	(42,302)	-	
Claims Reserves FY 33 - 2019/20	694,764	-	-		1,098,964	-	-	
Claims Reserves FY 34 - 2020/21	2,317,619	(85,530)	-		2,770,504	(71,124)	-	
Claims Reserves FY 35 - 2021/22	1,419,311	-	(67,137)		2,539,209	-	(86,922)	
Claims Reserves FY 36 - 2022/23	2,472,658	-	(30,072)		4,863,671	-	(156,239)	
Claims Reserves FY 37 - 2023/24	5,187,421	-	(141,977)		1,838,220	-	-	
Claims Reserves FY 38 - 2024/25	2,099,010	-	-		-	-	-	
Claims Mgmt Fees-Future	924,967	-	-		950,736	-	-	
Total Reserve for Future Claims	\$	19,873,043	\$ (219,058) \$ (242,022)		\$	20,752,387	\$ (461,452) \$ (249,742)	
Total Long Term Liabilites		19,411,963				20,041,193		
Total Liabilities	\$	26,180,328			\$	26,360,414		
Fund Balance		7,319,501				6,259,829		
Current Year Net Position		1,822,702				(473,218)		
Total Net Position	\$	9,142,203			\$	5,786,611		
Total Liabilities and Net Position	\$	35,322,531			\$	32,147,025		



Workers' Compensation Program
 Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
 10/31/2024

	<u>Budget 2024</u>	<u>10/31/2024</u>	<u>83%</u> <u>of budget</u>
<u>Income</u>			
Member Contributions	\$ 10,189,198	\$ 7,909,357	78%
Capital Adequacy Contributions		833,027	
Total Income	\$ 10,189,198	\$ 8,742,384	86%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 6,719,234	\$ 6,593,996	85%
Adjustment to ULAE		(13,443)	
Claims Reserves		(253,369)	
Recoveries- Deductibles		(349,270)	
Recoveries- Reinsurance		(164,379)	
Recoveries- Subrogation		(34,468)	
Nurse Case Manager		(87,580)	
Reinsurance	1,082,868	824,008	76%
Brokerage Fees	30,000	20,000	67%
Total Claims & Claim Adjusting Expense	\$ 7,832,102	\$ 6,535,495	83%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMAC	\$ 285,490	\$ 237,863	83%
Legal Advice Program	10,000	606	6%
Loss Incentive Program	35,000	35,000	100%
Online Training Program	70,000	-	0%
Total Risk Mitigation Expense	\$ 400,489	\$ 273,469	68%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMAC	\$ 1,059,002	\$ 882,547	83%
Actuary	12,000	14,900	124%
Claims Audit	10,000	-	0%
Financial Audit	12,000	10,899	91%
Payroll Audit	60,000	48,431	81%
Legal Expense	2,500	-	0%
Software Support, Licensing, Training	150,000	99,787	67%
Board Training and Education	15,000	-	0%
Board D&O Insurance	43,000	8,232	19%
Miscellaneous Expenses	5,000	-	0%
Total Admin & Other Expense	\$ 1,368,501	\$ 1,064,796	78%
Total Expenses	\$ 9,601,092	\$ 7,873,760	82%
Operating Income	\$ 588,106	\$ 868,624	148%
Interest Income Investments	949,813	933,374	
Net Change in Fair Value of Investments		20,704	
Total Non-Operating Revenue	\$ 949,813	\$ 954,078	
Net Position	\$ 1,537,919	\$ 1,822,702	



Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 10/31/2024

		Current Average		
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		0.78%	\$ 4,588,064	\$ 35,645
		Est.	Ending	Market
<u>Securities</u>	<u>Ann. Yld</u>	<u>Market Val</u>	<u>Cost</u>	<u>Gain/Loss *</u>
Exchange Traded Funds	4.13%	12,950,363	14,225,493	(1,275,130)
Certificates of Deposit	0.00%	-	-	-
Government Bonds	4.56%	14,644,500	14,651,685	(7,185)
Govt Asset Backed Sec	4.81%	110,821	214,079	(103,259)
Mutual Funds	5.51%	1,395,135	1,418,256	(23,121)
Total Investments		4.42%	\$ 29,100,819	\$ 30,509,513
Total Cash & Investments		3.92%	\$ 33,688,884	\$ 35,097,577
Estimated Annual Income on Cash & Investments			\$ 1,321,147	
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		76%	\$ 26,554,752	
Moreton Capital Markets		23%	8,119,364	
First National Santa Fe		1%	421,399	
State Treasurers LGIP		0%	2,063	
		100%	\$ 35,097,577	

* Investments are purchased based on "yield to maturity." Market fluctuations do not affect the yield to maturity unless a premature sale is made

NMCR_e

Financials

Unaudited Financial Statements as of June 30, 2024

New Mexico County Reinsurance, Inc.

Christopher C. Bridges, CPA
Senior Vice President – Captives North America
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Artex

Alternative
Risk

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
June 30, 2024

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New Mexico County Reinsurance, Inc.

Balance Sheet

		Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited December 31, 2023
Assets:				
Cash & cash equivalents	<i>Exhibit 1</i>	\$ 1,363,876.83	\$ 1,778,385.00	\$ 1,547,120.69
Investments	<i>Exhibit 2</i>	22,689,614.10	17,853,861.90	18,727,551.04
Accrued interest		109,082.62	72,377.36	84,086.64
Prepaid expenses	<i>Exhibit 3</i>	19,414.28	20,498.26	-
Deferred tax asset		-	119,441.14	-
Total Assets		\$ 24,181,987.83	\$ 19,844,563.66	\$ 20,358,758.37
Liabilities:				
Incurred but not reported	<i>Exhibit 5</i>	\$ 1,856,523.00	\$ 1,669,014.00	\$ 2,512,525.00
Outstanding Loss Reserves		2,715,045.00	-	145,000.00
Total unpaid reserves		4,571,568.00	1,669,014.00	2,657,525.00
Unearned premium reserve		1,873,213.00	1,943,343.00	-
Federal income tax payable		-	219,893.08	-
Total Liabilities		6,444,781.00	3,832,250.08	2,657,525.00
Shareholder's Equity:				
Contributed Capital & Surplus		15,600,000.00	15,600,000.00	15,600,000.00
Retained Earnings		2,137,206.83	412,313.58	2,101,233.37
Total Shareholder's Equity		17,737,206.83	16,012,313.58	17,701,233.37
Total Liabilities and Shareholder's Equity		\$ 24,181,987.83	\$ 19,844,563.66	\$ 20,358,758.37

For Internal Use Only

New Mexico County Reinsurance, Inc.
Statement of Operations

		<i>Current</i>		<i>Prior</i>	
		<i>Quarter</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>Year</i>
		April 1, 2024 - June 30, 2024	January 1, 2024 - June 30, 2024	January 1, 2023 - June 30, 2023	January 1, 2023 - December 31, 2023
Assumed premium		\$ -	\$ 3,726,064.00	\$ 3,855,000.00	\$ 3,855,000.00
Change in unearned assumed premium		926,425.00	(1,873,213.00)	(1,943,343.00)	-
Net earned premium	<i>Exhibit 4</i>	926,425.00	1,852,851.00	1,911,657.00	3,855,000.00
Change in outstanding reserves		528,045.00	2,570,045.00	-	145,000.00
Change in IBNR		612,129.00	(656,002.00)	1,423,036.00	2,266,547.00
Total losses incurred	<i>Exhibit 5</i>	1,140,174.00	1,914,043.00	1,423,036.00	2,411,547.00
Placement fees		-	30,000.00	30,000.00	30,000.00
Underwriting expense		1,140,174.00	1,944,043.00	1,453,036.00	2,441,547.00
Net underwriting profit (loss)		(213,749.00)	(91,192.00)	458,621.00	1,413,453.00
Audit and tax fees		-	-	-	11,500.00
Actuarial fees		4,250.00	11,250.00	8,000.00	8,000.00
Captive management		15,000.00	30,000.00	30,000.00	60,000.00
Legal fee		-	-	49,386.90	26,843.15
License & fees		(18.00)	7,510.00	7,518.00	45,518.00
D&O insurance expense		2,183.14	4,366.28	5408.62	10,906.88
Directors fees		-	200.00	200.00	200.00
Meeting expenses		-	-	-	(164.70)
Bank fees		-	-	25.00	225.00
Miscellaneous Expense		-	-	9.90	84.90
Operating expenses		21,415.14	53,326.28	100,548.42	163,113.23
Investment income		221,663.16	453,468.59	247,080.29	641,712.89
Realized gain (loss)		-	6,241.64	-	3,000.49
Unrealized gain (loss)		(94,782.77)	(259,341.30)	(101,903.77)	212,935.84
Investment expenses		(10,246.85)	(19,877.19)	(14,156.01)	(30,428.05)
Other income (expense)		116,633.54	180,491.74	131,020.51	827,221.17
Income (loss) before taxes		(118,530.60)	35,973.46	489,093.09	2,077,560.94
Current income tax (expense)		-	-	(212,501.76)	-
Deferred tax (expense)/benefit		-	-	117,021.03	-
Net income (loss)		\$ (118,530.60)	\$ 35,973.46	\$ 393,612.36	\$ 2,077,560.94

For Internal Use Only

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statement of Cash Flow
June 30, 2024

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Net income/(loss)	\$ 35,973.46
Premium received	
Adjustment to reconcile net income (loss) to net cash provided (used) by operating activities:	
Net unrealized (gains) losses on investments	259,341.30
Bond amortization	(14,901.88)
(Decrease) increase in:	
Accrued interest	(24,995.98)
Prepaid expenses	(19,414.28)
Accounts payable & accrued expenses	-
Unearned premium reserve	1,873,213.00
Incurred but not reported	(656,002.00)
Outstanding Loss Reserves	2,570,045.00
Total adjustments	<u>3,742,845.74</u>
Net cash provided (used) by operating activities	4,023,258.62
Cash provided (used) by financing activities	<u>-</u>
Net cash provided (used) by financing activities	<u>-</u>
Cash provided (used) by investing activities	
Purchase of investments	(4,866,274.81)
Proceeds from sale of marketable securities	666,013.97
Realized (gain) loss on sales	(6,241.64)
Net cash provided (used) by investing activities	<u>(4,206,502.48)</u>
Net increase (decrease) in cash & cash equivalents	(183,243.86)
Cash & cash equivalents at beginning of period	<u>1,547,120.69</u>
Cash & cash equivalents at end of period	<u><u>\$ 1,363,876.83</u></u>

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New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations

	Program Yr. 1 <u>1/1/2022-1/1/2023</u>	Program Yr. 2 <u>1/1/2023-1/1/2024</u>	Program Yr. 3 <u>1/1/2024-1/1/2025</u>	<u>Total</u>
Assumed premium	\$ 333,000.00	\$ 3,855,000.00	\$ 3,726,064.00	\$ 7,914,064.00
Change in unearned assumed premium	-	-	(1,873,213.00)	(1,873,213.00)
Net earned premium	<u>333,000.00</u>	<u>3,855,000.00</u>	<u>1,852,851.00</u>	<u>6,040,851.00</u>
Losses & losses adjustment expenses paid	-	-	-	-
Change in outstanding reserves	160,045.00	2,555,000.00	-	2,715,045.00
Change in IBNR	85,933.00	222,853.00	1,547,737.00	1,856,523.00
Total losses incurred	<u>245,978.00</u>	<u>2,777,853.00</u>	<u>1,547,737.00</u>	<u>4,571,568.00</u>
Placement fees	-	30,000.00	30,000.00	60,000.00
Underwriting expense	<u>245,978.00</u>	<u>2,807,853.00</u>	<u>1,577,737.00</u>	<u>4,631,568.00</u>
Net underwriting profit (loss)	<u>87,022.00</u>	<u>1,047,147.00</u>	<u>275,114.00</u>	<u>1,409,283.00</u>
Audit and tax fees	-	11,500.00	-	11,500.00
Actuarial fees	-	8,000.00	11,250.00	19,250.00
Captive management	60,000.00	60,000.00	30,000.00	150,000.00
Legal fee	75.00	26,843.15	-	26,918.15
Regulatory exam	-	-	-	-
License & fees	6,375.00	45,518.00	7,510.00	59,403.00
D&O insurance expense	4,137.63	10,906.88	4,366.28	19,410.79
Directors fees	-	200.00	200.00	400.00
Meeting expenses	164.70	(164.70)	-	-
Bank fees	175.00	225.00	-	400.00
Miscellaneous Expense	25.00	84.90	-	109.90
Operating expenses	<u>70,952.33</u>	<u>163,113.23</u>	<u>53,326.28</u>	<u>287,391.84</u>
Investment income	8,295.70	641,712.89	453,468.59	1,103,477.18
Realized gain (loss)	-	3,000.49	6,241.64	9,242.13
UnRealized gain (loss)	-	212,935.84	(259,341.30)	(46,405.46)
Investment expenses	(692.94)	(30,428.05)	(19,877.19)	(50,998.18)
Other income (expense)	<u>7,602.76</u>	<u>827,221.17</u>	<u>180,491.74</u>	<u>1,015,315.67</u>
Net income (loss)	<u>\$ 23,672.43</u>	<u>\$ 1,711,254.94</u>	<u>\$ 402,279.46</u>	<u>\$ 2,137,206.83</u>

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New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

Exhibit 1	<u>Cash & cash equivalents</u>	Current Quarter		Prior Fiscal Year-
		End		end
	Wells Fargo Advisors #2932 Investment Account - cash	\$	59,837.30	\$ 111,888.75
	Wells Fargo Advisors #2932 Investment Account - money market		715,331.56	757,537.42
	Wells Fargo Advisors #1288 Investment Account - cash		15,146.04	-
	Wells Fargo Advisors #1288 Investment Account - money market		573,561.93	677,694.52
	Total	\$	1,363,876.83	\$ 1,547,120.69
Exhibit 2	<u>Investments</u>	Current Quarter	Current Quarter	Prior Fiscal Year-
		End - Amortized [Original] Cost	End - Market Value	end - Market Value
	Wells Fargo Advisors #2932 Investment Account	\$ 22,736,019.56	\$ 22,689,614.10	\$ 18,727,551.04
	Total	\$ 22,736,019.56	\$ 22,689,614.10	\$ 18,727,551.04
Exhibit 3	<u>Prepaid expenses</u>	Current Quarter		Prior Fiscal Year-
		End		end
	Captive management fees	\$	15,000.00	\$ -
	D&O insurance		4,414.28	-
	Total	\$	19,414.28	\$ -

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

		A	B	C	D	E	F	G
			Written Prior Fiscal Year	Written Current Fiscal Year			Current Quarter- End	Prior Fiscal-Year End
Exhibit 4	Premiums	Policy effective date	Policy Premium	Policy Premium	# days earned this year	Premium Earned Current Year-to- date	Premium Unearned	Premium Unearned
Grand Total, Policies In Force			\$ 4,188,000.00	\$ 3,726,064.00		\$ 1,852,851.00	\$ 1,873,213.00	\$ -
			Premium written on P&L			Premium earned on P&L	UEPR on balance sheet	UEPR on balance sheet
Assumed Coverage								
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2022	\$ 333,000.00	\$ -	0	\$ -	\$ -	\$ -
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2023	3,375,000.00	-	0	\$ -	\$ -	\$ -
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2023	480,000.00	-	0	\$ -	\$ -	\$ -
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2024	-	2,824,455.00	182	\$ 1,404,510.00	\$ 1,419,945.00	\$ -
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024	-	367,231.00	182	\$ 182,612.00	\$ 184,619.00	\$ -
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024	-	64,378.00	182	\$ 32,013.00	\$ 32,365.00	\$ -
PACK	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024	-	470,000.00	182	\$ 233,716.00	\$ 236,284.00	\$ -
Total			\$ 4,188,000.00	\$ 3,726,064.00		\$ 1,852,851.00	\$ 1,873,213.00	\$ -

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

			A	B	C	D	E	F	G	H	I	J
				(C / A)			(C / 365 * D)		(E - F)			(E - H - I)
Exhibit 5	Losses and loss reserves											
Coverage Code	Coverage Description	Policy effective date	Full Year Premium	Loss Ratio	Full Year Ultimate	# of days	Ultimate Pro-rata	Prior Year's Pro-rata Ultimate	Current Year-to-Date Provision for Loss	Paid Losses	Inception to Date Case Reserves (OSLR)	IBNR Reserve
Grand Total, Policies In Force			\$ 7,914,064.00	77.5%	\$ 6,136,314.00		\$ 4,571,568.00	\$ 2,657,525.00	\$ 1,914,043.00	\$ -	\$ 2,715,045.00	\$ 1,856,523.00
Prov for Loss per P&L											OSLR on balance sheet	IBNR on balance sheet
<u>Law Enforcement Liability Reinsurance - All Counties</u>												
A-Cov1	10% share of \$3,000,000 in excess of \$2,000,000	1/1/2022	\$ 333,000.00	73.9%	\$ 245,978.00	365	\$ 245,978.00	\$ 245,978.00	\$ -	\$ -	\$ 160,045.00	\$ 85,933.00
A-Cov1	\$2,000,000 Excess of \$2,000,000	1/1/2023	\$ 3,375,000.00	67.5%	\$ 2,277,853.00	365	\$ 2,277,853.00	\$ 2,277,853.00	\$ -	\$ -	\$ 2,055,000.00	\$ 222,853.00
A-Cov1	\$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 2,824,455.00	82.4%	\$ 2,326,847.00	182	\$ 1,157,066.00	\$ -	\$ 1,157,066.00	\$ -	\$ -	\$ 1,157,066.00
Total Assumed Coverage 1		Total	\$ 6,532,455.00	74.3%	\$ 4,850,678.00		\$ 3,680,897.00	\$ 2,523,831.00	\$ 1,157,066.00	\$ -	\$ 2,215,045.00	\$ 1,465,852.00
<u>Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Santa Fe</u>												
A-Cov2	50% share of \$1,000,000 Excess of \$4,000,000	1/1/2023	\$ 480,000.00	104.2%	\$ 500,000.00	365	\$ 500,000.00	\$ 133,694.00	\$ 366,306.00	\$ -	\$ 500,000.00	\$ -
A-Cov2	50% share of \$1,000,000 Excess of \$4,000,000	1/1/2024	\$ 367,231.00	77.2%	\$ 283,480.00	182	\$ 140,965.00	\$ -	\$ 140,965.00	\$ -	\$ -	\$ 140,965.00
Total Assumed Coverage 2		Total	\$ 847,231.00	92.5%	\$ 783,480.00		\$ 640,965.00	\$ 133,694.00	\$ 507,271.00	\$ -	\$ 500,000.00	\$ 140,965.00
<u>Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services</u>												
A-Cov3	50% share of \$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 64,378.00	152.3%	\$ 98,063.00	182	\$ 48,764.00	\$ -	\$ 48,764.00	\$ -	\$ -	\$ 48,764.00
Total Assumed Coverage 3		Total	\$ 64,378.00	152.3%	\$ 98,063.00		\$ 48,764.00	\$ -	\$ 48,764.00	\$ -	\$ -	\$ 48,764.00
<u>Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O</u>												
PACK	\$1,000,000 Excess of \$1,000,000	1/1/2024	\$ 470,000.00	86.0%	\$ 404,093.00	182	\$ 200,942.00	\$ -	\$ 200,942.00	\$ -	\$ -	\$ 200,942.00
Total Assumed Coverage Package Policy		Total	\$ 470,000.00	86.0%	\$ 404,093.00		\$ 200,942.00	\$ -	\$ 200,942.00	\$ -	\$ -	\$ 200,942.00
Summary by Policy Period			\$ 7,914,064.00	77.5%	\$ 6,136,314.00		\$ 4,571,568.00	\$ 2,657,525.00	\$ 1,914,043.00	\$ -	\$ 2,715,045.00	\$ 1,856,523.00
	Policies Incepting on	1/1/2022	\$ 333,000.00	73.9%	\$ 245,978.00		\$ 245,978.00	\$ 245,978.00	\$ -	\$ -	\$ 160,045.00	\$ 85,933.00
	Policies Incepting on	1/1/2023	\$ 3,855,000.00	72.1%	\$ 2,777,853.00		\$ 2,777,853.00	\$ 2,411,547.00	\$ 366,306.00	\$ -	\$ 2,555,000.00	\$ 222,853.00
	Policies Incepting on	1/1/2024	\$ 3,726,064.00	83.5%	\$ 3,112,483.00		\$ 1,547,737.00	\$ -	\$ 1,547,737.00	\$ -	\$ -	\$ 1,547,737.00

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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 6.C.	<u>Item Title:</u> Risk Management Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Memorandum

Date: December 4, 2024
To: NMCA Board
From: Grace Philips, Risk Management Director
Re: Risk Management Update

- Held two online meetings with county managers the week of November 18 regarding the 2025 multiline and law enforcement renewals.
- Staff sent out the deductible options to members on November 22 with a deadline to return signed documents by December 20.
- Met with the Luna County sheriff regarding oversight of his department.
- Participated virtually in the Gallagher western directors meeting where I learned about how hard law enforcement programs are being hit throughout the region.
- Spoke with Taos County Manager Brent Jaramillo and San Miguel County Manager Joy Ansley regarding the status of their capital adequacy payments.
- Conducted meeting between SAA and our Wells Fargo investment manager.

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Santa Fe, NM 87501

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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 7.A.	<u>Item Title:</u> Legal Bureau Update
<u>Presenter (s):</u> Brandon Huss, Legal Bureau Director	

NMC LEGAL BUREAU UPDATE

Date: November 20, 2024
To: NMCIA Board of Directors
From: Brandon Huss, Legal Bureau Director
Re: Legal Bureau Update

Greetings Board Members,

As only a month has passed since our last update, we only have a few noteworthy facts to report. We currently have 88 active claims open. During the last month, we worked with John Grant, Robin Martinez, and Nick Autio to settle the Hernandez v Luna County matter, where an infant was killed. You will recall that we finalized that settlement during the last Board meeting.

The most exciting case we resolved in the last month was Rottland v Otero County. In that case, we recognized problems in service and naming several years ago. Last week, we were able to convince the district court judge that those issues were fatal to the claim and we obtained a full dismissal with prejudice. As the claim was a wrongful death claim, the risk savings was significant and the County will pay nothing on that claim.

We also finalized settlements in the Patrick Leat v Bernalillo County matter, a jail death claim involving medical care issues (\$50,000) and Eric Vigil v San Miguel (the Board previously approved \$1,100,000).

Since the time since the last report is so brief, I do not have further information to report, but will be happy to answer and questions at the meeting.

Very Truly Yours,

Brandon Huss

444 Galisteo Street
Santa Fe, NM 87501

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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 7.B.	<u>Item Title:</u> Loss Prevention Update
<u>Presenter (s):</u> Greg Rees, Loss Prevention Manager	

Memorandum

Date: November 19, 2024
To: NMCIA Board
From: Greg Rees, Loss Prevention Manager
Re: Loss Prevention Update

The Lexipol Policy Management solutions for Sheriff's Offices monthly update report is attached. It should be noted that we have received signed Terms of Use Agreements from Cibola and Roosevelt County since our last meeting. The most recent agreement from Roosevelt County was received after the attached monthly update was drafted. Therefore, their status written in the *Monthly Summary* section on page one has changed.

The project is moving forward at a decent pace. As a reminder, the amount of customization each Sheriff's Office requires will prolong the time until the program is ready for implementation. Several of the Sheriff's Offices have missed meetings due to other priorities or commitments. Lexipol Operations Manager, Rich Pascarella, is an excellent partner and will reach out for assistance if requested.

I am also very happy to announce that we have hired Angelo Gurule as our new Safety Loss Prevention Specialist. Angelo is a current Chaves County Road Department supervisor. He will be retiring from Chaves County at the end of the year. He will begin in a part-time capacity on Friday, November 22. Angelo will begin full time employment with New Mexico Counties January 1, 2025. Angelo has a stellar career with a specialty in safety. He is a former Risk Affiliate Chair and has great knowledge of the Risk Awareness Program (RAP). Updating RAP with Angelo on our team is a step in the right direction.

Thank you in advance.

Greg Rees

444 Galisteo Street
Santa Fe, NM 87501

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LEXIPOL (Project Control - Monthly Summary Report)

GENERAL PROJECT INFORMATION

PROJECT NAME		SR PROJECT MANAGER	OPERATIONS MANAGER
New Mexico Counties (NMC)		Phil Holder	Richard Pascarella
EMAIL	PHONE	ORGANIZATIONAL UNIT(S)	
pholder@lexipol.com ; rpascarella@lexipol.com	949-226-8074	Lexipol Professional Services	
AGREEMENT EFFECTIVE DATE	PROJECT STATUS REPORT DATES	EXPECTED START DATE	EXPECTED COMPLETION DATE
28-Dec-23	10/01/2024 - 10/31/2024	06/01/2024	02/28/2026

PROJECT SUMMARY - OCTOBER 2024

PURPOSE OF PROJECT	Establish and implement constitutionally sound Law Enforcement Policy Manuals for the New Mexico Counties consortium of twenty-nine individual counties supported and delivered using the Lexipol Knowledge Management System.
MONTHLY SUMMARY	<p>Group 1 participants include: Guadalupe CO, Hidalgo CO, Otero CO, Quay CO, Santa Fe CO, Sierra CO, Valencia CO, Sandoval CO, Lincoln CO, Curry CO, and Grant CO.</p> <p>Group 2 participants includes: Socorro CO SO, Taos CO SO, DeBaca CO SO, Colfax CO SO, Union CO SO, Bernalillo CO SO, Chaves CO SO and Catron CO SO; McKinley CO SO and Luna CO SO were requested to be moved up and are now in Group 2.</p> <p>We have reached out to all of the Group 3 participants to start scheduling the pre-implementation meetings; all but Roosevelt CO SO have responded and sent in signed Use Agreements. Most Group 1 participants are working in Tier 2 or higher, except for Curry CO. There are four counties working in Tier 4 and three counties that have completed the review of all five tiers; that includes Sandoval CO, Hidalgo CO, and Quay CO; they are either issuing policy to staff or have submitted the policy to legal counsel for review and will release upon approval. All Group 1 agencies have regular recurring meetings with their PM's now.</p> <p>Group 2 agencies have completed the Kick-off meetings and have started the review of Tier I policies; Bernalillo CO has requested to start this project in November when they have a project manager available. There are three agencies that have started the review of Tier II policies.</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Taos CO was not able to meet in October due to other priorities. • Chaves CO missed most meetings in October with no notice; process is slow due to a lack of meeting. • Roosevelt CO has not submitted the Use Agreement and has not returned emails - no engagement. • Cibola CO sent in the Use Agreement, but has not responded to set a pre-implementation mtg. • Socorro CO cld most meetings this month due to other commitments. • Harding CO (Group 3) has started early and was able to meet three times this month.

TASK(S) COMPLETED	<ul style="list-style-type: none"> • The majority of the Group 1 projects are about half-way through the tiered implementation process; a few agencies meet only 1-2 times a month, which delays some progress. • Group 2 projects were assigned and are have started the implementation process; all that have started are in Tier I. • Group 3 pre-implementation meetings were completed this month with the exception of three agencies; Dona Ana CO will meet in Nov with Lexipol project manager, Roosevelt CO has not responded, and San Miguel CO has not returned emails or calls. • Three Group 1 agencies (Sandoval CO / Hidalgo CO / Quay CO) have completed the review/edit process; there are two other departments that have started review of the last tier of policies.
TASK(S) DELAYED	<ul style="list-style-type: none"> • Taos CO SO - Has missed all mtgs this month; emails and calls have not been answered. • Chaves CO SO - Has missed over half the scheduled meetings for the month; slow progress being made. • San Miguel CO SO - Has not responded to emails or calls to set up the pre-implementation meeting. • Sierra CO SO - Although there is a recurring meeting day/time each week, all meetings this month were cancelled. Progress is extremely slow due to cancelled meetings and is not responsive to emails. • Bernalillo CO SO - Has delayed the start of the project until sometime in Nov 2024 to address promotions.
UPCOMING TASKS	<ul style="list-style-type: none"> • Update each of Groups 1 & 2 participants status of implementation by end of November. • Assign Group 3 projects for implementations and review one outstanding agreement that has not been submitted. • Assess all projects and update estimated completion dates.
RISK LOG	<ul style="list-style-type: none"> • Continue to reach out to agencies that are missing meetings, not corresponding, or haven't started the process. • Document delays and communicate problems to NMC and customer agencies. • Monitor delays of individual projects - extended time frames to begin or continue should be evaluated and consider moving next project in line to implementation.
ISSUE LOG	<ul style="list-style-type: none"> • Any issues related to projects have been conveyed to the project manager and PS supervision for resolution.

TENTATIVE SCHEDULE

KEY MILESTONES - GROUP 1 (11 agencies)	START	FINISH
Project Discovery Meeting	06/11/2024	07/20/2024
Existing Content Received / Reviewed	June/July 24	08/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	July/August 24	In Progress (4/11) Done (7/11)
Completion of PWG Initial Edits to Tier 2	August/Sept 24	In Progress(5/11) Done (5/11)

Completion of PWG Initial Edits to Tier 3	August/Sept 24	In Progress (1/11) Done (5/11)
Completion of PWG Initial Edits to Tier 4	Sept/Oct 24	In Progress (1/11) Done (4/11)
Completion of PWG Initial Edits to Tier 5	Sept/Oct 24	In Progress (1/11) Done (3/11)
Existing Content Cross-Reference (As needed)	July/Oct 24	October
Onboarding / KMS Orientation	July/Oct 24	In Progress
Administrative and End-User Training	July/Oct 24	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	TBD
KEY MILESTONES - GROUP 2 (10 agencies)	START	FINISH
Project Discovery Meeting	Aug/Sept 24	09/01/2024
Existing Content Received / Reviewed	Aug/Sept 24	10/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Aug/Sept 24	In Progress (7/10) Done (2/10)
Completion of PWG Initial Edits to Tier 2	TBD	In Progress (3/10) Done (0/10)
Completion of PWG Initial Edits to Tier 3	TBD	TBD
Completion of PWG Initial Edits to Tier 4	TBD	TBD
Completion of PWG Initial Edits to Tier 5	TBD	TBD
Existing Content Cross-Reference (As needed)	Aug/Sept 24	October
Onboarding / KMS Orientation	September	In Progress
Administrative and End-User Training	TBD	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	TBD
KEY MILESTONES - GROUP 3 (8 agencies)	START	FINISH
Project Discovery Meeting	Nov/Dec 24	TBD
Existing Content Received / Reviewed	Nov/Dec 24	TBD

Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Nov/Dec 24	In Progress (1/8) Done (0/8)
Completion of PWG Initial Edits to Tier 2	TBD	TBD
Completion of PWG Initial Edits to Tier 3	TBD	TBD
Completion of PWG Initial Edits to Tier 4	TBD	TBD
Completion of PWG Initial Edits to Tier 5	TBD	TBD
Existing Content Cross-Reference (As needed)	Nov/Dec 24	TBD
Onboarding / KMS Orientation	Nov/Dec 24	TBD
Administrative and End-User Training	TBD	TBD
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	TBD

RESOURCES

LEXIPOL PROJECT TEAM	ROLE	RESPONSIBILITY
Phil Holder	Project Manager	Coordinate and facilitate Project Specialists, provide supervisory level support and oversight to each child project and make appropriate edits at direction of the department, overall management of the project.
Richard Pascarella	Operations Manager - Project Sponsor	Oversee project needs and timelines, ensure proper resources are available and appropriately applied. Manage any items or issues escalated by project managers or counties. Maintain the Project Implementation Plan and Monthly Reports and regular contact with parent project. Provide executive level oversight as needed and communicate updates to Lexipol ELT.
Wendy Niebank	Vice President, Professional Services	Provide executive level support and oversight to the Lexipol project management team to ensure goals are attained. Be available to the customer leadership and customer project manager if questions or concerns arise. Provide direction on any escalated risks or issues.
CUSTOMER PROJECT TEAM	ROLE	
Greg Reese	Project Manager	

PREPARED BY	TITLE	DATE
Richard Pascarella	Operations Manager - West Region, Professional Services Division	11/05/2024

		Policy Implementation Stages - Progress												
Group #	Agency	MSA Signed / Review SoW	Pre-Implementation Meeting	EC Received & Reviewed	Kick-Off Meeting Completed	Recurring Mtg Schedule	Onboarding/KMS Orientation	Tier I - Review/Edits	Tier II - Review/Edits	Tier III - Review/Edits	Tier IV - Review/Edits	Tier V - Review/Edits	Quality Assurance Review	Policy Issuance / Handoff Meeting
1	NM Guadalupe County SO	√	√	√	√	√	√	IP	IP	IP				
1	NM Hidalgo County SO	√	√	√	√	√	√	√	√	√	√	√	IP	22
1	NM Otero County SO	√	√	√	√	√	IP	√	√	√	IP			64
1	NM Quay County SO	√	√	√	√	√	√	√	√	√	√	√	IP	IP
1	NM Santa Fe County SO	√	√	√	√	√	IP	IP	IP					
1	NM Sierra County SO	√	√	√	√	√	IP	IP	IP					
1	NM Valencia County SO	√	√	√	√	√	IP	√	IP					
1	NM Sandoval County SO	√	√	√	√	√	√	√	√	√	√	√	IP	√ / Nov
1	NM Lincoln County SO	√	√	√	N/A	√	√	√	√	√	√	IP		
1	NM Curry County SO	√	√	√	√	√	IP	IP						
1	NM Grant County SO	√	√	√	√	√	IP	√	IP					
2	NM McKinley County SO	√	√	√	√	√	IP	√	IP					30
2	NM Luna County SO	√	√	√	√	√	√	IP						
2	NM Chaves County SO	√	√	√	N/A	√	IP	IP						
2	NM Taos County SO	√	√	No	√	IP	IP	IP						
2	NM Socorro County SO	√	√	√	√	√	IP	IP						
2	NM Catron County SO	√	√	N/A	√	√	IP	IP	IP					
2	NM Bernalillo County SO	√	√	√	Nov									
2	NM Union County SO	√	√	√	√	√	IP	IP						
2	NM Colfax County SO	√	√	√	√	√	IP	IP						
2	NM De Baca County SO	√	√	IP	√	√	IP	√	IP					
3	NM Harding County SO	√	√	√	√	√	IP	IP	71					

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 7.C.	<u>Item Title:</u> Workers' Compensation Update
<u>Presenter (s):</u> Kamie Denton, Workers' Compensation Claims Manager	

Memorandum

Date: December 4, 2024
To: NMCIA Pool Board Members
From: Kamie Denton, Workers' Compensation Claims Manager
Re: Workers' Compensation Department Update

- Effective July 1, 2024, NMCIA provides workers' compensation coverage for 31 of the 33 New Mexico counties.
- The Workers' Compensation Claims Department Manual update was finalized in October 2024. It will be reviewed on an annual basis, and any necessary changes will be made during that time.
- The New Mexico Workers' Compensation Administration has begun auditing the pool's open workers' compensation claims. The anticipated completion date is January 2025.
- As of October 31, 2024, we had 612 open workers' compensation claims (the oldest dating back to 1991) with a total incurred of \$47.4 Million. Of these open claims, 135 were from detention centers, and 130 were from sheriff departments.
 - The top five causes of injury by classification are strain, fall or slip, struck or injured by an object or person, miscellaneous (includes exposure/BBP), and motor vehicle accidents, with strains having the highest frequency and severity.
 - The most injured body part classification is multiple body parts, with 151 open claims as of October 31, 2024, and a total incurred of \$15.5 Million.
- Since its inception (01/01/1987), NMC has received 28,332 workers' compensation claims with a total incurred of \$171.5 Million as of October 31, 2024.

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- The workers' compensation department currently has a vacancy for an adjuster position. This position is to replace Pam Lowrance, who resigned in October 2024.
- We can provide open claim reviews and training to supervisors, managers, and directors on any workers' compensation-related topic. Please contact Kamie Denton (505-820-8159 or email kdenton@nmcounties.org) for questions or if you would like to schedule a training or open claim review.

KD

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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 8.	<u>Item Title:</u> Other Business
<u>Presenter (s):</u> Lance Pyle, Chair	

**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 9.	<u>Item Title:</u> Adjournment
<u>Presenter (s):</u> Lance Pyle, Chair	
<div style="display: flex; justify-content: space-between;"><div>Motion to adjourn by:</div><div>Seconded by:</div></div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div>Adjournment time:</div><div></div></div>	