

New Mexico Counties

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NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

June 16, 2025, 1:00 p.m.

**Curry County
Administration Building
417 Gidding Street, Suite 100
Clovis, NM 88101**

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**New Mexico Counties
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**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 / Pledge of Allegiance/ Introductions
<u>Presenter (s):</u> Lance Pyle, Chair Cynthia Stephenson, Risk Management Specialist	
Call to order time:	



NMCIA Board of Directors 2025

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 1/2027

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>	Deborah Weir <i>Assistant County Manager</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>	Anthony Dimas, Jr. <i>McKinley 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 Commissioner</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: 20px;"><div>Motion by:</div><div>Seconded by:</div></div>	



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

June 16, 2025, 1:00 p.m. *

AGENDA

In Person

Curry County
Administration Building
417 Gidding Street, Suite 100
Clovis, NM 88101

* 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 June 17, 2025, at 1:00 p.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 June 16, 2025, it will not meet on June 17, 2025.

- | | | |
|--|---------------|--------|
| 1. Call to Order / Pledge of Allegiance / Roll Call / Introductions | Lance Pyle | Pg. 2 |
| 2. Approval of Agenda | Lance Pyle | Pg. 5 |
| 3. Approval of Minutes of May 21, 2025 | Lance Pyle | Pg. 8 |
| 4. Ratify Dona Ana County Board Appointment | Lance Pyle | Pg. 14 |
| 5. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7) | Lance Pyle | Pg. 15 |
| <ul style="list-style-type: none">• Consideration of Luna County's response to the NMCIA's demand for repayment of a settlement payment that was mistakenly made in excess of coverage limits in <i>Hernandez et al. v. Luna County and Paul Garcia</i>, Cause No. D-619-CV-2024-00099 (listed as <i>Estate of Wyatt James Franzoy v. Luna County</i> on the May 21, 2025, NMCIA agenda).• Estate of Gabaldon v Valencia County• Ashleigh Coulter v Sierra County• Shay Hawes v Taos County | | |
| 6. Board Action Items | | |
| A. Approve 2025-2026 Workers' Compensation Contributions | Grace Philips | Pg. 16 |
| B. Re-Approve 2025-2026 Workers' Compensation Budget | Grace Philips | Pg. 19 |
| C. Update on Workers' Compensation Administration Audit | Grace Philips | Pg. 21 |
| D. Approve NMCIA Workers' Compensation and Employers' Liability | | |

7. Board Discussion Items

- | | | |
|--|----------------------------|--------|
| A. HSI Executive Proposal: Possible RAP Program Replacement | Greg Rees | Pg. 46 |
| B. Coverage of Potential Claims Arising Out of Federal Immigration Enforcement | Mark Allen
Brandon Huss | Pg. 57 |

8. Board Presentations

- | | | |
|----------------------|----------------|--------|
| A. Financial Reports | Richard Garcia | Pg. 58 |
|----------------------|----------------|--------|

9. Board Reports

- | | | |
|------------------------------|---------------|---------|
| A. Executive Director Update | Joy Esparsen | Pg. 80 |
| B. CRL Update | Grace Philips | Pg.109 |
| C. NMCRRe Update | Grace Philips | Pg. 111 |

10. Other Business

Lance Pyle Pg. 113

11. Adjournment

Lance Pyle Pg. 114

Immediately following this meeting all board members and staff will participate in policy and code of conduct training.

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

<u>Item Number:</u> <div style="text-align: center; font-weight: bold;">3.</div>	<u>Item Title:</u> Approval of Minutes of May 21, 2025
<u>Presenter (s):</u> Lance Pyle, Chair	
<div style="display: flex; justify-content: space-between; width: 80%; margin-left: auto; margin-right: auto;"> <div style="width: 45%;">Motion by:</div> <div style="width: 45%;">Seconded by:</div> </div>	

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

May 21, 2025, 8:30 a.m.

NMC Santa Fe Office
444 Galisteo St.
Santa Fe, NM 87501

MINUTES

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

Chair Lance Pyle called the meeting to order at 8:31 a.m. Cynthia Stephenson called the roll and announced that a quorum was present. Lance asked each guest to introduce themselves.

Board Members Present

Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Michael Meek, Sandoval County Commissioner
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

Jhonathan Aragon, Valencia County Manager
Anthony Dimas, Jr., McKinley County Manager
Terri Fortner, NMC President Elect, San Juan County Commissioner
Roberta Gonzales, Eddy County Finance Director
Annie Hogland, NMC President, Curry County Clerk
Steven Mauer, Dona Ana County Risk Manager
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services

NMC Staff Present

Mark Allen, General Counsel
Kamie Denton, Workers' Compensation Claims Manager
Richard Garcia, Finance Director
John Grant Multi-Line Claims Examiner
Brandon Huss, Legal Bureau Director
Grace Philips, Risk Management Director
Robin Martinez, Multi-Line Claims Manager
Greg Rees, Loss Prevention Manager
Isaiah Rodriguez, Conference and Events Manager (via phone)
Cynthia Stephenson, Risk Management Specialist

Guests Present

Nick Autio, NM Local Government Law

John Chino, Area Vice President, Gallagher
Nasreen Kopecky, Account Representative, Gallagher
Armany Mansour, Bernalillo County Risk Management Administrator
Cari Neill, Dona Ana County Deputy Attorney
Gina Ortega, Bernalillo County Risk Management Director
Deborah Weir, Dona Ana County Assistant Manager

Approval of Agenda

Lance Pyle let the board know he had two changes to the agenda, noting the removal of the Luna County case from Executive session and moving item 6A after 6C. Charlene Webb made a motion to approve the agenda, and Kate Fletcher seconded the motion, which passed unanimously.

Approval of Minutes of March 26, 2025

Cynthia Singleton noted Terri Fortner's title was listed incorrectly and that Cynthia herself was noted incorrectly for her role with the county's JPAs, noting she is a risk management consultant. Michael Eshleman stated his last name was mis-spelled in the executive director update. Brandy Thompson made a motion to approve the January 23, 2025 minutes with the edits noted and Charlene Webb seconded the motion, which passed unanimously.

Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)

- Estate of Monica Garcia v Socorro County
- Estate of Michael Gabaldon v Valencia County
- MDC Appeal of One Occurrence Application – Arbitration Update
- Tracy Henderson v Quay County

Brandy Thompson 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 the above-named claims. Charlene Webb seconded the motion, which passed via a roll call vote: Lance Pyle, Charlene Webb, Lisa Sedillo-White, Shirley Ragin, Cynthia Singleton, Michael Meek, Greg Shaffer, Kate Fletcher and Brandy Thompson. Lance Pyle certified that the only things discussed were pending and threatened litigation in accordance with the Open Meeting Act. Brandy Thompson made a motion to come out of executive session and Charlene Webb seconded the motion. Brandy Thompson made a motion to authorize the amounts as discussed by the Board in case 2025-5-1. Kate Fletcher seconded the motion, which passed unanimously.

Board Presentations

Gallagher Update

John Chino presented the quote from Safety National for coverage that attaches excess of \$3 million, noting it is a flat, slightly reduced renewal.

Board Action Items

Approve 2025-2026 Workers' Compensation Reinsurance

Grace Philips let the board know that in addition to several prices on quota shares between NMCRE and CRL, staff asked CRL to provide a price for coverage excluding \$1 million in coverage that NMCRE would take at the \$2 million attachment point. She recommended that coverage structure be provided by NMCRE at a premium of \$213,467. Greg Shaffer made a motion to proceed with the NMCRE 1 million excess \$2 million coverage layer and Kate Fletcher seconded the motion, which passed unanimously.

Approve 2025-2026 Workers' Compensation Contributions

After board discussion of the two options presented, Lance Pyle made a motion to develop a third contribution option that would cap decreases at more than 5%, to be brought for consideration at the June 16 meeting, and for the underwriting committee to bring forward another contribution option if they would like to do so. Brandy Thompson seconded the motion, which passed unanimously.

Approve Workers' Compensation Budget

Grace Philips presented the budget, noting projected ultimate limited losses increased 18%, administrative fees to NMC increased 5% and the addition of a line item of \$50,000 for AI software and training. Brandy Thompson made a motion to approve the budget as presented and to bring back potential AI services to the board to consider the costs. Charlene Webb seconded the motion, which passed unanimously.

Board Presentations

Workers' Compensation Update

Kamie Denton presented workers' compensation data to the board and added that her staff member Nicole Frye was trained in subrogation recovery and will begin actively pursuing the Pool's right to recovery. She said she hopes to have subrogation numbers to share with the board by the end of the year.

WCA Audit Update

Grace Philips let members know the Pool received questions from the WCA informally for data including additional information on net position, the captive, NMCI's relationship with CRL, and the quota share staff requested from CRL for the current renewal. Mark Allen reviewed the certificate WCA staff asked the Pool to sign, summarizing for the board his analysis of the statute and regulations and noting his concerns in a couple of areas. Grace noted they were unable to schedule a meeting with WCA staff prior to the board's meeting and will review concerns and report back to the board at their June 16 meeting.

Executive Director Update

Joy Esparsen did not attend the meeting, but her report was included in the board meeting materials.

Financial Reports

Richard Garcia reviewed financials as of April 30, 2025, noting the Pool's total net position decreased from \$36,215,292 the prior year to \$23,187,357. He reviewed the income/budget statement, noting total non-operating revenue was up \$2.28 million from budgeted. He

reviewed the investment statement noting total investments with a market value of \$71,051,891 and an unrealized loss of \$4,114,473.

Board Action Items

Approve Meeting/Retreat Location and Dates

Isaiah Rodriguez presented numerous options to the board. Kate Fletcher made a motion to hold the October board meeting and retreat at the Fuller Lodge in Los Alamos County and Brandy Thompson seconded the motion which passed unanimously.

Discussion of Prior Board Authorization of Settlement Authority in Estate of Wyatt James Franzoy v Luna County

Grace Philips advised the board that a mistake was made with the authorization to settle the Estate of Wyatt James Franzoy v Luna County last fall. The board authorized \$5 million when the coverage available was only \$4 million. The claim was first classified as a multi-line claim with a \$5 million coverage limit. The available coverage changed when the case became a Law Enforcement civil rights claim. The mediated settlement was \$7 million. The county paid \$2 million above the amount authorized to resolve the case. Grace further reported that she had spoken with the county manager who understood that the county would need to allocate funds to repay the pool for the overpayment but that he was requesting consideration from the board.

Robin Martinez outlined steps she is putting in place to prevent a similar mistake. She said she and Lori Urban are working on implementing some processes in the Origami claims system, but it is challenging due to the complexity of coverage by member. They are working on implementing processes at various stages of the claim, using fields, tasks and data validation checks. One example is when an adjuster is going to request settlement authority, a system check will require Robin and/or Grace to review the coverage agreement and verify the coverage, then identify and mark it in the claim. The same process will occur when a payment is being issued. She has directed staff to identify certain data in every claim presentation in addition to the claim summary, attorney and facts to include coverage limits and identify the reinsurer. She noted both changed in the Luna County case when the claim was reclassified as Law Enforcement. She and Lori will work through this process concept in the claims test environment. Grace clarified that for every presentation to the board effective immediately the adjuster will identify the reinsurer to ensure it has been verified.

Cynthia Singleton made a motion to send a letter to Luna County requesting reimbursement and to book a receivable of \$1 million. Shirley Ragin seconded the motion. Greg Shaffer stated he wanted to make clear that nothing in the motion precludes the board from demanding interest. The motion passed unanimously.

Board Reports

General Counsel Update

Mark Allen gave the board an update on the results of the amicus brief he filed in the beginning of 2024 in the *Lerma v. State* case pending before the New Mexico Supreme Court. He noted that the court on May 8, 2025 unanimously reversed the Court of Appeals decision allowing the Whistleblower Protection Act to be used for a personal grievance and

not a public concern. He said public concern was always implied in statute and the supreme court agreed.

Risk Management Update

Grace Philips reviewed the attorney general's opinion asserting that 8.325.12 NMAC constitutes an unfunded mandate by requiring all correctional facilities to implement medication assisted treatment (MAT) programs without providing funding.

Loss Prevention Update

Greg Rees reviewed the Lexipol program, noting the Dona Ana County sheriff has not engaged with the program and Lexipol needs to know if they should keep a project manager scheduled on the implementation. The board directed Greg to send a letter to the sheriff indicating the board's concerns.

CRL Update

Grace Philips let members know she attended the CRL board meeting and strategic planning session the prior week, noting CRL's financial improvements. She said she does not anticipate a surcharge this year in the property program, as Texas and South Carolina left and the program appears to be through the worst of its claims development for the current cycle.

NMCRE Update

Grace Philips said NMCRE held a special meeting April 22, 2025, to approve updates to its investment policy and re-approve the discretionary agreement with Well Fargo Advisors.

Review 2025-2026 NMC Budget

Richard Garcia presented the 2025-2026 NMC budget approved by the NMC board at their May 2, 2025, meeting, noting a 10% increase in participation fees and a 3% salary increase for cost of living, with total operating expense budgeted at \$6.65 million.

Other Business

Grace Philips reminded members that their next meeting will take place on June 16 in Clovis, followed by ethics training, and orientation for new board members.

Adjournment

Brandy Thompson made a motion to adjourn the meeting, and Kate Fletcher seconded the motion. The meeting was adjourned at 12:26 p.m.

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

<u>Item Number:</u> 4.	<u>Item Title:</u> Ratify Dona Ana County Board Appointment
<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
AGENDA ITEM SUMMARY**

<p><u>Item Number:</u></p> <p style="text-align: center; margin-top: 20px;">5.</p>	<p><u>Item Title:</u></p> <p>Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)</p> <ul style="list-style-type: none"> Consideration of Luna County's response to the NMCI's demand for repayment of a settlement payment that was mistakenly made in excess of coverage limits in Hernandez et al. v. Luna County and Paul Garcia, Cause No. D-619-CV-2024-00099 (listed as Estate of Wyatt James Franzoy v. Luna County on the May 21, 2025, NMCI agenda). Estate of Gabaldon v Valencia County Ashleigh Coulter v Sierra County Shay Hawes v Taos County 								
<p><u>Presenter (s):</u></p> <p style="margin-left: 40px;">Lance Pyle, Chair</p>									
<p style="text-align: center;">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%; margin-top: 20px;"> <tr> <td style="width: 50%;">Motion In by:</td> <td style="width: 50%;">Seconded by:</td> </tr> <tr> <td>Roll Call Vote</td> <td></td> </tr> <tr> <td style="margin-top: 20px;">Motion Out by:</td> <td style="margin-top: 20px;">Seconded by:</td> </tr> <tr> <td style="margin-top: 20px;">Certified by:</td> <td style="margin-top: 20px;">... that the only thing discussed was pending and threatened litigation</td> </tr> </table>		Motion In by:	Seconded by:	Roll Call Vote		Motion Out by:	Seconded by:	Certified by:	... that the only thing discussed was pending and threatened litigation
Motion In by:	Seconded by:								
Roll Call Vote									
Motion Out by:	Seconded by:								
Certified by:	... that the only thing discussed was pending and threatened litigation								
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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;">6.A.</p>	<u>Item Title:</u> Approve 2025-2026 Workers' Compensation Contributions
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
<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>	



Memorandum

Date: June 10, 2025
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: Workers' Compensation Contributions

The underwriting committee met on June 3, 2024 to confer with our actuary and consider the additional contribution allocation proposals requested by the board. The committee principally considered the “yellow” and “blue” options. Staff and the actuary voiced support for the yellow option. A majority of the committee voted in support of the blue option. The committee also directed that both options be presented to the full board for consideration.

444 Galisteo Street
Santa Fe, NM 87501

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NMCOUNTIES.ORG

New Mexico Counties Insurance Authority 2025-26 WC Contributions

Options										
U/W Committee Recommends Blue Column (Max Increase 30%, Max Decrease of 25%)										
Member	2024-25 WC Deductible	2024-25 WC Contribution at Deductible Level	Revised Straight Actuarial Calculation (At Current Deductible)	WC YoY Change	Revised Max Increase of 15%, and Max Decrease of 5% (At Current Deductible)	WC YoY Change	Max Increase of 15%, and Max Decrease of 10% (At Current Deductible)	WC YoY Change	Max Increase of 30%, and Max Decrease of 25% (At Current Deductible)	WC YoY Change
Bernalillo County ¹		2,196,147	3,856,012	75.6%	3,146,510	43.3%	3,300,781	50.3%	3,517,076	60.1%
Catron County		69,645	72,038	3.4%	72,038	3.4%	72,038	3.4%	72,038	3.4%
Chaves County		273,269	309,112	13.1%	309,112	13.1%	309,112	13.1%	309,112	13.1%
Cibola County		91,879	82,821	-9.9%	87,285	-5.0%	82,821	-9.9%	82,821	-9.9%
Colfax County		114,942	109,374	-4.8%	109,374	-4.8%	109,374	-4.8%	109,374	-4.8%
Curry County		183,167	221,364	20.9%	210,642	15.0%	210,642	15.0%	221,364	20.9%
De Baca County		64,232	51,827	-19.3%	61,020	-5.0%	57,809	-10.0%	51,827	-19.3%
Eddy County		586,575	472,756	-19.4%	557,246	-5.0%	527,918	-10.0%	472,756	-19.4%
Grant County		149,456	181,487	21.4%	171,874	15.0%	171,874	15.0%	181,487	21.4%
Guadalupe County		91,613	129,924	41.8%	105,355	15.0%	105,355	15.0%	119,097	30.0%
Harding County		26,844	29,338	9.3%	29,338	9.3%	29,338	9.3%	29,338	9.3%
Hidalgo County		76,452	61,968	-18.9%	72,629	-5.0%	68,807	-10.0%	61,968	-18.9%
Lea County		715,547	211,698	-70.4%	679,770	-5.0%	643,992	-10.0%	536,660	-25.0%
Lincoln County		227,607	217,370	-4.5%	217,370	-4.5%	217,370	-4.5%	217,370	-4.5%
Los Alamos County		573,588	652,428	13.7%	630,947	10.0%	630,947	10.0%	652,428	13.7%
Luna County		264,427	299,539	13.3%	299,539	13.3%	299,539	13.3%	299,539	13.3%
McKinley County		258,579	119,834	-53.7%	245,650	-5.0%	232,721	-10.0%	193,934	-25.0%
Mora County		268,270	124,712	-53.5%	254,857	-5.0%	241,443	-10.0%	201,203	-25.0%
Quay County		38,733	56,390	45.6%	42,606	10.0%	42,606	10.0%	44,543	15.0%
Rio Arriba		471,535	505,202	7.1%	505,202	7.1%	505,202	7.1%	505,202	7.1%
Roosevelt County		68,422	75,497	10.3%	75,497	10.3%	75,497	10.3%	75,497	10.3%
San Juan County ²	10,000	716,533	787,511	9.9%	802,165	12.0%	802,165	12.0%	798,750	11.5%
San Miguel County		163,248	153,140	-6.2%	155,086	-5.0%	153,140	-6.2%	153,140	-6.2%
Sandoval County ²	25,000	481,357	433,384	-10.0%	430,567	-10.6%	432,418	-10.2%	433,384	-10.0%
Santa Fe County ²	100,000	367,636	353,078	-4.0%	353,078	-4.0%	353,078	-4.0%	353,078	-4.0%
Sierra County		42,665	34,081	-20.1%	40,532	-5.0%	38,399	-10.0%	34,081	-20.1%
Socorro County		111,838	68,132	-39.1%	106,246	-5.0%	100,654	-10.0%	83,879	-25.0%
Taos County		317,892	348,097	9.5%	348,097	9.5%	348,097	9.5%	348,097	9.5%
Torrance County		166,525	88,226	-47.0%	158,199	-5.0%	149,873	-10.0%	124,894	-25.0%
Union County		19,848	24,366	22.8%	22,825	15.0%	22,825	15.0%	24,366	22.8%
Valencia County		312,110	347,246	11.3%	347,246	11.3%	347,246	11.3%	347,246	11.3%
Total		9,510,581	10,477,952	10.2%	10,647,902	12.0%	10,683,081	12.3%	10,655,549	12.0%

¹ The maximum increase/decrease does not apply to Bernalillo County due to its size.

² Deductibles contributions are subject to change based on actuarial calculations.

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

<u>Item Number:</u> <p style="text-align: center;">6.B.</p>	<u>Item Title:</u> Re-approve 2025-2026 Workers' Compensation Budget
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
<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

For re-approval at the June 2025 NMCIA Board Meeting

2025 Budget Update

	APPROVED 10/23/24		APPROVED 10/23/24		1/2 APPROVED 5/22/24		6 Months		6 Months		PY 2025	
	January 1-December 31, 2025		January 1-December 31, 2025		Jan 1, 2025-Jun 30, 2025		Jan 1, 2025-Jun 30, 2025		July 1 2025-Dec 31, 2025		Total	
	Law Enforcement	YoY change	Multi-Line	YoY change	Workers' Compensation	YoY change	Workers' Compensation	YoY change	Workers' Compensation	YoY change	Total	YoY change
INCOME												
Member Contributions	29,512,563	149%	13,620,541	114%	5,450,036	115%	5,751,919	106%	54,335,058	129%		
Investment Income	1,387,361	122%	1,009,232	123%	467,706	97%	629,306	135%	3,493,605	120%		
TOTAL INCOME:	30,899,924	147%	14,629,773	115%	5,917,742	113%	6,381,224	108%	57,828,663	129%		
EXPENSES												
Claims Expenses												
PV of Projected Ultimate Limited Losses (WC-3/31/25)(LE)	21,006,159	152%	\$7,167,046	88%	3,594,009	115%	4,258,222	118%	36,025,435	125%		
Liability/WC Reinsurance-all members	4,464,639	135%	470,000	100%	523,688	110%	358,207	96%	5,816,534	120%		
Liability Reinsurance-Class A \$1MM x \$4MM	638,684	132%							638,684	132%		
Liability Reinsurance-Pool Quota Share (xs \$2MM)	667,251	109%							667,251	109%		
WC Excess Insurance							151,376		151,376	7%		
Property Reinsurance-all members (1/1/25-7/1/25)			1,748,296	184%					1,748,296	184%		
Estimated Property Reinsurance (7/1/25-12/31/25)			2,185,369						2,185,369			
Brokerage Fees	35,000	100%	35,000	100%	15,000	100%	15,000	100%	100,000	100%		
Subtotal Claims Expenses:	26,811,733	147%	\$11,605,711	107%	4,132,697	114%	4,782,804	113%	47,332,945	128%		
Risk Mitigation Expenses												
Administrative Fees to NMC	148,290	100%	122,202	100%	142,745	100%	149,882	105%	563,119	101%		
Special Projects	45,000	100%	45,000	100%					90,000	100%		
Loss Incentive Program	15,000	100%			17,500	100%	17,500	100%	50,000	100%		
EDGE Detention Scholarships	15,000	100%							15,000	100%		
Online Training Program	60,000	100%	60,000	100%	35,000	100%	35,000	100%	190,000	100%		
Legal Consultation Program	30,000	100%	10,000	100%	5,000	100%	5,000	100%	50,000	100%		
Accreditation Programs	76,000	100%							76,000	100%		
Lexipol	255,000	100%							255,000	100%		
Subtotal Risk Mitigation Expenses:	644,290	100%	237,202	100%	200,245	100%	207,382	104%	1,289,119	101%		
Pool Administrative Expenses												
Administrative Fees to NMC	1,737,040	100%	1,333,128	100%	529,501	100%	555,982	105%	4,155,651	101%		
Contracted Services:												
Actuarial Studies	20,000	133%	15,000	100%	6,000	100%	7,000	117%	48,000	114%		
Financial Audit	30,000	100%	30,000	100%	6,000	100%	6,000	100%	72,000	100%		
Claims Audit					10,000				10,000	40%		
Payroll Audit (members)					25,000	71%	27,500	110%	52,500	87%		
Property Appraisal Fees			180,000	133%					180,000	133%		
Legal Expense	20,000	100%	20,000	100%	1,250	100%	1,250	100%	42,500	100%		
Software Licensing & Support	130,000	100%	130,000	100%	75,000	100%	75,000	100%	410,000	100%		
AI Software & Training							50,000		50,000			
Board D&O Insurance	43,000	100%	43,000	100%	21,500	100%	21,500	100%	129,000	100%		
Board Training & Education	7,500	100%	7,500	100%	7,500	100%	7,500	100%	30,000	100%		
Miscellaneous	4,000	100%	4,000	100%	2,500	100%	2,500	100%	13,000	100%		
Investment Advisor	15,000		15,000				7,500		37,500			
Legal Bureau operations	50,000	20%							50,000	20%		
Subtotal Pool Administrative Expenses:	2,056,540	92%	1,777,628	103%	684,251	100%	761,732	111%	5,280,151	99%		
TOTAL EXPENSES:	29,512,563	140%	13,620,541	107%	5,017,193	111%	5,751,919	113%	53,902,215	124%		
NET INCOME:	1,387,361		1,009,232		900,549		629,306		3,926,448			

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

<u>Item Number:</u> <p style="text-align: center;">6.C.</p>	<u>Item Title:</u> Update on Workers' Compensation Administration Audit
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
<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
AGENDA ITEM SUMMARY**

<u>Item Number:</u> <p style="text-align: center;">6.D.</p>	<u>Item Title:</u> Approve NMCIWA Workers' Compensation and Employers' Liability Program Memorandum of Coverage for the July 1, 2025 Policy Year
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
<div style="display: flex; justify-content: space-between; margin-bottom: 20px;"> <div style="width: 45%;"> Motion by: </div> <div style="width: 45%;"> Seconded by: </div> </div>	

**NEW MEXICO COUNTY
INSURANCE AUTHORITY**

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY PROGRAM

MEMORANDUM OF COVERAGE

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NEW MEXICO COUNTY INSURANCE AUTHORITY
WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY PROGRAM DECLARATION

MEMORANDUM NUMBER: NMCIA-WC-001-070125

NAMED COVERED PARTY: NEW MEXICO COUNTY INSURANCE AUTHORITY MEMBERS – SEE NAMED MEMBERS

MAILING ADDRESS: 444 GALISTEO STREET, SANTA FE, NM 87501

COVERAGE PERIOD: **12:01 A.M. JULY 1, 2025 to 12:01 A.M. JULY 1, 2026**

DEPOSIT PREMIUM, SUBJECT TO AUDIT: TBD

COVERAGE DESCRIPTIONS

LIMITS OF COVERAGE

A. Workers' Compensation NM Workers' Compensation Act

B. Employer's Liability

Bodily Injury by Accident:

\$2,000,000 Each Accident

Bodily Injury by Disease:

\$2,000,000 Each **Employee**

\$2,000,000 Coverage Period **Aggregate**

C. Other States

All states, other than New Mexico, Ohio,
North Dakota, Washington and Wyoming

Named Covered Party Deductible

Varies by Member, see named members

AUTHORIZED SIGNATURE

DATE

MEMORANDUM OF

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY COVERAGES

Throughout this **Memorandum**, words or phrases that appear in **bold** have special meaning and are defined in the Definitions section of this **Memorandum**. These defined words are controlling as to their meaning and effect in this **Memorandum** and in the interpretation of NMCI's coverage.

In consideration of the timely payment of the **Named Covered Party's** annual contribution premium, compliance with the provisions of the Joint Powers Agreement and By-laws, and satisfaction of the terms and conditions in this **Memorandum**, NMCI provides the following coverages:

- A. Workers' Compensation Coverage
- B. Employer's Liability Coverage
- C. Other States Coverage

I. Coverage Limits

The **Coverage Limits** shown in the Workers' Compensation and Employer's Liability Declarations for the **Coverage Period** apply as shown for the coverages under this **Memorandum**.

II. Coverage Provided

A. Workers' Compensation Coverage

1. NMCI will pay benefits on behalf of the **Named Covered Party** for **Bodily Injury** to an **Employee** of the **Named Covered Party** as required under the New Mexico Workers' Compensation Act NMSA 1978 § 52-1-1 et seq.
2. **Bodily Injury** caused by an **Accident** or disease that must occur during the **Coverage Period** and within the **Coverage Territory**. **Bodily Injury** by disease must be caused by, arise out of, or be aggravated by, and in the course and scope of, the **Employee's** employment by the **Named Covered Party**. The **Employee's** last day of last exposure to the conditions causing or aggravating such **Bodily Injury** by disease must occur during the **Coverage Period**.
3. Benefits are not provided in the states of Ohio, North Dakota, Washington and Wyoming.

B. Employer's Liability Coverage Agreement

1. NMCIA will pay on behalf of the **Named Covered Party**, subject to the **Coverage Limit** shown in the Workers' Compensation and Employer's Liability Declarations, all sums that the **Named Covered Party** is legally obligated to pay as **Damages** arising out of **Bodily Injury** to an **Employee** to which this **Memorandum** applies.
2. This coverage applies to **Bodily Injury** that occurs during the **Coverage Period** and within the United States of America, caused by, arising out of, or aggravated by, and in the course and scope of the **Employee's** employment by the **Named Covered Party**. The **Employee's** last day of last exposure to the conditions causing or aggravating such **Bodily Injury** by disease must occur during the **Coverage Period**.

C. Other States Coverage Agreement

1. NMCIA will pay benefits on behalf of the **Named Covered Party** for **Bodily Injury** to an **Employee** who, in the course of their employment by the **Named Covered Party**, is temporarily performing duties in a state other than New Mexico, or while traveling to or from any state other than New Mexico.
2. NMCIA will pay the benefits as imposed in accordance with applicable state law.
3. This coverage provision shall not apply to employees living and working in the states of Ohio, North Dakota, Washington and Wyoming.

III. Exclusions Applicable to all Coverage Agreements

These exclusions apply to all coverages in each of the Coverage Agreements of this **Memorandum**. Coverage does not apply to:

1. **Bodily Injury**, whether by **Accident** or disease, where to provide coverage would violate any legal proscription against coverage or indemnity for serious and willful misconduct by the **Named Covered Party**, intentional torts, and intentional acts or omissions, committed by the **Named Covered Party**, resulting in **Bodily Injury**, or substantially certain to result in **Bodily Injury**, regardless of whether or not said acts or omissions may be classified in the state as intentional torts.
2. Salaries, wages, and remuneration provided to **Employees**, except as provided under Coverages A., B., and C.;
3. Fees paid to NMCIA or its designee;
4. Any obligation of the **Named Covered Party** under the Merchant Marine Act of 1916 and 1920, Admiralty or Maritime Law, the Federal Employers' Liability Act, Federal Employees' Compensation Act, the Defense Base Act, the U. S. Longshore and Harbor Workers' Compensation Act, or any other similar or related Federal law;
5. Any amount owed by or assessed to the **Named Covered Party** pursuant to a provision of any law

that provides non-occupational disability benefits;

6. **Damages** arising out of coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **Employee** or related personnel practices, policies, acts or omissions by the **Named Covered Party**.
7. **Bodily Injury** to an **Employee** while employed in violation of law with the actual knowledge of the **Named Covered Party** or with the actual knowledge of any human resources personnel or other administrative personnel of the **Named Covered Party**;
8. **Bodily Injury** to an **Independent Contractor, Leased Employee** or **Temporary Employee**, unless the individual is deemed an **Employee** by a court decision, arbitration proceeding to which NMCIA has consented, or a ruling from the New Mexico Workers' Compensation Appeals Board.
9. Liability or loss assumed under a contract or agreement by the **Named Covered Party**, whether the contract or agreement is express or implied.
10. Punitive or exemplary damages, including, but not limited to, punitive or exemplary damages arising out of **Bodily Injury** to an **Employee** employed in violation of law, or additional compensation imposed upon the **Named Covered Party** under any law;
11. Assessments and taxes made upon NMCIA or the **Named Covered Party** as a self-insurer whether imposed by statute, regulation or otherwise;
12. Any amount required to be paid by the **Named Covered Party** to any person or entity other than an **Employee** for failure to comply with any health, safety, or notification law or regulation;
13. **Bodily Injury** arising from any direct or indirect consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power;
14. Compensation or benefits imposed by any occupational disease, disability benefits law, or any similar law or plan;
15. Fines or penalties imposed upon the **Named Covered Party** for failure to comply with the requirements of any workers' compensation, labor code, or occupational disease law of any state or country.

IV. Workers' Compensation and Employer's Liability Coverage Conditions and Responsibilities

This **Memorandum** is subject to conditions and responsibilities as shown below.

1. Duties in The Event of an **Occurrence, Claim** or **Suit** and Notice of Legal Representation:

The following duties apply, even if the **Named Covered Party** is subject to a **Deductible**.

- a. The **Named Covered Party** shall provide the **Employee** immediate access to medical and other services required by the workers' compensation law of the State of New Mexico and also provide the injured **Employee** with the "Workers' Compensation Claim Form" (Form E1.2 or First Report of Injury (FROI)) within seventy-two (72) hours of the **Named Covered Party's** knowledge of an alleged occupational injury or illness.
- b. The **Named Covered Party** must notify NMCI, or its designee, with a notice of injury via submission of a completed "Employer's Report of Occupational Injury or Illness" (Form E1.2 or First Report of Injury (FROI)) within seventy-two (72) hours of the **Named Covered Party's** knowledge.
- c. The **Named Covered Party** must report any serious injury or illness immediately to NMCI, or its designee, within seventy-two hours of knowledge by the **Named Covered Party**. Following are the categories of serious injury or illness:
 - i. Fatalities;
 - ii. Injuries requiring immediate hospitalization;
 - iii. Possible or actual paraplegia and quadriplegia;
 - iv. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
 - v. Serious exposure, such as but not necessarily limited to, heat exposure or chemical exposure;
 - vi. Brain injury;
 - vii. Spinal cord injury;
 - viii. Temporary, permanent, or possible paralysis, whether partial or complete;
 - ix. Loss of sight or hearing;
 - x. Amputation of a major extremity; and
 - xi. Any occurrence which results in an injury to two or more **Employees**.
- d. If a **Claim** is made by a Notice of Legal Representation and or Application for Adjudication of **Claim** against the **Named Covered Party**, the **Named Covered Party** must immediately forward to NMCI, or its designee, every demand, notice, summons and other legal documents received by the **Named Covered Party**.
- e. The **Named Covered Party** shall cooperate with NMCI and its designee in the investigation, defense and settlement of any claim.
- f. The **Named Covered Party** shall authorize NMCI, or its designee, to obtain records and

other information upon request;

The **Named Covered Party** shall assist NMCI, if requested by NMCI, to enforce any right against any person or organization including, but not limited to, any right of contribution or indemnity for which that person or organization may be liable to the **Named Covered Party** because of **Bodily Injury** to which this **Memorandum** applies;

- g. The **Named Covered Party** shall attend hearings, trials or other proceedings, assist in securing evidence, give evidence and obtain the attendance of witnesses at such hearings or trials or other proceedings;
 - h. The **Named Covered Party** shall not, except at its or their own cost and without any right of reimbursement from or recourse against NMCI, voluntarily make any payment, assume any obligation, admit to any liability, settle any claim or incur any expense with the prior written consent of NMCI.
- 2. **Authority to Act:** NMCI has the sole discretion and authority to control any **Claim** payments, to assign legal counsel, to settle any **Claim** or **Suit**, and otherwise manage the **Claim** or **Suit** until the **Claim** or **Suit** is completed, settled or adjudicated, even if the conclusion of the **Claim** or **Suit** does not take place until after the end of the **Coverage Period**.
 - 3. **Deductible:** If the **Named Covered Party** has selected a **Deductible**, all of the terms and conditions of this **Memorandum** apply, including the Authority to Act. NMCI, or its designee, may pay any part or all of the **Deductible** amount to effect the settlement or management of a **Claim** or **Suit**, subject to reimbursement to NMCI by the **Named Covered Party**.
 - 4. **Examination of books and records:** The **Named Covered Party** shall, as often as may be reasonably required during the term of this **Memorandum** and up to three years from the expiration date of this **Memorandum**, produce for examination by NMCI, or its duly authorized representative, all the books and records, inventories and accounts of the **Named Covered Party** containing information needed by NMCI to compute deposit and final premiums for the **Coverage Period**.
 - 5. **Inspections:** NMCI shall be permitted, but is not obligated, at all reasonable times, to inspect any **Named Covered Party's** location listed in the schedule on file with NMCI. Neither NMCI's right to make inspections, nor the making thereof, nor any report, warrants or implies that hazards or conditions are under control at the time of the inspection on behalf of or for the benefit of the **Named Covered Party** or others; nor are such inspections for compliance with OSHA regulations or other similar laws.
 - 6. **Excess Insurance:** Permission is hereby granted to the **Named Covered Party** to purchase excess insurance or reinsurance. Such Excess Insurance or reinsurance shall not be considered Other Insurance for the purposes of the Other Insurance Condition 7.
 - 7. **Other Insurance:** If other collectible insurance, self-insurance or other coverage from any other source is available to the **Named Covered Party** covering any part of the same loss, **Claim** or **Suit**

that is also covered in this **Memorandum**, whether such other insurance, self-insurance or other coverage is on a primary, excess or contingent basis, the coverage provided by this **Memorandum** shall be excess of, and shall not contribute with, such other insurance, self-insurance or other coverage, as NMCIA is not an insurer or co-insurer but a risk sharing joint powers authority. Under no circumstances shall the coverage afforded by this **Memorandum** be considered primary, pro rata, concurrent or contributing with such other insurance, self-insurance or other coverage, and the coverage afforded by this **Memorandum** shall not apply until such other insurance, self- insurance or other coverage has been exhausted.

This condition does not apply to any insurance, self-insurance or other coverage that is purchased specifically to be in excess of this **Memorandum**.

8. No Assignment: This **Memorandum** shall be void if assigned or transferred without the written consent of NMCIA.
9. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Named Covered Party** shall not relieve NMCIA of any of its obligations under this **Memorandum**. Notwithstanding the foregoing, the **Named Covered Party** shall be operating in good standing and must be in compliance with all statutory requirements as a public entity in order for coverage to exist under this **Memorandum**.
10. Severability of Interests: The term **Named Covered Party** is used severally and not collectively. Except with respect to the **Coverage Limit**, this **Memorandum** applies as if each person or organization included in the term **Named Covered Party** were the only person or organization covered in this **Memorandum**. Notwithstanding the foregoing, no aspect of this provision shall serve to increase the **Coverage Limit** in this **Memorandum**.
11. Subrogation: If the **Named Covered Party** has rights to recover all or part of any payment made by NMCIA on behalf of the **Named Covered Party**, its and their rights are transferred and assigned to NMCIA. The **Named Covered Party** shall execute such documents as requested by NMCIA. The **Named Covered Party** must do nothing to impair, release or waive these rights, absent the prior written consent of NMCIA, and shall, at the request of NMCIA, help with the enforcement of NMCIA's rights in subrogation or otherwise.

Amounts recovered by NMCIA shall be applied first to reimburse NMCIA for recovery costs, **Defense Costs** or **Damages**; second to reimburse, on a pro-rata basis, any amount paid by any Excess Insurer or reinsurer, and, last, to reimburse the **Named Covered Party** for its payment of their **Deductible**.

12. Annual Contribution Premium: The annual contribution premium shall be due and payable upon inception of the **Coverage Period** and each renewal thereafter as invoiced by NMCIA.

The annual contribution premium consists of a premium due at the inception of the **Coverage Period**. The premium for the **Named Covered Party** is based upon the workers' compensation budget, estimated and audited payroll, NCCI code rates in effect at the inception of this **Memorandum**, loss data, actuarial discretion, and assessments that may be required from the

Named Covered Party in accordance with the Bylaws and policies of NMCIA. NMCIA shall not be required to perform any obligations under this **Memorandum** if the annual contribution premium for the **Named Covered Party** is not paid timely in accordance with NMCIA Bylaws and policies.

13. Legal Actions: No person or organization has a right under this **Memorandum** to join NMCIA as a party to or otherwise bring NMCIA into a **Suit** seeking damages from a **Named Covered Party** or to bring any legal action against NMCIA until all terms within this **Memorandum** have been complied with fully and the amount of the **Named Covered Party's** obligations to pay have been finally determined by a judgment or settlement has been reached.
14. Cancellation: This **Memorandum** may be terminated at any time in accordance with the Bylaws of NMCIA, or other applicable policies adopted by the Board of Directors if not inconsistent with the Bylaws.
15. Arbitration: In the event of a dispute between a **Named Covered Party** and NMCIA, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s). All such disputes shall be subject to binding arbitration including, but not limited to, disputes relating to this **Memorandum** including compliance with its conditions, the interpretation and extension of coverage, the actions or omissions to act of NMCIA and any **Named Covered Party** in connection with any **Claim** or **Suit**, or potential **Claim**, **Suit**, or **Occurrence**, including prompt notice of a **Claim** or **Suit**, cooperation in the defense or resolution of a **Claim** or **Suit**, and settlement and indemnification of a **Claim** or **Suit**, whether a first party **Claim** or involving a third party **Claim**. NMCIA shall also have the right to determine when a **Claim** or **Suit** should be settled and may proceed to settle a **Claim** or **Suit** within its **Coverage Limit**, and any dispute between NMCIA and any **Named Covered Party** as to the settlement of a **Claim** or **Suit** shall also be subject to binding arbitration. Either party may issue a written demand for arbitration within 90 days of the event triggering the arbitration request.

NMCIA and the **Named Covered Party** may agree to use one arbitrator or three arbitrators. The arbitration shall be conducted by JAMS, unless another arbitral agency is agreed in writing between NMCIA and the **Named Covered Party** and, to the extent not inconsistent with the Bylaws and operative Member agreements, shall be governed by the JAMS' arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members (unless another agency is selected by mutual agreement), in which case that agency's rules shall apply unless otherwise agreed to between NMCIA and the **Named Covered Party**. Regardless of the outcome of the arbitration, NMCIA and the **Named Covered Party** shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether NMCIA or the **Named Covered Party** is the prevailing party.

The arbitrator(s) shall consider this **Memorandum** an honorable engagement rather than merely a legal obligation and shall consider the issues presented in a manner consistent with the Preamble (which is also incorporated by reference as part of Section 16. Local rules of law as to procedure and evidence will apply and arbitration shall take place in the County of Santa Fe. The decision of

the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.

A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the **Named Covered Party** or NMCI.

V. Definitions Applicable to the Workers' Compensation and Employer's Liability Coverage of this Memorandum

Each of the following words and phrases, printed in boldface type, has the following meaning wherever it appears throughout the Workers' Compensation and Employer's Liability Coverage of this **Memorandum**.

6. **Accident** means: an unintended or unexpected event of happening.
7. **Aggregate** means: The maximum dollar amount for which NMCI shall be liable, during a single **Coverage Period**, regardless of the number of covered **Claims, Suits, or Bodily Injuries**.
8. **Bodily Injury** means: Physical injury, sickness or disease, including death resulting from any of these at any time.
9. **Claim** means:
 - a. An allegation of **Bodily Injury** for which the **Named Covered Party** seeks coverage from NMCI;
 - b. A demand for **Damages**, including the including the filing of a **Suit** relating to **Bodily Injury** to an **Employee** or initiation of arbitration against the **Named Covered Party**.
10. **Coverage Limit** means: The amount shown in the Declarations and shall be the **Ultimate Net Loss**.
11. **Coverage Period** means: The period of time from the date and hour stated in the Declarations for the inception of coverage, until the date and hour stated in the Declarations for the expiration of the coverage; or the date and hour of cancellation of this **Memorandum**.
12. **Coverage Territory** means: The **Occurrence** may take place anywhere in the world. The **Claim, Suit, or proceeding** must be brought against the **Named Covered Party** in the United States of America provided that New Mexico law shall apply to the determination of any **Claim or Suit**, and shall apply to the interpretation of this **Memorandum**.
13. **Damages** means: Monetary sums that a **Named Covered Party** becomes legally obligated to pay as compensatory damages as a result of a covered **Claim or Suit**. **Damages** includes **Defense Costs**.
14. **Deductible** means: The portion of **Defense Costs**, loss expenses associated with each **Claim or Suit**, and **Damages** retained by the **Named Covered Party**.
15. **Defense Costs** means: The reasonable attorney's fees, costs and expenses of investigation, adjustment and defense of **Claims or Suits**, the costs of appeal or similar bonds, and the cost of

arbitration, mediation, or other alternative dispute resolution process to which the **Named Covered Party** participates at or with NMCIA's consent. **Defense Costs** does not include the wages or salary of any of NMCIA's employees or of any **Employee** of a **Named Covered Party** or any fees or expenses incurred by a **Named Covered Party** without NMCIA's prior written consent.

16. **Employee** means: A natural person, performing work which renders the **Named Covered Party** liable under the Workers' Compensation Law of New Mexico for **Bodily Injury** or occupational disease sustained by such person.
17. **Independent Contractor** means: A natural person or business entity which undertakes to do specific work, for a fee, for a **Named Covered Party** using their own means and methods without submitting to the control of, or by, the **Named Covered Party**, or which otherwise qualifies as an independent contractor relationship under New Mexico law.
18. **Leased Employee** means: A natural person who is leased to the **Named Covered Party** by a labor leasing company under a written contract or agreement to perform duties related to the conduct of the **Named Covered Party's** business.
19. **Memorandum** means: This Memorandum of Workers' Compensation and Employer's Liability Coverages.
20. **Named Covered Party** means: The County named in the Declarations.
21. **Occurrence** means: An **Accident** including continuous or repeated exposure to substantially the same general harmful conditions. In addition, Bodily Injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or on such dates as otherwise established by the workers' compensation and employers' liability laws of the appropriate state. Bodily Injury by occupational disease sustained by each employee shall be deemed to be a separate Occurrence, unless such disease results directly from an **Accident**.
22. **Suit** means: A civil proceeding in which the recovery of **Damages** is sought. A **Suit** includes a proceeding involving or before the WCAB on a **Claim**, civil action in court; an arbitration proceeding to which a **Named Covered Party** must submit, or does submit with NMCIA's prior written consent; and any other alternative dispute resolution proceeding in which **Damages** are claimed and to which a **Named Covered Party** submits with NMCIA's prior written consent.
23. **Temporary Employee** means: A natural person furnished or available to a **Named Covered Party** under a written contract or agreement with a temporary work agency to substitute for an **Employee** or to meet seasonal workload conditions.
24. **Ultimate Net Loss** means: The sum actually paid or payable as **Damages** in the settlement or satisfaction of losses for which the **Named Covered Party** is liable either by adjudication or compromise after making proper deduction for all recoveries and salvages collectible and includes

attorneys' fees, court costs, interest on any judgment or award, loss adjustment expenses.

Ultimate Net Loss does not include the salaries of the **Named Covered Party's** regular **Employees**.

Ultimate Net Loss does not include any **Damages, Defense Costs** or other expenses because of a **Claim or Suit** not covered in this **Memorandum**.

VI. Named Members and Deductible Choices

Named Member	Deductible
Bernalillo County	
Catron County	
Chaves County	
Cibola County	
Colfax County	
Curry County	
De Baca County	
Eddy County	
Grant County	
Guadalupe County	
Harding County	
Hidalgo County	
Lea County	
Lincoln County	
Los Alamos County	
Luna County	
McKinley County	
Mora County	
Quay County	
Rio Arriba County	
Roosevelt County	
San Juan County	\$10,000
San Miguel County	
Sandoval County	\$25,000
Santa Fe County	\$100,000
Sierra County	
Socorro County	
Taos County	
Torrance County	
Union County	
Valencia County	

NEW MEXICO COUNTY REINSURANCE, INC.
DECLARATIONS OF WORKERS' COMPENSATION REINSURANCE

Ceding Entity New Mexico County Insurance Authority
444 Galisteo Street
Santa Fe, NM 87501

Certificate Number **NMCre-NM-WC-070125**

Coverage Period Inception Date: 07/01/25
Expiration Date: 07/01/26

Coverages Only those types of coverage listed below are the subject of this reinsurance.

Coverage A: Workers' Compensation
Coverage B: Employers' Liability

Ceding Entity's Retention

Inclusive of any applicable Current Member deductibles;

Retention One: For Coverage A and B combined, the Ceding Entity will retain the first \$2,000,000 (750,000 SIR; \$1.25M CRL) per Occurrence.

Reinsurance Limit

Coverage A: The difference between the Ceding Entity's Retention and \$3,000,000 per Occurrence.

Coverage B: The difference between the Ceding Entity's Retention and \$3,000,000 per Occurrence.

Method of Determining Reinsurer's Liability

For Coverage A and B, we shall pay for your actual loss, including loss expenses, in excess of the Ceding Entity's Retention and up to the Reinsurance Limit.

Premium \$213,467 (subject to audit)

Payroll \$660,529,027 (total plus 67% overtime)

Attachments NMCre WC Certificate – Board Approved June 10, 2025
Endorsement #1: New Mexico Amendatory Endorsement

The above referenced attachments shall not be binding upon us unless they are affixed to a Declarations signed by an authorized officer of **NEW MEXICO COUNTY REINSURANCE, INC.**

Date: June 10, 2025

By: 
Ron Lethgo, President
NEW MEXICO COUNTY REINSURANCE, INC.
Authorized Representative

NEW MEXICO COUNTY REINSURANCE, INC.
CERTIFICATE OF WORKERS' COMPENSATION REINSURANCE

In consideration of the payment of the premium, and subject to the terms, conditions and limits of liability set forth in this Certificate and in the Declarations and any attached endorsements, New Mexico County Reinsurance, Inc. (referred to as "we", "us", "our" or "ours") reinsures the Ceding Entity named in the Declarations (referred to as "you", "your" or "yours") for your Coverage Documents issued to your Current Members for the Coverages and in the amounts specified in the Declarations as follows:

A. RETENTION AND LIMIT. You retain for your own account, subject to any applicable treaty or facultative reinsurance or other coverage, whether collectible or not, the amount of liability specified as the Ceding Entity's Retention in the Declarations. You will advise us of any treaty or facultative reinsurance or other coverage applicable to your retention. **Our liability, as limited by the Reinsurance Limit specified in the Declarations, follows your liability, subject to the terms, conditions and limits of your Coverage Documents, except as otherwise specifically provided in this Certificate.** You will furnish us with a specimen copy of your Coverage Documents before the Inception Date of this Certificate. Any change in the terms and conditions of your Coverage Documents made after the Inception Date of this Certificate will not increase or extend our liability unless the change is made part of this Certificate by endorsement issued by us.

B. BUSINESS COVERED. This Certificate applies to the Coverages specified in the Declarations covered under Coverage Documents issued by you to Current Members with coverage periods that incept on or after the Inception Date of this Certificate and before the Termination Date of this Certificate, but we will have no liability for Occurrences that take place on or after the Termination Date of this Certificate. Termination of this Certificate is subject to the parties' continued rights and obligations set out in Section N.

C. CLAIMS

1. CLAIMS REPORTING REQUIREMENTS

- a. You, or your designated representative, must give us prompt written notice of the following:
 - (1) Each Occurrence, claim or suit that has or is likely to require, without regard to liability, a reserve or payment equal to or exceeding 50 percent of your retention specified as the Ceding Entity's Retention in the Declarations. Written notice must be provided to us as soon as possible, but no later than 30 days after the date you have sufficient knowledge of facts surrounding the Occurrence, claim or suit that puts you on notice that the reserve or payment is indicated. After you have notified us, you will provide us with complete files on the Occurrence, claim or suit within 30 days after the date we request the files.
 - (2) Each Occurrence, claim or suit that involves a serious injury. This notice must be provided **as soon as possible**, but no later than 15 days from the date you have knowledge of an Occurrence, claim or suit involving a serious injury. A serious injury includes:
 - (a) Spinal Cord Injury – resulting in paraplegia, quadriplegia or other back injury resulting in incontinence of bowel or bladder;
 - (b) Amputation

- (c) Any severe head injury involving brain damage affecting mentality or the central nervous system - such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (Aphasia), hemiplegia or unconsciousness (Comatose);
- (d) Impairment of vision or hearing by 50 percent or more;
- (e) Burns - involving over 10 percent of body with third degree or 30 percent of body with second degree;
- (f) Multiple fractures - involving more than one body member, non-union or significant shortening of the limbs;
- (g) Nerve damage causing paralysis and loss of sensation in any body member;
- (h) Massive internal injuries affecting a body organ or organs;
- (i) Injury to the nerves at the base of the spinal canal (Cauda Equina) or any other back injury resulting in incontinence of bowel and/or bladder;
- (j) Fatalities;
- (k) Any other serious injury or disease that may involve our liability; or
- (l) Any Occurrence, claim or suit not specified above that presents an unusual exposure to the coverage. Examples include: sexual molestation, HIV/AIDS, rape, significant environmental exposure, class actions, and bad faith allegations.

b. The notice required by Section C.1.a. should include:

- (1) How, when and where the Occurrence took place;
- (2) The names and addresses of any injured persons and known witnesses; and
- (3) Details of the Occurrence.

c. You, or your designated representative, must furnish us with:

- (1) A quarterly report, not later than 30 days after the end of each calendar quarter, that provides the following information for each claim or suit reportable under Section C.1.a. that was outstanding, opened, revised or closed during the previous quarter:
 - (a) the identity of the claimants or injured parties;
 - (b) the dates, places, description and cause of injuries;
 - (c) the amounts of reserves for the claim or suit;
 - (d) the amount of claims expenses (both paid and outstanding); and
 - (e) the amount of payments of claims, judgments or settlements.

- (2) Any other claim information or reports requested by us and reasonably obtainable by you.

2. CLAIM DUTIES, RIGHTS AND RESPONSIBILITIES

We do not have any obligation to investigate or defend claims or suits made under your Coverage Documents. However, we have the right and will be given the opportunity, with your full cooperation, to associate counsel at our own expense and to join with you and your representatives in the defense and control of any claim, suit or proceeding that we believe may give rise to liability on our part under this Certificate.

All claim settlements that will give rise to liability on our part under this Certificate require our prior approval, which approval will not be unreasonably withheld. Requests for settlement authority should be sent to our Chief Operating Officer.

- D. DETERMINATION OF LIABILITY.** Our liability under this Certificate will be determined according to your obligations to pay workers' compensation benefits as prescribed within the applicable state statutes or any employers liability claims you are required to pay as an actual loss sustained by you under your Coverage Documents, after deduction of all salvages and recoveries, and applicable reinsurance or other coverage, whether collectible or not, including loss expenses arising from settlement or adjudication of claims.

Our liability under this Certificate will be determined according to the Method of Determining Reinsurer's Liability specified in the Declarations.

To determine our liability under this Certificate:

1. Your actual loss will be calculated net of deductions for recoveries, subrogation, and all claims on inuring reinsurance or other coverage, whether collectible or not; however, the following items are not covered:
 - a. Extra Contractual Obligations
 - b. Excess of Policy Limits
 - c. Ex Gratia Payments
2. Loss expenses are as defined in the Coverage Documents issued by you, but excluding:
 - a. Salaries and expenses of your employees;
 - b. Salaries and expenses of employees of the Current Members;
 - c. Office expenses or general overhead expenses incurred by you or the Current Members; and
 - d. Fees and expenses of independent claim adjusting organizations hired by you or the Current Members.

- E. RIGHTS.** No person other than you or, in the event of your insolvency, your liquidator, has any rights under this Certificate. Without limitation of the foregoing, we are not subject to any terms or conditions of your Coverage Documents that may appear to create a direct obligation on our part to a Covered Member or to anyone other than you or your liquidator.

F. INSPECTION. You will make available to us all of your records relating to this Certificate and claims made under this Certificate for inspection and copying during regular business hours. If any of your records relating to a claim are privileged communications or attorney work product and inspection by us would cause either of these privileges to be waived in any jurisdiction governing the claim, you and we will work together in good faith to implement a process or an arrangement to provide us with all pertinent factual and other information needed to evaluate the claim while protecting these privileges. The arrangement may include a reasonable common interest and confidentiality agreement between you and us. Once there is a final settlement or final adjudication of the claim, you will permit us to inspect any privileged records not otherwise disclosed to us, subject to the following limitations: (1) With our consent (not to be unreasonably withheld), our access to the records may be delayed until a later time if immediate disclosure would jeopardize your defense in any multi-district litigation or any subrogation, contribution or other third-party action; and (2) if the privileged records relate to a matter in dispute between you and us, you will not be required to disclose the records to us.

G. DEFINITIONS. As used in this Certificate:

“Accident” means an unintended or unexpected event or happening.

“Coverage Document” means any policy of insurance, memorandum of coverage, binder, certificate of self insurance, or similar document describing the terms, conditions and limits of liability coverage, including any attached schedules, exhibits and endorsements, issued by you to a Current Member.

“Current Members” means all active members of the Ceding Entity that receive workers’ compensation or employers’ liability coverage from the Ceding Entity as of the Inception Date of this Certificate as well as those added as new members after Inception Date and before the Expiration Date of this Certificate, subject to all other terms and conditions of this Certificate.

“Days” means calendar days, unless specified otherwise.

“Excess of Policy Limits” means amounts in excess of the limits of a Coverage Document but otherwise within the coverage terms of the Coverage Document for which you are liable in tort as a result of any act or omission or course of conduct committed by you or your agents or representatives in connection with the handling of a Claim under the Coverage Document, including but not limited to your failure to settle any Claim within the limits of the Coverage Document.

“Expiration Date” means the Expiration Date of this Certificate identified in the Declarations. The Expiration Date begins as of 12:01 a.m. at the location of your principal offices.

“Extra Contractual Obligations” means amounts (including statutory damages) for which you are liable in tort as a result of any act or omission or course of conduct committed by you or your agents or representatives in connection with the handling of a Claim under any Coverage Document.

“Ex Gratia Payment” means any payment made by you where you recognize no legal obligation under your Coverage Documents or law to make the payment.

“Inception Date” means the Inception Date of this Certificate identified in the Declarations. The Inception Date begins as of 12:01 a.m. at the location of your principal offices.

“Occurrence” means an Accident, including continuous or repeated exposure to substantially the same general harmful conditions. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the workers’ compensation and employers’ liability laws of the appropriate state. Bodily injury by occupational disease sustained by each employee shall be deemed to be a separate Occurrence, unless such disease results directly from an Accident. “Termination Date” means the date this Certificate is terminated in accordance with Section M.

- H. RECOVERIES.** We will be paid or credited by you with our proportion of recoveries, which is reimbursement obtained or recovery made by you, less all expenses paid by you in obtaining the reimbursement or recovery. Recoveries will be applied in the inverse order in which liability attaches. Unless you and we agree otherwise, you will enforce your right to recoveries and will prosecute all claims arising out of the right.
- I. PREMIUM CALCULATION.** You will be charged an annual estimated premium based on your Current Members' payroll, by classification. After the Termination Date, you will provide us with the Current Member's actual payroll for the coverage period. If the actual annual payroll differs from the estimated payroll, the amount of the annual premium may be adjusted. If, after this adjustment, the actual premium is more than the estimated premium paid by you, we will notify you of the difference and you will promptly remit the additional amount to us. If the actual premium is less than the estimated premium paid by you, we will promptly refund the excess amount to you.
- J. PREMIUM TAXES.** You are liable for all taxes, if any, on premiums ceded to us under this Certificate.
- K. YOUR INSOLVENCY.** In the event of your insolvency, the reinsurance provided by this Certificate is payable by us directly to the liquidator on the basis of the amount of the claim allowed in the insolvency proceeding without diminution by reason of your inability to pay all or any part of the claim. We must be given written notice of the pendency of each claim against you on the Coverage Documents reinsured under this Certificate within a reasonable time after the claim is filed in the insolvency proceedings. We have the right to investigate each claim and interpose, at our own expense, in the proceeding where the claim is to be adjudicated, to assert any defenses that are available to you or your liquidator. The related expense incurred by us is chargeable, subject to court approval, against you as part of the expense of liquidation to the extent of a proportionate share of the benefit that may accrue to you solely as the result of the defense undertaken by us.
- L. OFFSET.** The parties may offset any balances, whether on account of premiums, commissions, claims, losses, adjustment expense, recoveries or any other amounts due from one party to the other under this Certificate.
- M. TERMINATION.** This Certificate will terminate automatically on the Expiration Date.

This Certificate may be terminated prior to the Expiration Date by:

1. you with not less than 90 days prior written notice to us;
2. us in accordance with our bylaws in effect as of the Inception Date; or
3. us for nonpayment of premium with not less than 30 days prior written notice to you.

Following termination, we will return any unearned premium to you. The earned premium will follow your earned premium calculation procedures and will be subject to the minimum premium for this Certificate, except that the minimum premium is waived if we cancel for nonpayment of premium.

- N. CONTINUING RIGHTS AND OBLIGATIONS.** Each party's rights and obligations under this Certificate with respect to business reinsured hereunder will continue following termination of this Certificate.
- O. CHANGES.** The terms of this Certificate, the Declarations and any endorsements may not be waived or changed except by endorsement executed by our duly authorized representative.
- P. ARBITRATION.** Any dispute between the parties to this Certificate concerning any matter relating to

this Certificate will be submitted for decision of a board of arbitration comprised of two arbitrators and an umpire, meeting in Salt Lake City, Utah, unless otherwise agreed to by you and us.

Arbitration will be initiated by the delivery of a written notice of demand for arbitration by one party to the other within a reasonable time after the dispute has arisen.

The members of the board of arbitration will be active or retired disinterested officials of governmental self-insurance pooling entities or insurance or reinsurance companies. Each party will appoint its arbitrator and the two arbitrators will choose an umpire before instituting the hearing. If the respondent fails to appoint its arbitrator within four weeks after being requested to do so by the claimant, the claimant will also appoint the second arbitrator. If the two arbitrators fail to agree upon the appointment of an umpire within four weeks after the date that the second arbitrator is appointed, each arbitrator will name three candidates. Each arbitrator will decline two potential umpires of the other, and the final decision on the umpire will be made by drawing lots.

The claimant will submit its initial brief within 45 days after the appointment of the umpire. The respondent will submit its brief within 30 days after the filing of the claimant's brief.

The board of arbitration will make its decision with regard to the custom and usage of the governmental self-insurance pooling, insurance and reinsurance business. The board will issue its decision in writing based upon a hearing in which evidence may be introduced without following strict rules of evidence but in which cross-examination and rebuttal will be allowed. The board will make its decision within 60 days after the termination of the hearings unless the parties consent to an extension. The majority decision of the board will be final and binding upon all parties to the proceeding. Judgment may be entered upon the award of the board in any court having jurisdiction.

Each party will bear the expense of their own arbitrator and will jointly and equally bear with the other party the expense of the umpire. The remaining costs of the arbitration proceedings will be allocated by the board.

Q. EXCLUSION FOR SPECIAL POOLS, INSOLVENCY FUNDS, AND REINSURANCE. This reinsurance does not apply to:

1. Any loss or liability accruing to you directly or indirectly from any insurance written or coverage provided by or through any pool or association including pools and associations in which your membership is required under any statutes or regulations.
2. Any liability of yours arising from your participation or membership in any insolvency fund.
3. Any liability assumed by you as insurance, reinsurance or otherwise from other pools, associations, insurers or any other source other than your Current Members.

R. ERRORS AND OMISSIONS. Any inadvertent delay, omission or error does not relieve either party from any liability that would attach to it under this Certificate if the delay, omission or error had not been made, provided that the delay, omission or error is promptly rectified on discovery and reported to the other party.

S. HEADINGS. The headings in this Certificate are for reference only and do not limit or otherwise affect the meaning of the text.

T. NOTICE. All notices required to be given under this Certificate must be in writing and are deemed to be given on: (i) the date delivered by overnight courier service or messenger with confirmation of receipt; (ii) delivery by registered or certified mail (return receipt requested) postage prepaid; (iii) receipt of email (delivery and read receipt requested); or (iv) receipt of facsimile transmission to either party at the following addresses:

If to the Ceding Entity:

At the address stated in the Declarations.

If to: New Mexico County Reinsurance, Inc:

Christopher C. Bridges,
SVP
Artex Risk Solutions, Inc.
8800 E Raintree Drive,
Suite 250
Scottsdale, AZ 85260
Direct: 480-275-9043

Attn: Christopher C. Bridges, SVP

Email: chris_bridges@artextrisk.com

Either party may change the address to which notices are to be sent by providing written notice of the change under this Section, which will be effective upon receipt.

- U. ENTIRE AGREEMENT.** This Certificate, the Declarations and any endorsements executed by our duly authorized representative and attached constitute the entire agreement between the parties.
- V. SEVERABILITY.** If any provision of this Certificate will be rendered illegal or unenforceable by the laws, regulations or public policy of any state, the provision will be considered void in that state, but this will not affect the validity or enforceability of any other provision of this Certificate or the enforceability of the provision in any other jurisdiction so long as this Certificate may be applied in a manner consistent with the intent of the parties.

**NEW MEXICO COUNTY REINSURANCE, INC.
ENDORSEMENT # 1**

Ceding Entity New Mexico County Insurance Authority
444 Galisteo Street
Santa Fe, NM 87501

Certificate Number NMRe-NM-WC-070125

Coverage Period Inception Date: 07/01/25
Expiration Date: 07/01/26

NEW MEXICO AMENDATORY ENDORSEMENT

If policy is cancelled by any party, we must mail or deliver to the New Mexico Workers' Compensation Administration not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown below will be sufficient to prove notice.

The New Mexico Workers' Compensation Administration will be notified of any changes to the policy affecting New Mexico during the term of the policy.

Any notice to the New Mexico Workers' Compensation Administration will be mailed or delivered to the following address:

New Mexico Workers' Compensation Administration
ATTN: Self Insurance Bureau
P.O. Box 27198
Albuquerque, N.M. 87125-7198

Subject to the specified retention, this policy will pay for any and all benefits pursuant to the New Mexico Workers' Compensation Act (The Act). Any provisions that exclude or limit coverage provided for in The Act or rules governing self-insurance are null and void.

Bankruptcy or insolvency: The bankruptcy or insolvency of the Insured shall not relieve the Company of its liability for injury sustained or loss incurred during the policy term.

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

<u>Item Number:</u> 7.A.	<u>Item Title:</u> HSI Executive Proposal: Possible RAP Program Replacement
<u>Presenter (s):</u> Greg Rees, Loss Prevention Manager	

Executive Proposal: Modernizing County-Wide Safety Training Through HSI

Prepared for:

Board of Directors, New Mexico County Insurance Authority

Prepared by:

Greg Rees, Loss Prevention Manager

Date: TBD

Executive Summary

The current RAP (Risk Awareness Program) model, while historically impactful, has become outdated in both content and delivery. In response to evolving board directives, member feedback, and digital training trends, I propose we explore a partnership with HSI—an established leader in compliance-based learning and safety training solutions. This partnership would enhance training consistency, reporting, and county engagement across New Mexico.

Current Challenges

- **Outdated content:** RAP materials are 5+ years old and lack engagement.
 - **Lack of centralization:** Inconsistent participation, tracking, and accountability across 33 counties.
 - **Email limitations:** Many counties lack Microsoft email licenses for staff.
 - **Instructor burden:** High dependency on in-person delivery of individually developed training, limiting scale and supervision.
 - **Inefficient reporting:** Manual tracking systems and limited analytics make it difficult to measure program effectiveness.
-

HSI's Proposed Solution

HSI's Learning Management System (LMS) and/or Content Library offer a scalable, centralized training solution designed to meet the needs of our diverse county populations, from law enforcement to administrative staff.

Key Capabilities:

- **Focused, 5-minute microlearning content** across compliance, safety, and soft skills (including Spanish-language options).
 - **Dashboards for all 33 counties**, allowing independent access and reporting by local risk managers.
 - **Blended learning**: Online modules + printable classroom materials with electronic rosters.
 - **No email requirement** for end users.
 - **Custom lesson planning tools**, aligned to RAP goals and claims data, or we can allow for a completely unique set of training outside of RAP.
 - **Supplemental OSHA-10/30, CPR, and policy management capabilities.**
-

Proposed Models

HSI has proposed multiple flexible pricing models:

- **User + Course Tiering**: Flat annual pricing based on projected user engagement and course count.
 - **Trainer Focused**: Allow county trainers to access the entirety of HSI's library to facilitate educating end-users. This will standardize the training processes across the board.
-

Next Steps

1. **Board Approval** to review HSI's LMS and/or content for training modernization.
 2. **Vendor Coordination**: HSI to assist with implementation, county onboarding, and training customization.
-

Recommendation:

Authorize further planning with HSI to prepare a pilot launch and full cost estimate based on our known RAP participants. This is a rare opportunity to evolve our risk reduction efforts into a data-driven, modernized model with measurable impact.

User + Course Tiering- individual end-users in RAP via single account per employee the pricing schedule would look like the following:

1000 Users	\$18,700
2000 Users	\$28,339
3000 Users	\$33,150
5000 Users	\$38,250
8000 Users	\$61,200
10000 Users	\$76,500

Trainer Focused- focus solely on training the trainers using the entire HSI Tier 2 catalog the following pricing schedule:

110 Trainers	\$12,828.64
200 Trainers	\$16,350.40
300 Trainers	\$20,433.60
400 Trainers	\$25,190.40
500 Trainers	\$28,916.00



HSI+ Collection

Course Catalog

It can be overwhelming to try and understand all your employees need to not only stay safe on the job but also improve their personal and professional skills. With the HSI+ Collection, your employees will have access to more than 3,200 courses that cover all the safety, compliance, and professional development content you could want. You will find courses on workplace safety, leadership development, DEI initiatives, communication, and much more.

Our story-driven learning makes content memorable so employees will actually use what they learn. And hundreds of microlearning courses teach learning objectives effectively in less than 10 minutes.

HSI utilizes industry experts when building our courses, and we regularly review and update the content to stay aligned with current regulations and best practices. Translations and accessibility features ensure that learning is accessible to all on your workforce.

Having a comprehensive training program is an extension of your culture and can be seen as a competitive advantage when recruiting top talent. Don't miss out by only focusing on safety and human resources topics that are required by law. Let HSI+ help improve your employee compliance, professional skills, and culture development.

The course counts reflect only courses in English, HSI has courses in numerous other languages, ask an HSI rep for more information.



Category: [Occupational Safety and Health](#)

Course Count: 1,095

Description: Safety training is not just mandated by regulatory bodies but is one of the best ways companies can create a safer work environment. This library includes training for occupational health and safety, environmental management, transportation, food safety, emergency preparedness, and much more. Some of these courses cover bloodborne pathogens, ergonomics, transmissible illnesses, personal safety, fire extinguisher safety, lockout/tagout, and PPE.

Topics Include:

- Behavior Based Safety
- Confined Space Safety
- Construction Safety
- Contractor Safety
- Crane Operations Safety
- Electrical Safety
- Emergency Preparedness
- Environmental Hazards
- Equipment and Machinery
- Ergonomics
- Fall Protection
- Fire Prevention
- First Aid
- Foot Prevention
- Forklift and Powered Industrial Truck Safety
- Hazard Communications
- Hazardous Materials Safety
- HAZWOPER
- Hot Work and Welding
- Human Performance
- Lockout/Tagout
- Maritime
- Materials Handling
- Off-Site Safety
- Personal Protective Equipment (PPE)
- Process Safety
- Rigging Safety
- Safe Driving
- Safe Work Practices
- Transmissible Illnesses
- Working at Heights
- Worksite Safety

Category: [Career Planning](#)

Course Count: 50

Description: This eLearning library was created for recruiting firms and temp agencies to train their clients for more immediate placement. Training is targeted to four groups of candidates: entry-level, managers, administrative, and sales.

Topics Include:

- Career Growth
- Getting Paid
- Job Offer Math
- Getting Hired
- Insurance
- New Employee Math

Category: [Environmental Management](#)

Course Count: 38

Description: From avoiding costly lawsuits to simply being a citizen of our planet, there are plenty of reasons to practice good environmental management. This library includes hazardous waste management, oil spill prevention, stormwater and wastewater management, and clean air emissions. Laws covered include the Resource Conservation Recovery Act, the Emergency Planning and Community Right-to-Know Act, and the Toxic Substances Control Act.

Category: [Business Skills](#)

Course Count: 975

Description: This versatile training library offers something for all employees and managers. Soft skills topics like communications, customer service, leadership, and professional productivity. Additional courses include safety, health and wellness, retail, and small business training.

Topics Include:

- Administrative Excellence
- Basic Selling Skills
- Budgeting
- Building a Business Case
- Business Basics
- Business Math
- Business Writing
- Call Center Skills
- Communications
- Creativity
- Customer Service
- Cybersecurity
- Decision Making
- Digital Transformation
- Innovation
- Leadership
- Leadership for Safety
- Managerial Courage
- Marketing
- Negotiating
- Performance Excellence
- Personal Development
- Personality Types
- Presentation Skills
- Problem Solving
- Professional Productivity
- Psychology
- Resource Planning
- Returning to Work After Quarantine
- Risk Management
- Small Business Success
- Supervision
- Talent Development
- Team Building
- The Sales Process
- The Virtual Workplace
- Travel
- Vacation and Leave
- Video Conferencing
- Voting Essentials
- Workplace Culture
- Workplace Sustainability

Category: [Retail](#)

Course Count: 36

Description: Retail workers face many unique challenges when dealing with the public. This library includes courses on conflict management, handling feedback, managing stress, staying positive, communication, and customer service.

Topics Include: Retail Customer Service, Retail Excellence

Category: [Financial Literacy](#)

Course Count: 37

Description: These courses were designed to provide learners with some basic life skills to improve their financial literacy. Our training videos go into the details behind checking and savings accounts, types of credit, and information on managing credit.

Topics Include:

- Checking
- Financial Wellness
- Managing Credit
- Savings
- Types of Credit

Category: [Human Resources](#)

Course Count: 139

Description: HR employees must deal with many unique situations and sensitive topics. This vast library includes training on the hiring process, anti-racism, workplace absences, working with different generations, substance abuse, and women and gender biases. Additional courses cover laws such as the Americans with Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act, and more

Topics Include:

- Abuse and Neglect
- Diversity
- Substance Abuse
- Data Privacy & Compliance
- Gender Equality
- Workplace Compliance

Category: [Overviews](#)

Course Count: 117

Description: We offer dozens of overview courses that make it easy and convenient to complete employee training. These short versions of our courses are ideal for annual training refreshers. They also serve as perfect just-in-time courses, or quick training if a specific issue suddenly arises on the job.

Category: [Harassment and Discrimination](#)

Course Count: 95

Description: Everyone wants to create a safe and respectful environment for their employees and avoid any legal liabilities. This library dives into sexual harassment, workplace violence, discrimination, workplace bullying, and reporting. Additional courses focus on specific laws and regulations in states with their own legalities.

Topics Include: Harassment and Discrimination with courses specific to California, Connecticut, Delaware, Illinois, New York, and Washington

Category: [Department of Transportation](#)

Course Count: 86

Description: Without the transportation industry, everything else would grind to a halt, but there are many regulatory requirements and unique struggles this industry experiences. This library includes driver responsibilities, hazmat packaging and storage, incident response, substance abuse, and trip inspections. Additional courses cover driver wellness, driver logs, CDLs, and audits.

Topics Include: DOT Hazmat, DOT/CMV Driver

Category: [Health and Wellness](#)

Course Count: 79

Description: Employers have started becoming more interested in the whole-person approach to wellness, which includes more than just workplace safety. This library covers stress management, the science of sleep, understanding burnout, deskercises, dealing with allergies, and mood disorders.

Topics Include:

- Fatigue and Stress
- Mental Health
- Mental Wellness
- Nutrition
- Physical Health

Category: [Food Handling and Manufacturing](#)

Course Count: 31

Description: Safety is important in this industry, as humanity's basic needs are served by food handlers and manufacturers. This library covers food allergens, food manufacturing, understanding HACCP and FSPs, microbiology, sanitation, and traceability management.

Category: [Banking](#)

Course Count: 111

Description: Train your bank employees and managers on the specialized topics in our banking skills library. Courses include bank secrecy basics, financial compliance, Right to Financial Privacy Act, RESPA, Foreign Corrupt Practices Act, robbery training, cross-selling, handling customer complaints, and more.

Category: [Direct Store Delivery](#)

Course Count: 76

Description: Direct store delivery (DSD) is all about building and maintaining customer relationships. Help your sales, delivery, and merchandising teams build stronger relationships with your clients. Our direct store delivery training courses cover retail selling tips, merchandising, how to best leverage a retail profitability model, and much more.

Topics Include:

- Cannabidiol
- Category Management
- Customer Services
- Direct Store Delivery
- Math
- Merchandising
- Negotiating Skills
- Retail Selling
- Retail Shelf Space Management
- Retailer Profitability Model
- Shopper Behavior
- Shopper Marketing
- Tel-Sell
- Warehouse Fundamentals
- Winning with Walmart

Category: [Hospitality](#)

Course Count: 47

Description: The hospitality industry often sees high turnover, but having trained and prepared employees can help keep them satisfied in their roles, prepared for anything. These courses apply to hosts and servers, front desk employees, housekeeping staff, valets, room service attendants, bartenders, and kitchen staff.

Topics Include:

- Back of the House
- Food and Beverage
- Front Desk Cust. Serv.
- Front of the House
- Housekeeping
- Tourism
- Valet

Category: [Healthcare](#)

Course Count: 35

Description: Training on HIPAA (Health Insurance Portability and Accountability Act) and other healthcare regulations is essential for professionals and organizations to ensure the privacy, security, and safety of patients and staff. Topics include HIPAA, bloodborne pathogens, reporting abuse and neglect, fire safety, and PPE.

Topics Include: HIPAA, Medical

Category: [Selling Skills](#)

Course Count: 99

Description: Help boost your sales team's knowledge of the sales process. Topics include handling discovery calls, DISC selling, overcoming objections, developing leads, selling to the C-suite, and closing the sale.

Topics Include:

- Advanced Selling Skills
- Basic Selling Skills
- Making a Sales Call
- Sales Management
- Tell-Sell

Category: [University and Research Institutions](#)

Course Count: 65

Description: Higher education facilities have their own nuances and unique challenges. Our training and technology help make schools safer and operate more efficiently. This library covers lab safety, residence hall safety, Title IX, and more.

Topics Include:

- Laboratory and Workshop Safety
- Residence Halls
- Title IX

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

<u>Item Number:</u> 7.B.	<u>Item Title:</u> Coverage of Potential Claims Arising Out of Federal Immigration Enforcement
<u>Presenter (s):</u> Mark Allen, General Counsel Brandon Huss, Legal Bureau Chief	

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

<u>Item Number:</u> 8.A.	<u>Item Title:</u> Financial Reports
<u>Presenter (s):</u> Richard Garcia, Finance Director	

	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 16,487,687	\$ 9,343,734
Accounts Receivable - Deductibles	554,282	963,128
Accounts Receivable - Claims	1,000,000	-
Accounts Receivable - Capital Adequacy	92,473	(601,280)
Accounts Receivable - LE Accreditation Fee	7,500	-
Accounts Receivable - Reinsurance	130,239	93,774
Accounts Receivable - Hi Ded Counties	1,836	22,121
Accounts Receivable - Other	2,500	14,863
Note Receivable	1,175,838	1,268,678
Prepaid Expenses	4,630,566	3,029,641
Total Current Assets	24,082,920	14,134,660
Investments		
Exchange Traded Funds	19,153,143	56,428,179
US Government Bonds	67,551,127	36,675,846
Mutual Funds	6,941,589	8,930,637
Unrealized Gain/Loss	(80,167)	(5,675,704)
County Reinsurance Pool Equity	856,467	571,663
County Reinsurance Property Plus Equity	5,457,809	3,502,986
Captive Reinsurance Equity	-	17,855,737
Total Investments	99,879,968	118,289,345
Total Assets	\$ 123,962,888	\$ 132,424,004
Liabilities and Pool Net Position		
Current Liabilities		
Accounts Payable	\$ 29,288	\$ 927,541
Unearned Capital Adequacy Contributions	379,624	11,805,611
Unearned Member Contributions	24,447,285	8,054,785
Total Current Liabilities	24,856,198	20,787,937
Long Term Liabilities		
Reserve for Future Claims		
Multi-Line Program	10,121,474	13,788,222
Law Enforcement Program	59,630,662	41,089,247
Workers' Compensation Program	19,234,449	19,696,526
Total Long Term Liabilities	\$ 88,986,585	\$ 74,573,995
Total Liabilities	\$ 113,842,783	\$ 95,361,933
Fund Balance	7,217,287	36,916,722
Current Year Pool Net Position	2,902,817	145,350
Total Pool Net Position	\$ 10,120,105	\$ 37,062,072
Total Liabilities and Net Position	\$ 123,962,888	\$ 132,424,004



New Mexico County Insurance Authority Pool

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

5/31/2025

	2025 Budget	Jan 01, 2025 through May 31, 2025	42% of Budget
Income			
Member Contributions	\$ 54,722,687	\$ 20,858,983	38%
Capital Adequacy Contributions		1,898,121	
Accreditation Fees		15,000	
Total Income	\$ 54,722,687	\$ 22,772,104	42%
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	\$ 36,460,482	\$ 19,900,185	39%
Pool Portion - Group 1 (up to \$5MM for IMMh)	667,251	-	0%
Pool Additional - Group 1 (up to \$5MM for IMMh)	638,684	-	0%
Nurse Case Manager		(59,366)	
Claims Reserves		(1,510,587)	
Recoveries - Deductibles		(2,659,432)	
Recoveries - Reinsurance		(371,343)	
Recoveries - County Settlements		(201,600)	
Recoveries - Subrogation & Salvage		(188,113)	
Reinsurance	9,931,276	4,594,864	41%
Brokerage Fees	100,000	41,667	42%
Total Claims & Claim Adjusting	\$ 47,797,693	\$ 19,546,275	41%
Risk Mitigation Expense			
Administrative Fee-NMAC	\$ 555,982	\$ 231,655	42%
Special Projects	90,000	28,434	32%
EDGE Detention Scholarships	15,000	-	0%
Online Training Program	190,000	57,539	30%
Loss Incentive Program	50,000	28,000	56%
Legal Advice Program	50,000	11,458	23%
Lexipol	255,000	77,669	30%
Law Enforcement Accreditation	76,000	36,551	48%
Total Risk Mitigation Expense	\$ 1,281,981	\$ 471,306	37%
Administrative & Other			
Administrative Fee-NMAC	\$ 4,129,170	\$ 1,720,492	42%
Actuary	47,000	33,870	72%
Financial Audit	72,000	8,790	12%
Investment Advisor Expense	37,500	12,146	
Claims Audit	10,000	-	0%
Payroll Audit	60,000	48,431	81%
Legal Bureau Operations	50,000	-	0%
Property Appraisal Fees	180,000	-	0%
Legal Expense	42,500	-	0%
Software Support, Licensing, Training	410,000	139,017	34%
Board Training & Education	30,000	-	0%
Board D&O Insurance	129,000	11,892	9%
Miscellaneous	13,000	-	0%
Total Admin & Other	\$ 5,210,169	\$ 1,974,638	38%
Total Expenses	\$ 54,289,843	\$ 21,992,219	41%
Operating Income	\$ 432,844	\$ 779,885	
Investment Income	3,532,353	1,513,746	
Net Change in Fair Value of Investments		589,196	
Interest Income on Note Receivable		19,990	
Total Non-Operating Revenue	\$ 3,532,353	\$ 2,122,932	
Net Position	\$ 60 3,965,197	\$ 2,902,817	



New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
5/31/2025

		Current Average		
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		0.14%	\$ 16,487,687	\$ 22,579
		Est.	Ending	
<u>Securities</u>	<u>Ann. Yld</u>	<u>Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	4.50%	19,429,747	19,153,143	276,605
Certificates of Deposit	0.00%	-	-	-
Government Bonds	2.31%	63,825,695	63,732,866	92,829
Govt Asset Backed Sec	4.38%	3,364,038	3,818,261	(454,224)
Mutual Funds	4.86%	6,946,212	6,941,589	4,623
Total Investments		3.00%	\$ 93,565,692	\$ 93,645,859 \$ (80,167)
Total Cash & Investments		2.59%	\$ 110,053,379	\$ 110,133,546
Estimated Annual Income on Cash & Investments			\$ 2,751,961	
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		97%	\$ 106,504,799	
Moreton Capital Markets		2%	1,911,891	
First National Santa Fe		2%	1,713,560	
State Treasurers LGIP		0%	3,296	
		100%	\$ 110,133,546	

* 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
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
5/31/2025

	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 5,601,473	\$ 4,514,260
Accounts Receivable - Deductibles	245,003	328,300
Accounts Receivable - Claims	1,000,000	-
Accounts Receivable - Capital Adequacy	30,170	(601,280)
Accounts Receivable - LE Accreditation Fee	7,500	-
Accounts Receivable - Other	-	3,500
Prepaid Expenses	3,645,841	2,150,866
Total Current Assets	<u>10,529,986</u>	<u>6,395,647</u>
Investments		
Exchange Traded Funds	\$ 5,171,225	\$ 23,187,842
US Government Bonds	29,357,793	15,077,607
Mutual Funds	2,738,223	2,614,705
Unrealized Gain/Loss	(35,182)	(2,170,228)
Captive Reinsurance Equity	<u>-</u>	<u>38,709,925</u>
Total Investments	<u>37,232,059</u>	<u>56,557,937</u>
Total Assets	<u>\$ 47,762,045</u>	<u>\$ 62,953,584</u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable	\$ 15,968	\$ 701,093
Unearned Capital Adequacy Contributions	187,989	11,805,611
Unearned Member Contributions	15,764,386	-
Total Current Liabilities	<u>15,968,343</u>	<u>12,506,704</u>
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 19 - 2013	\$ -	\$ (239)
Fund Year 21 - 2015	-	1,864
Fund Year 22 - 2016	159,050	216,188
Fund Year 23 - 2017	842,966	1,284,712
Fund Year 24 - 2018	(4,660)	88,794
Fund Year 25 - 2019	638,630	994,629
Fund Year 26 - 2020	832,384	5,624,762
Fund Year 27 - 2021	4,682,554	3,973,999
Fund Year 28 - 2022	10,144,155	8,957,889
Fund Year 29 - 2023	15,152,206	11,698,718
Fund Year 29 - 2024	15,724,178	6,172,316
Fund Year 30 - 2025	8,685,537	-
Claims Mgmt Fees-Future	2,773,663	2,075,614
Total Long Term Liabilities	<u>\$ 59,630,662</u>	<u>\$ 41,089,247</u>
Total Liabilities	<u>\$ 75,599,005</u>	<u>\$ 53,595,951</u>
Fund Balance	\$ (28,599,491)	\$ 9,184,429
Current Year Net Position	<u>762,530</u>	<u>173,203</u>
Total Net Position	<u>\$ (27,836,961)</u>	<u>\$ 9,357,633</u>
Total Liabilities and Net Position	<u>\$ 47,762,045</u>	<u>\$ 62,953,584</u>



Law Enforcement Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
5/31/2025

	2025 Budget	Jan 01, 2025 through May 31, 2025	42% of Budget
<u>Income</u>			
Member Contributions	\$ 29,512,563	\$ 11,260,276	38%
Capital Adequacy Contributions		939,945	
Accreditation Fees		12,500	
Total Income	\$ 29,512,563	\$ 12,212,721	41%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 21,006,159	\$ 9,406,831	42%
Pool Portion - Group 1 (up to \$5MM for IMM)	667,251	-	0%
Pool Additional - Group 1 (up to \$5MM for IMM)	638,684	-	0%
Claims Reserves		383,743	
Recoveries - Deductibles		(1,038,008)	
Reinsurance - all (up to \$2MM for IMM)	4,464,639	2,404,406	42%
Brokerage Fees	35,000	14,583	42%
Total Claims & Claim Adjusting Expense	\$ 26,811,733	\$ 11,171,555	42%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 148,290	\$ 61,784	42%
Special Projects	45,000	26,595	59%
EDGE Detention Scholarships	15,000	-	0%
Online Training Program	60,000	31,595	53%
Law Enforcement Accreditation	76,000	36,551	48%
Legal Advice Program	30,000	11,183	37%
Lexipol	255,000	77,669	30%
Loss Incentive Program	15,000	-	0%
Total Risk Mitigation Expense	644,290	245,377	38%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,737,040	\$ 723,770	42%
Actuary	20,000	13,825	69%
Financial Audit	30,000	2,930	10%
Investment Advisor Expense	15,000	4,049	27%
Legal Bureau Operations	50,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	45,962	35%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	3,964	9%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 2,056,540	\$ 794,500	39%
Total Expenses	\$ 29,512,563	\$ 12,211,432	41%
Operating Income	\$ -	\$ 1,289	
Investment Income	1,387,361	575,046	
Net Change in Fair Value of Investments		186,195	
Total Non-Operating Revenue	\$ 1,387,361	\$ 761,241	
Net Position	\$ 1,387,361	\$ 762,530	



Law Enforcement Program
Administered by New Mexico Counties
Schedule of Investments 5/31/2025

		Current Average			
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>	
Banks, Money Market Accts & State Treas LGIP		0.09%	\$ 5,601,473	\$ 4,901	
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>	
Exchange Traded Funds	4.50%	5,245,934	5,171,225	74,709	
Certificates of Deposit	0.00%	-	-	-	
Government Bonds	1.45%	28,332,557	28,316,314	16,243	
Govt Asset Backed Sec	4.39%	913,713	1,041,479	(127,766)	
Mutual Funds	4.80%	2,739,854	2,738,223	1,631	
Total Investments		2.20%	\$ 37,232,059	\$ 37,267,241	\$ (35,182)
Total Cash & Investments		1.92%	\$ 42,833,532	\$ 42,868,714	
Estimated Annual Income on Cash & Investments		\$	824,005		
By Institution:					
Wells Fargo/Salmon Hauger Wealth Mgmt.		96%	\$ 41,124,751		
Moreton Capital Markets		2%	828,531		
First National Santa Fe		2%	914,737		
State Treasurers LGIP		0%	694		
		100%	\$ 42,868,714		

* 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
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
5/31/2025

	2025 Budget	Jan 01, 2025 through May 31, 2025	42% of Budget
<u>Income</u>			
Member Contributions	\$ 13,620,541	\$ 5,635,965	41%
Capital Adequacy Contributions		527,134	
Accreditation Fees		2,500	
Total Income	\$ 13,620,541	\$ 6,165,599	45%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 7,167,046	\$ 7,371,250	42%
Claims Reserves		(2,536,263)	
Recoveries - Deductibles		(1,462,933)	
Recoveries - Subrogation & Salvage		(186,113)	
Recoveries - County Settlements		(201,600)	
Reinsurance	4,403,665	1,741,066	40%
Brokerage Fees	35,000	14,584	42%
Total Claims & Claim Adjusting Expense	\$ 11,605,711	\$ 4,739,991	41%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 122,202	\$ 50,917	42%
Special Projects	45,000	1,839	4%
Online Training Program	60,000	25,944	43%
Legal Advice Program	10,000	104	1%
Total Risk Mitigation Expense	\$ 237,202	\$ 78,804	33%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,333,128	\$ 555,471	42%
Actuary	15,000	15,745	105%
Financial Audit	30,000	2,930	10%
Investment Advisor Expense	15,000	4,048	27%
Property Appraisal Fees	180,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	45,963	35%
Board Training & Education	7,500	-	0%
Board D&O Insurance	43,000	3,965	9%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 1,777,628	\$ 628,122	35%
Total Expenses	\$ 13,620,541	\$ 5,446,917	40%
Operating Income	\$ -	\$ 718,682	
Investment Income	1,009,232	458,033	
Net Change in Fair Value of Investments		197,001	
Interest Income on Note Receivable		19,990	
Total Non-Operating Revenue	\$ 1,009,232	\$ 675,024	
Net Position	\$ 65 1,009,232	\$ 1,393,706	



Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 5/31/2025

<u>Cash</u>	Current Average <u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP	0.006%	\$ 7,596,053	\$ 418

<u>Securities</u>	Est. <u>Ann. Yld</u>	Ending <u>Market Val</u>	<u>Cost</u>	Market <u>Gain/Loss *</u>
Exchange Traded Funds	4.50%	6,825,091	6,727,893	97,198
Certificates of Deposit	0.00%	-	-	-
Government Bonds	1.95%	18,423,865	18,383,092	40,773
Govt Asset Backed Sec	4.40%	1,182,330	1,407,664	(225,334)
Mutual Funds	4.89%	2,303,719	2,302,077	1,642
Total Investments	2.89%	\$ 28,735,005	\$ 28,820,726	\$ (85,721)
Total Cash & Investments	2.29%	\$ 36,331,057	\$ 36,416,778	

Estimated Annual Income on Cash & Investments \$ 831,841

By Institution:

Wells Fargo/Salmon Hauger Wealth Mgmt.	99%	\$ 35,949,985
First National Santa Fe	1%	466,309
State Treasurers LGIP	0%	484
	100%	\$ 36,416,778

* 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
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
5/31/2025

	<u>May 31, 2025</u>	<u>May 31, 2024</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 7,596,053	\$ 2,143,230
Accounts Receivable - Deductibles	309,279	634,828
Accounts Receivable - Capital Adequacy	54,082	-
Accounts Receivable - Other	2,500	832
Note Receivable	1,175,838	1,268,678
Prepaid Expenses	742,186	721,819
Total Current Assets	<u>9,879,937</u>	<u>4,769,387</u>
Investments		
Exchange Traded Funds	\$ 6,727,893	\$ 19,014,845
US Government Bonds	19,790,756	12,146,396
Mutual Funds	2,302,077	3,493,335
Unrealized Gain/Loss	(85,721)	(1,902,726)
County Reinsurance Pool Equity	249,714	167,121
County Reinsurance Property Plus Equity	5,457,809	3,502,986
Captive Reinsurance Equity	-	7,725
Total Investments	<u>34,442,528</u>	<u>36,429,682</u>
Total Assets	<u><u>\$ 44,322,465</u></u>	<u><u>\$ 41,199,069</u></u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable - Other	\$ 1,429	\$ 196,124
Unearned Capital Adequacy Contributions	105,427	-
Unearned Member Contributions	7,890,350	7,264,925
Total Current Liabilities	<u>7,997,206</u>	<u>7,461,049</u>
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 14 - 2002	\$ 600	\$ -
Fund Year 16 - 2004	900	-
Fund Year 21 - 2009	1,615	1,615
Fund Year 23 - 2011	194,147	142,630
Fund Year 26 - 2014	10,001	-
Fund Year 29 - 2017	14,413	70,330
Fund Year 30 - 2018	237,645	622,067
Fund Year 31 - 2019	263,144	404,850
Fund Year 32 - 2020	462,610	1,432,071
Fund Year 33 - 2021	643,169	1,571,480
Fund Year 34 - 2022	1,435,805	1,926,568
Fund Year 35 - 2023	2,468,921	3,876,487
Fund Year 36 - 2024	1,256,323	3,129,048
Fund Year 37 - 2025	2,529,423	-
Claims Mgmt Fees-Future	602,756	611,075
Total Long Term Liabilities	<u>\$ 10,121,474</u>	<u>\$ 13,788,222</u>
Total Liabilities	<u><u>\$ 18,118,680</u></u>	<u><u>\$ 21,249,271</u></u>
Fund Balance	24,810,079	20,412,792
Current Year Net Position	1,393,706	(462,994)
Total Net Position	<u><u>\$ 26,203,785</u></u>	<u><u>\$ 19,949,798</u></u>
Total Liabilities and Net Position	<u><u>\$ 44,322,465</u></u>	<u><u>\$ 41,199,069</u></u>

These financial statements are unaudited.



Workers' Compensation Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
5/31/2025

	As of May 31, 2025				As of May 31, 2024			
Assets								
Current Assets								
Cash and Cash Equivalents		\$	3,290,162		\$	2,686,244		
Accounts Receivable-Capital Adequacy			8,222			-		
Accounts Receivable-Reinsurance			130,239			93,774		
Accounts Receivable-Hi Ded Counties			1,836			22,121		
Accounts Receivable-Other			-			10,531		
Prepaid Expenses			242,539			156,956		
Total Current Assets			3,672,996			2,969,627		
Investments								
Exchange Traded Funds			7,254,025			14,225,493		
US Government Bonds			18,402,578			9,451,844		
Mutual Funds			1,901,289			2,822,597		
Unrealized Gain/Loss			40,736	27,598,628		(1,602,750)	24,897,183	
County Reinsurance Limited Equity				606,753			404,542	
Total Investments				28,205,381			25,301,725	
Total Assets		\$	31,878,378			\$	28,271,352	
Liabilities and Surplus								
Current Liabilities								
Accounts Payable		\$	11,891		\$	30,324		
Unearned Capital Adequacy Contrib			86,208			-		
Unearned Member Contributions			792,548			789,861		
Total Current Liabilities				890,648			820,184	
Long Term Liabilities								
Reserves for Future Claims:								
Claims Reserves FY 2 - 1988/89	\$	-			\$	(8)		
Claims Reserves FY 5 - 1991/92		120,981				21,966		
Claims Reserves FY 6 - 1992/93		19,602				23,747		
Claims Reserves FY 8 - 1994/95		7,627				9,240		
Claims Reserves FY 9 - 1995/96		23,162				31,808		
Claims Reserves FY 11 - 1997/98		14,135				17,125		
Claims Reserves FY 12 - 1998/99		(712)				(667)		
Claims Reserves FY 14 - 2000/01		(1,307)				3,686		
Claims Reserves FY 15 - 2001/02		64,910				75,870		
Claims Reserves FY 16 - 2002/03		20,267				11,425		
Claims Reserves FY 17 - 2003/04		(25,302)				118,836		
Claims Reserves FY 18 - 2004/05		268,014				282,931		
Claims Reserves FY 19 - 2005/06		74,093				98,987		
Claims Reserves FY 20 - 2006/07		52,545				67,620		
Claims Reserves FY 21 - 2007/08		404,883	Bernalillo County	Other HDC's		449,499	Bernalillo County	Other HDC's
Claims Reserves FY 22 - 2008/09		261,521	-	-		325,724	-	-
Claims Reserves FY 23 - 2009/10		220,369	-	-		58,002	-	-
Claims Reserves FY 24 - 2010/11		197,344	-	-		98,722	-	-
Claims Reserves FY 25 - 2011/12		20,014	-	-		178,067	-	-
Claims Reserves FY 26 - 2012/13		275,443	-	-		369,557	-	-
Claims Reserves FY 27 - 2013/14		226,806	-	-		452,863	-	-
Claims Reserves FY 28 - 2014/15		321,877	(74,588)	-		460,424	(147,716)	-
Claims Reserves FY 29 - 2015/16		672,589	(24,417)	-		671,601	(37,594)	-
Claims Reserves FY 30 - 2016/17		554,622	-	-		544,482	-	-
Claims Reserves FY 31 - 2017/18		138,524	-	(4,062)		499,118	-	(5,239)
Claims Reserves FY 32 - 2018/19		605,222	(8,205)	-		758,977	(10,743)	-
Claims Reserves FY 33 - 2019/20		616,433	-	-		888,861	-	-
Claims Reserves FY 34 - 2020/21		1,383,252	(6,824)	-		2,475,524	(60,660)	-
Claims Reserves FY 35 - 2021/22		1,327,477	-	(68,487)		2,084,349	-	(76,573)
Claims Reserves FY 36 - 2022/23		1,531,851	-	-		3,396,475	-	(51,399)
Claims Reserves FY 37 - 2023/24		4,341,266	-	(73,459)		4,808,615	-	(135,388)
Claims Reserves FY 38 - 2024/25		5,154,058		(277,423)		-		
Claims Mgmt Fees-Future		880,349	-	-		938,410	-	-
Total Reserve for Future Claims	\$	19,771,914	\$	(114,034)	\$	20,221,838	\$	(256,713)
				\$				(268,599)
Total Long Term Liabilities			19,234,449			19,696,526		
Total Liabilities		\$	20,125,097			\$	20,516,710	
Fund Balance			11,006,699			7,319,501		
Current Year Net Position			746,581			435,141		
Total Net Position		\$	11,753,280			\$	7,754,642	
Total Liabilities and Net Position		\$	31,878,378			\$	28,271,352	



Workers' Compensation Program
 Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
 5/31/2025

	<u>Budget 2025</u>	<u>5/31/2025</u>	<u>42%</u> <u>of budget</u>
<u>Income</u>			
Member Contributions	\$ 11,589,583	\$ 3,962,742	34%
Capital Adequacy Contributions		431,042	
Total Income	\$ 11,589,583	\$ 4,393,784	38%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 8,287,277	\$ 3,122,104	38%
Claims Reserves		641,933	
Recoveries- Deductibles		(158,491)	
Recoveries- Reinsurance		(371,343)	
Recoveries- Subrogation		(2,000)	
Nurse Case Manager		(59,366)	
Reinsurance	1,062,972	449,392	42%
Brokerage Fees	30,000	12,500	42%
Total Claims & Claim Adjusting Expense	\$ 9,380,249	\$ 3,634,729	39%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMAC	\$ 285,490	\$ 118,954	42%
Legal Advice Program	10,000	171	2%
Loss Incentive Program	35,000	28,000	80%
Online Training Program	70,000	-	0%
Total Risk Mitigation Expense	\$ 400,489	\$ 147,125	37%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMAC	\$ 1,059,002	\$ 441,251	42%
Actuary	12,000	4,300	36%
Claims Audit	10,000	-	0%
Financial Audit	12,000	2,930	24%
Payroll Audit	60,000	48,431	81%
Investment Advisor Expense	7,500	4,049	
Legal Expense	2,500	-	0%
Software Support, Licensing, Training	150,000	47,092	31%
Board Training and Education	15,000	-	0%
Board D&O Insurance	43,000	3,963	9%
Miscellaneous Expenses	5,000	-	0%
Total Admin & Other Expense	\$ 1,376,001	\$ 552,016	40%
Total Expenses	\$ 11,156,739	\$ 4,333,870	39%
Operating Income	\$ 432,844	\$ 59,914	14%
Interest Income Investments	1,135,760	480,667	
Net Change in Fair Value of Investments		206,000	
Total Non-Operating Revenue	\$ 1,135,760	\$ 686,667	
Net Position	\$ 1,568,604	\$ 746,581	



Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 5/31/2025

		Current Average		
<u>Cash</u>		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		0.52%	\$ 3,290,162	\$ 17,260
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	4.50%	7,358,723	7,254,025	104,697
Certificates of Deposit	0.00%	-	-	-
Government Bonds	3.51%	17,069,272	17,033,460	35,812
Govt Asset Backed Sec	4.36%	1,267,995	1,369,119	(101,124)
Mutual Funds	4.89%	1,902,639	1,901,289	1,350
Total Investments	3.91%	\$ 27,598,629	\$ 27,557,892	\$ 40,736
Total Cash & Investments	3.55%	\$ 30,888,790	\$ 30,848,054	
Estimated Annual Income on Cash & Investments		\$ 1,096,115		
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		95%	\$ 29,430,063	
Moreton Capital Markets		4%	1,083,360	
First National Santa Fe		1%	332,513	
State Treasurers LGIP		0%	2,118	
		<hr/>		
		100%	\$ 30,848,054	

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

Unaudited Financial Statements as of March 31, 2025

New Mexico County Reinsurance, Inc.

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artextrisk.com

Artex

| Alternative
Risk

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
March 31, 2025

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New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Balance Sheets

		Unaudited March 31, 2025	Audited December 31, 2024
Assets:			
Cash & Cash Equivalents	<i>Exhibit 1</i>	\$ 7,038,526.38	\$ 911,171.99
Investments	<i>Exhibit 2</i>	22,730,986.31	22,428,562.03
Accrued Investment Interest		78,817.86	105,319.19
Ceded Unearned Premium Reserve	<i>Exhibit 6</i>	997,260.27	1,983,562.00
Prepaid Expenses	<i>Exhibit 3</i>	8,269.36	-
Total Assets		\$ 30,853,860.18	\$ 25,428,615.21
Liabilities:			
Assumed Incurred But Not Reported		\$ 6,047,493.00	\$ 4,741,281.00
Assumed Outstanding Loss Reserves		6,754,065.00	6,754,065.00
Recoverable Incurred But Not Reported		(1,342,238.00)	(226,126.00)
Recoverable Outstanding Losses		(2,000,000.00)	(2,000,000.00)
Net Unpaid Loss Reserves	<i>Exhibit 7</i>	9,459,320.00	9,269,220.00
Accounts Payable & Accrued Expenses	<i>Exhibit 4</i>	99,574.94	63,484.90
Reinsurance Premium Payable	<i>Exhibit 5</i>	670,000.00	1,670,000.00
Funds Withheld Account		2,052,526.00	1,361,475.00
Unearned Premium Reserve	<i>Exhibit 6</i>	4,701,802.00	-
Total Liabilities		16,983,222.94	12,364,179.90
Shareholder's Equity:			
Contributed Capital & Surplus		15,600,000.00	15,600,000.00
Retained Earnings		(1,729,362.76)	(2,535,564.69)
Total Shareholder's Equity		13,870,637.24	13,064,435.31
Total Liabilities and Shareholder's Equity		\$ 30,853,860.18	\$ 25,428,615.21

For Internal Use Only

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statements of Operations

	<i>Current</i>		<i>Prior</i>	
	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>Year</i>	<i>Year</i>
	January 1, 2025 - March 31, 2025	January 1, 2024 - March 31, 2024	January 1, 2024 - December 31, 2024	
Assumed Premium Written	\$ 6,240,574.00	\$ 3,726,064.00	\$ 3,726,064.00	
Provision for Unearned Assumed Premium Reserve	(4,701,802.00)	(2,799,638.00)	-	
Assumed Premium Earned	1,538,772.00	926,426.00	3,726,064.00	
Reinsurance Ceded Premium Written	-	-	(4,000,000.00)	
Provision for Unearned Ceded Premium Reserve	(986,301.73)	-	1,983,562.00	
Reinsurance Ceded Premium Earned	(986,301.73)	-	(2,016,438.00)	
Net Premium Earned	552,470.27	926,426.00	1,709,626.00	
Ceding Commission	-	-	-	
Interest Expense	(41,666.66)	-	(83,333.34)	
Net Ceding Commission	(41,666.66)	-	(83,333.34)	
Assumed Losses & Losses Adjustment Expenses Paid	-	-	300,000.00	
Assumed Change in Outstanding Reserves	-	2,042,000.00	6,609,065.00	
Assumed Change in IBNR	1,306,212.00	(1,268,131.00)	2,228,756.00	
Total Assumed Losses Incurred	1,306,212.00	773,869.00	9,137,821.00	
Ceded Change in Outstanding Reserves	-	-	(2,000,000.00)	
Ceded Change in IBNR	(1,116,112.00)	-	(226,126.00)	
Total Ceded Losses Incurred	(1,116,112.00)	-	(2,226,126.00)	
Net Losses Incurred	190,100.00	773,869.00	6,911,695.00	
Placement Fees	30,000.00	30,000.00	30,000.00	
Underwriting Expense	220,100.00	803,869.00	6,941,695.00	
Net Underwriting Profit (Loss)	290,703.61	122,557.00	(5,315,402.34)	
Audit and Tax Fees	-	-	12,300.00	
Actuarial Fees	6,250.00	7,000.00	17,750.00	
Captive Management	15,000.00	15,000.00	60,000.00	
Legal Fee	200.00	-	-	
License & Fees	7,510.00	7,528.00	7,510.00	
D&O Insurance Expense	2,706.33	2,183.14	8,780.56	
Directors Fees	-	200.00	200.00	
Outsourced Service Fees	4,977.50	-	9,769.21	
Operating Expenses	36,643.83	31,911.14	116,309.77	
Investment Income	263,909.13	231,805.43	1,026,424.23	
Realized Gain (Loss)	300.00	6,241.64	6,490.18	
Unrealized Gain (Loss)	304,374.40	(164,558.53)	(189,737.41)	
Investment Expenses	(16,441.38)	(9,630.34)	(48,262.95)	
Other Income (Expense)	552,142.15	63,858.20	794,914.05	
Net Income (Loss)	\$ 806,201.93	\$ 154,504.06	\$ (4,636,798.06)	

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New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statement of Cash Flow
For the Period Ended March 31, 2025

**Reconciliation of Operating Income (Loss) to Net
Cash Provided (Used) by Operating Activities**

Net Income (Loss)	\$ 806,201.93
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**Adjustment to Reconcile Net Income (Loss) to Net
Cash Provided (Used) by Operating Activities**

Net Unrealized (Gains) Losses on Investments	(304,374.40)
Bond Amortization	(6,393.21)
Expense for PY Dividend Recharacterization	8,372.27

(Decrease) Increase in:

Accrued Investment Interest	26,501.33
Ceded Unearned Premium Reserve	986,301.73
Prepaid Expenses	(8,269.36)
Accounts Payable & Accrued Expenses	36,090.04
Funds Withheld Account	691,051.00
Reinsurance Premium Payable	(1,000,000.00)
Unearned Premium Reserve	4,701,802.00
Assumed Incurred But Not Reported	1,306,212.00
Recoverable Incurred But Not Reported	(1,116,112.00)
Total adjustments	5,623,576.74

Net Cash Provided (Used) By Operating Activities	6,127,383.33
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Cash Provided (Used) by Financing Activities

Net Cash Provided (Used) by Financing Activities	-
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Cash Provided (Used) by Investing Activities

Purchase of Investments	(499,728.94)
Proceeds from Sale of Marketable Securities	500,000.00
Realized (Gain) Loss on Sales of Marketable Securities	(300.00)
Net Cash Provided (Used) by Investing Activities	(28.94)

Net Increase (Decrease) in Cash & Cash Equivalents	6,127,354.39
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Cash & Cash Equivalents at Beginning of Period	911,171.99
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Cash & Cash Equivalents at End of Period	\$ 7,038,526.38
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New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations
as of March 31, 2025

	Assumed				Ceded	Total
	Program Yr. 1 1/1/2022-1/1/2023	Program Yr. 2 1/1/2023-1/1/2024	Program Yr. 3 1/1/2024-1/1/2025	Program Yr. 4 1/1/2025-1/1/2026	3 Yr Reinsurance 7/1/2024-7/1/2025	
Premium Written	\$ 333,000.00	\$ 3,855,000.00	\$ 3,726,064.00	\$ 6,240,574.00	\$ (4,000,000.00)	\$ 10,154,638.00
Provision for Unearned Premium Reserve	-	-	-	(4,701,802.00)	997,260.27	(3,704,541.73)
Net Premium Earned	333,000.00	3,855,000.00	3,726,064.00	1,538,772.00	(3,002,739.73)	6,450,096.27
Ceding Commission	-	-	-	-	-	-
Interest Expense	-	-	-	-	(125,000.00)	(125,000.00)
Net Ceding Commission	-	-	-	-	(125,000.00)	(125,000.00)
Losses & Losses Adjustment Expenses Paid	300,000.00	-	-	-	-	300,000.00
Change in Outstanding Reserves	149,000.00	4,605,065.00	2,000,000.00	-	(2,000,000.00)	4,754,065.00
Change in IBNR	298,187.00	1,795,880.00	2,647,214.00	1,306,212.00	(1,342,238.00)	4,705,255.00
Net Losses Incurred	747,187.00	6,400,945.00	4,647,214.00	1,306,212.00	(3,342,238.00)	9,759,320.00
Placement fees	-	30,000.00	30,000.00	30,000.00	-	90,000.00
Underwriting Expense	747,187.00	6,430,945.00	4,677,214.00	1,336,212.00	(3,342,238.00)	9,849,320.00
Net Underwriting Profit (Loss)	(414,187.00)	(2,575,945.00)	(951,150.00)	202,560.00	214,498.27	(3,524,223.73)
Audit and Tax Fees	-	11,500.00	12,300.00	-	-	23,800.00
Actuarial Fees	-	8,000.00	17,750.00	6,250.00	-	32,000.00
Captive Management	60,000.00	60,000.00	60,000.00	15,000.00	-	195,000.00
Legal Fee	75.00	26,843.15	-	200.00	-	27,118.15
License & Fees	6,375.00	45,518.00	7,510.00	7,510.00	-	66,913.00
D&O Insurance Expense	4,137.63	10,906.88	8,780.56	2,706.33	-	26,531.40
Directors Fees	-	200.00	200.00	-	-	400.00
Outsourced Service Fees	-	-	9,769.21	4,977.50	-	14,746.71
Meeting expenses	164.70	(164.70)	-	-	-	-
Bank fees	175.00	225.00	-	-	-	400.00
Miscellaneous Expense	25.00	84.90	-	-	-	109.90
Operating Expenses	70,952.33	163,113.23	116,309.77	36,643.83	-	387,019.16
Investment Income	8,295.70	641,712.89	1,026,424.23	263,909.13	-	1,940,341.95
Realized Gain (Loss)	-	3,000.49	6,490.18	300.00	-	9,790.67
Unrealized Gain (Loss)	-	212,935.84	(189,737.41)	304,374.40	-	327,572.83
Investment Expenses	(692.94)	(30,428.05)	(48,262.95)	(16,441.38)	-	(95,825.32)
Other Income (Expense)	7,602.76	827,221.17	794,914.05	552,142.15	-	2,181,880.13
Net Income (Loss)	\$ (477,536.57)	\$ (1,911,837.06)	\$ (272,545.72)	\$ 718,058.32	\$ 214,498.27	\$ (1,729,362.76)

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2025

Exhibit 1	<u>Cash & Cash Equivalents</u>		
		Current Quarter End	Prior Fiscal Year- end
	Wells Fargo Advisors #2932 Investment Account - Cash	\$ 6,222,520.08	\$ 41,700.59
	Wells Fargo Advisors #2932 Investment Account - Money Market	741,394.61	733,505.42
	Wells Fargo Advisors #1288 Investment Account - Cash	71.12	27.61
	Wells Fargo Advisors #1288 Investment Account - Money Market	74,540.57	135,938.37
	Total	<u>\$ 7,038,526.38</u>	<u>\$ 911,171.99</u>
Exhibit 2	<u>Investments</u>	Current Quarter End - Amortized [Original] Cost	Prior Fiscal Year- end - Market Value
		Current Quarter End - Market Value	Prior Fiscal Year- end - Market Value
	Wells Fargo Advisors #2932 Investment Account	\$ 22,403,413.48	\$ 22,730,986.31
	Total	<u>\$ 22,403,413.48</u>	<u>\$ 22,428,562.03</u>
Exhibit 3	<u>Prepaid Expenses</u>		
		Current Quarter End	Prior Fiscal Year- end
	Captive Management	\$ -	\$ -
	D&O Insurance Expense	\$ 8,269.36	\$ -
	Total	<u>\$ 8,269.36</u>	<u>\$ -</u>
Exhibit 4	<u>Accounts Payable & Accrued Expenses</u>		
		Current Quarter End	Prior Fiscal Year- end
	Amelie-Rio Ventures, LLC	\$ 3,350.94	\$ 1,626.56
	Minimum Interest Credit Accrual	\$ 82,474.00	\$ 61,858.34
	Utah Insurance Department	\$ 7,500.00	\$ -
	Total	<u>\$ 93,324.94</u>	<u>\$ 63,484.90</u>
Exhibit 5	<u>Ceded Premiums Payable</u>		
		Current Quarter End	Prior Fiscal Year- end
	Reinsurer - Three Year Excess of Loss Reinsurance Contract	\$ 670,000	\$ 1,670,000
	Total	<u>\$ 670,000</u>	<u>\$ 1,670,000</u>

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2025

		A	B	C	D	E	F	G
			Written Prior Fiscal Year	Written Current Fiscal Year	# Days Earned this Year	Premium Earned Current Year-to- date	Current Quarter- End Premium Unearned	Prior Fiscal-Year End Premium Unearned
Exhibit 6		Policy Effective Date	Policy Premium	Policy Premium				
Premiums								
Grand Total, Policies In Force			\$ 3,914,064.00	\$ 6,240,574.00		\$ 552,470.27	\$ 3,704,541.73	\$ (1,983,562.00)
			<i>Premium written on P&L</i>			<i>Premium earned on P&L</i>	<i>UEPR on balance sheet</i>	<i>UEPR on balance sheet</i>
<u>Assumed Coverage</u>		12/31/2022						
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-Cov3	Law Enforcement Liability Reinsurance - Specific Counties	1/1/2023	480,000.00	-	0	-	-	-
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2024	2,824,455.00	-	0	-	-	-
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024	367,231.00	-	0	-	-	-
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024	64,378.00	-	0	-	-	-
CATMN	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024	470,000.00	-	0	-	-	-
A-Cov1	Law Enforcement Liability Reinsurance - All counties (\$2MM excess of \$2MM)	1/1/2025	-	5,131,890.00	90	1,265,398.00	3,866,492.00	-
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Sandoval & Sante Fe (2nd Excess of Loss, 50% \$1MM excess \$4MM)	1/1/2025	-	638,684.00	90	157,484.00	481,200.00	-
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services (50% \$2MM excess of \$2MM)	1/1/2025	-	-	90	-	-	-
CATMN	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2025	-	470,000.00	90	115,890.00	354,110.00	-
Total			<u>\$ 7,914,064.00</u>	<u>\$ 6,240,574.00</u>		<u>\$ 1,538,772.00</u>	<u>\$ 4,701,802.00</u>	<u>\$ -</u>
<u>Ceded Coverage</u>								
24-27 YR1	Law Enforcement Liability 3 Year Loss Reinsurance - Year 1	7/1/2024	\$ (4,000,000.00)	\$ -	90	(986,301.73)	(997,260.27)	(1,983,562.00)
Total			<u>\$ (4,000,000.00)</u>	<u>\$ -</u>		<u>\$ (986,301.73)</u>	<u>\$ (997,260.27)</u>	<u>\$ (1,983,562.00)</u>

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2025

Exhibit 7		A	B	C	D	E	F	G	H	I	J	K
			(C / A)			(C / 365 * D)		(E - F)			(E - H - I)	(I+J)
Losses & Loss Reserves												
Coverage Description	Policy Effective Date	Full Year Premium	Loss Ratio	Full Year Ultimate	# Days Earned this Year	Ultimate Pro-rata	Prior Year's Pro-rata Ultimate	Current Year-to-Date Provision for Loss	Paid Losses	Case Reserves (OSLR)	IBNR Reserves	Net Unpaid Loss Reserves
Inception to Date												
Grand Total, Policies In Force		\$ 10,154,638.00	124.5%	\$ 12,640,511.00		\$ 9,759,320.00	\$ 9,569,220.00	\$ 190,100.00	\$ 300,000.00	\$ 4,754,065.00	\$ 4,705,255.00	
								Prov for Loss per P&L		OSLR on balance sheet	IBNR on balance sheet	Net Unpaid Loss Reserves on balance sheet
<u>Law Enforcement Liability Reinsurance - All Counties</u>												
10% share of \$3,000,000 in excess of \$2,000,000	1/1/2022	\$ 333,000.00	224.4%	\$ 747,187.00	0	\$ 747,187.00	\$ 747,187.00	\$ -	\$ 300,000.00	\$ 149,000.00	\$ 298,187.00	\$ 447,187.00
\$2,000,000 Excess of \$2,000,000 &												
50% share of \$2,000,000 Excess of \$2,000,000	1/1/2023	3,375,000.00	171.0%	5,771,829.00	0	5,771,829.00	5,771,829.00	-	-	4,105,065.00	1,666,764.00	5,771,829.00
1st Excess of Loss \$2,000,000 Excess of \$2,000,000	1/1/2024	2,824,455.00	110.5%	3,120,625.00	0	3,120,625.00	3,120,625.00	-	-	2,000,000.00	1,120,625.00	3,120,625.00
1st Excess of Loss \$2,000,000 Excess of \$2,000,000	1/1/2025	5,131,890.00	71.6%	3,676,484.00	90	906,530.00	-	906,530.00	-	-	906,530.00	906,530.00
Total Assumed Coverage 1	Total	\$ 11,664,345.00	114.2%	\$ 13,316,125.00		\$ 10,546,171.00	\$ 9,639,641.00	\$ 906,530.00	\$ 300,000.00	\$ 6,254,065.00	\$ 3,992,106.00	\$ 10,246,171.00
<u>Law Enforcement Liability Reinsurance - Specific Counties</u>												
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2023	\$ 480,000.00	131.1%	\$ 629,116.00	0	\$ 629,116.00	\$ 629,116.00	\$ -	\$ -	\$ 500,000.00	\$ 129,116.00	\$ 629,116.00
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2024	367,231.00	140.8%	516,998.00	0	516,998.00	516,998.00	-	-	-	516,998.00	516,998.00
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2025	-	#DIV/0!	589,447.00	90	145,343.00	-	145,343.00	-	-	145,343.00	145,343.00
Total Assumed Coverage 2	Total	\$ 847,231.00	204.9%	\$ 1,735,561.00		\$ 1,291,457.00	\$ 1,146,114.00	\$ 145,343.00	\$ -	\$ 500,000.00	\$ 791,457.00	\$ 1,291,457.00
<u>Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services</u>												
50% share of \$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 64,378.00	1265.4%	\$ 814,629.00	0	\$ 814,629.00	\$ 814,629.00	\$ -	\$ -	\$ -	\$ 814,629.00	\$ 814,629.00
50% share of \$2,000,000 Excess of \$2,000,000	1/1/2025	\$ 638,684.00	87.9%	\$ 561,486.00	90	\$ 138,449.00	\$ -	\$ 138,449.00	\$ -	\$ -	\$ 138,449.00	\$ 138,449.00
Total Assumed Coverage 3	Total	\$ 703,062.00	195.7%	\$ 1,376,115.00		\$ 953,078.00	\$ 814,629.00	\$ 138,449.00	\$ -	\$ -	\$ 953,078.00	\$ 953,078.00
<u>Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O</u>												
\$1,000,000 Excess of \$1,000,000	1/1/2024	\$ 470,000.00	41.5%	\$ 194,962.00	0	\$ 194,962.00	\$ 194,962.00	\$ -	\$ -	\$ -	\$ 194,962.00	\$ 194,962.00
\$1,000,000 Excess of \$1,000,000	1/1/2025	\$ 470,000.00	100.0%	\$ 470,000.00	90	\$ 115,890.00	\$ -	\$ 115,890.00	\$ -	\$ -	\$ 115,890.00	\$ 115,890.00
Total Assumed Coverage Package Policy	Total	\$ 940,000.00	70.7%	\$ 664,962.00		\$ 310,852.00	\$ 194,962.00	\$ 115,890.00	\$ -	\$ -	\$ 310,852.00	\$ 310,852.00
<u>Ceded Law Enforcement Liability Reinsurance - All Counties</u>												
\$2,500,000 per Occurrence	7/1/2024	\$ (4,000,000.00)	111.3%	\$ (4,452,252.00)	90	\$ (3,342,238.00)	\$ (2,226,126.00)	\$ (1,116,112.00)	\$ -	\$ (2,000,000.00)	\$ (1,342,238.00)	\$ (3,342,238.00)
Total Ceded Coverage 1	Total	\$ (4,000,000.00)	111.3%	\$ (4,452,252.00)		\$ (3,342,238.00)	\$ (2,226,126.00)	\$ (1,116,112.00)	\$ -	\$ (2,000,000.00)	\$ (1,342,238.00)	\$ (3,342,238.00)
Summary by Policy Period		\$ 10,154,638.00	124.5%	\$ 12,640,511.00		\$ 9,759,320.00	\$ 9,569,220.00	\$ 190,100.00	\$ 300,000.00	\$ 4,754,065.00	\$ 4,705,255.00	\$ 9,459,320.00
Assumed Policies Incepting on	1/1/2022	\$ 333,000.00	224.4%	\$ 747,187.00		\$ 747,187.00	\$ 747,187.00	\$ -	\$ 300,000.00	\$ 149,000.00	\$ 298,187.00	\$ 447,187.00
Assumed Policies Incepting on	1/1/2023	3,855,000.00	166.0%	6,400,945.00		6,400,945.00	6,400,945.00	-	-	4,605,065.00	1,795,880.00	6,400,945.00
Assumed Policies Incepting on	1/1/2024	3,726,064.00	124.7%	4,647,214.00		4,647,214.00	4,647,214.00	-	-	2,000,000.00	2,647,214.00	4,647,214.00
Assumed Policies Incepting on	1/1/2025	6,240,574.00	84.9%	5,297,417.00		1,306,212.00	-	1,306,212.00	-	-	1,306,212.00	1,306,212.00
Ceded Policies Incepting on	7/1/2024	\$ (4,000,000.00)	111.3%	\$ (4,452,252.00)		\$ (3,342,238.00)	\$ (2,226,126.00)	\$ (1,116,112.00)	\$ -	\$ (2,000,000.00)	\$ (1,342,238.00)	\$ (3,342,238.00)

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

<u>Item Number:</u> 9.A.	<u>Item Title:</u> Executive Director Update
<u>Presenter (s):</u> Joy Esparsen, Executive Director	

Memorandum

Date: June 16, 2025
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

The 2025 Annual Conference is set to begin this week with approximately 600 registrations and a dynamic schedule. Special events like the host county celebration, spouse tours, golf tournament, and ROADEO will showcase Curry County's charm. We're especially excited to welcome keynote speaker and magician Fred Lee, whose message and performance promise to both entertain and uplift. This week's affiliate meetings are designed to help shape 2026 legislative priorities, and we are featuring a special workshop about what counties need to know about PFAS liability and cost recovery. With strong support from our Business Partners, sponsors, and exhibitors, this year's conference offers a meaningful platform for sharing ideas and building partnerships that will drive impact across New Mexico counties.

In recent weeks, NMC has been navigating a series of federal and state initiatives. The recent Secure Rural Schools & Community Self-Determination Payments reflected the lack of congressional reauthorization (see attached). This significant financial loss is devastating to many of our smaller counties and will be compounded by the fact that SRS is an offset in the upcoming Payment in Lieu of Taxes distributions. Without reauthorization, the potential loss to New Mexico counties is estimated to be over \$12 million based on a similar scenario in 2017.

During the May Board of Directors meeting, the Board authorized travel for President Hogland to attend the Southwest National Interest Electric Transmission Corridor (NEITC) stakeholder meetings in Washington, D.C. In preparation of these meetings, the attached letter to Department of Energy Secretary Wright requests additional engagement with county stakeholders. Several counties have expressed opposition due to potential conflicts with landowners, businesses, and other community stakeholders.

With the release of the Department of Homeland Security (DHS) sanctuary jurisdiction list, NMC was contacted by several counties that felt they were listed erroneously. Twenty-three counties were listed for New Mexico, but it is unclear what criteria was used for the designation. In response, NMC reached out to the White House and DHS intergovernmental affairs staff as well as the National Association of Counties. The list was subsequently removed, but there continues to be uncertainty about whether it will return. To better understand the implications, particularly around the 287(g) agreements, NMC attorneys met with the Attorneys' Affiliate to review the potential impacts and legal considerations. This important conversation will continue this week during the Attorneys' Affiliate meeting at the conference.

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At the request of the Risk Management Affiliate, NMC submitted a letter to the New Mexico Environment Department (NMED) requesting a delayed implementation deadline for the proposed HEAT rules and addressing concerns regarding cost and implementation. A copy of the letter submitted is attached and we have been advised that NMED has agreed to allow additional time to evaluate the input provided by stakeholders.

During the recent NMC audit it was noted that the Travel Reimbursement Policy (2013), Meetings and Events Policy (2024), and NMC Investment Policy (2012) should be updated. Through a series of meetings, NMC staff developed a combined conference, meetings, and travel policy to ensure greater clarity, consistency, and compliance. The proposed revisions aim to simplify processes, eliminate redundancy, and better align our practices with current standards. The proposed policy will be reviewed with the NMCIA Board of Directors on Monday, June 16th and any recommendations will be brought to the NMC Board of Directors for consideration during their meeting on June 18th. Once adopted by the NMC Board, it will be brought back to the NMCIA Board for final approval. The proposed changes to the investment policy will be brought to the NMC Board for consideration during their August meeting.

Following the 60-day legislative, NMC has begun its interim work to address ongoing initiatives such as navigating the disabled veteran exemption and continuing the conversation on the Inspection of Public Records Act. The Assessors' Affiliate will be meeting with the Department of Veterans' Services and Representative Alan Martinez to discuss the ongoing need for language included in House Bill 494 to require disabled veterans to file within existing property tax timelines. There have also been a series of discussions with Assessors, Taxation & Revenue Department, and attorneys about how to navigate the veteran exemption changes and unintentional consequences.

With regards to IPRA, Representative Cates, Representative Brown, and the Foundation for Open Government have all reached out coordinating stakeholder meetings during the interim. NMC will work with the Attorneys' Affiliate Chair Michael Eshelman and other affiliates to ensure representation of county interests at these meetings. The City of Albuquerque has also advised us that they intend to hold another IPRA conference in the fall to bring stakeholders together.

NMC recently participated in the Fire Planning Task Force which was redesigned as part of SB33 to include additional members and responsibilities related to wildland urban interface building code adoption and community grant funding. The task force has begun utilizing interactive mapping tools to identify high-risk communities, track recent fuel treatments, and compile other critical data to inform more effective wildfire mitigation strategies. NMC was also listed as a participant in the newly formed Senate Memorial 2 Wildfire Study Group and will be attending these meetings in the coming months. These collaborative efforts are essential in building resilience across New Mexico's counties and protecting our communities from the growing threat of wildfires.

The remodeled section of the Santa Fe office was approved for occupancy by the Historic Design Review Board on June 11th and we will begin the process to lease the additional space. In addition, the New Mexico Municipal League has advised us that they would like to extend their lease in the Albuquerque office through June 2026. The recent storms have continued to cause flooding in the Albuquerque office. We have recently finished the architectural and engineering requirements to repair the decking and anticipate construction to rectify this situation in the coming weeks. The Santa Fe office also experienced leaking after the storms, but it has been determined that this is caused by the canales, not by the new roof. We will reengage with the architect to see about resolving this problem.

I wanted to provide you with additional background on the special projects and request for an increase in the administrative fees on the Workers' Compensation budget. NMC operates on a conservative budget with primary revenues coming from the NMCIA administrative fees, county member participation fees, conference registration fees, and other smaller revenues programs such as federal grants and Business Partners.

We have raised conference registration fees and county member participation fees significantly in recent years to cover rising costs related to conference expenses, travel, health insurance premiums, and additional expenses for the Albuquerque office (property taxes, insurance, janitorial). In addition, we have incurred capital expenses to replace the roof in the Santa Fe office, architectural and engineering for the deck replacement in Albuquerque, the purchase of three newer vehicles for Loss Prevention and the Nurse Case Manager, and increased security at both offices to include alarms and cameras. We have also added adjuster staff and increased adjuster salaries at the pool board's direction. NMC is also committed to ensuring that both NMC and NMCIA staff are compensated with a reasonable cost of living increase each year (3% on average each year) to remain competitive in the market.

This year, NMC staff proposed a budget to include a county member participation fee increases of 2% to address rising costs for health insurance premiums (20%), a special taxation & revenue property tax study (\$35,000), Business Partner Program Development (\$50,000 paid on commission for new revenue), additional Board officer travel (this fluctuates depending on the number of authorized officers who chose to travel), and 2% annual cost of living increase. During the NMC Board meeting, one of the Board members asked what would be needed to provide for a 3% cost of living for staff. Because of NMC's limited revenue streams, the only option available was to increase county membership dues by 10%. We recognize that several of the county managers are frustrated with the participation fee increase in recent years, but after 9 years with no increase, but we have done our best to grow our portfolio of revenues and limit expenses. It should be noted that even though we have increased our conference registration fees, much of this has been a redesign of our sponsor and exhibitor packages and we remain competitive to similar events in New Mexico.

REVENUE	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	INCREASE
Participation Fees	\$675,284	\$675,284	\$742,812	\$757,668	\$833,435	\$850,104	26%
Conference Income	\$252,550	\$407,750	\$470,000	\$558,750	\$676,500	\$615,800	144%
Grant Admin. Fee		\$30,000	\$35,000	\$40,000	\$40,000	\$45,000	50%
Federal Grant – COPS		\$34,000	\$34,000	\$27,763	\$32,200	\$30,000	-12%
Federal Grant - DOH				\$17,000			-100%
Business Partner Fees	\$55,000	\$55,000	\$50,000	\$55,000	\$55,000	\$105,000	91%
Fees/Endorsements	\$85,000	\$85,000	\$45,000	\$32,000	\$35,000	\$55,000	-35%
Loss Prev. Training				\$1,000	\$500	\$800	-20%
Nurse Case Manager				\$113,000	\$131,131	\$158,000	40%
Pool Admin. Fees	\$4,325,000	\$4,325,000	\$4,515,990	\$4,515,990	\$4,685,152	\$4,685,152	8%
TOTALS	\$5,392,834	\$5,612,034	\$5,892,802	\$6,118,171	\$6,488,918	\$6,544,856	21%

As you can see, the NMCIA administrative fees are the most significant revenue stream available. Over the past 5 years, NMCIA has approved increases for new positions, but did not include any additional increase for other costs.

NMCIA Administrative Fees FY21	\$4,325,000
NMCIA Administrative Fees FY26	\$4,685,152
Increase Over 5 Years (8%)	\$360,152

Below is a list of the areas where we have seen significant increases that are most relevant to the self-insurance pools. The overall increase over the 5-year period is \$992,665. For perspective on salaries and wages, it is important to note that out of 43 employees, only 5 work exclusively for NMC. The remaining 38 employees provide services to NMCIA either entirely or in some portion.

The request for a 5% increase in the NMCIA pools was to address this need. The request may have seemed unusual given the budget that was just approved by the NMC Board, but without prospective funding for the pools based on their budget timelines, we won't be able to address these future needs.

REVENUE	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	INCREASE
Salaries & Wages	\$2,964,486	\$3,101,403	\$3,162,600	\$3,251,280	\$3,392,271	\$3,414,608	15%
Payroll Taxes	\$226,696	\$226,696	\$277,953	\$247,717	\$254,420	\$256,096	13%
Deferred Comp	\$290,636	\$310,140	\$316,260	\$325,128	\$339,227	\$341,461	17%
Health Insurance	\$445,750	\$465,000	\$465,000	\$464,469	\$547,536	\$587,068	32%
Dues & Fees	\$12,000	\$12,000	\$15,000	\$21,000	\$21,000	\$27,000	125%
Pubs & Videos	\$18,000	\$18,000	\$18,000	\$35,000	\$54,000	\$60,000	233%
Staff Out-of-State	\$20,000	\$20,000	\$35,000	\$40,000	\$45,876	\$29,000	45%
Printing & Adv.	\$5,000	\$5,000	\$10,000	\$10,000	\$11,500	\$10,000	100%
Computer, Soft.	\$40,000	\$15,000	\$45,000	\$62,000	\$129,200	\$110,000	175%
Postage	\$13,000	\$13,000	\$13,000	\$14,000	\$20,000	\$24,000	85%
Utilities	\$15,000	\$15,000	\$27,000	\$29,000	\$25,000	\$26,500	77%
Maint. & Janitorial	\$40,000	\$40,000	\$55,000	\$73,000	\$95,000	\$70,000	75%
Property Taxes	\$24,000	\$24,000	\$27,928	\$29,600	\$40,000	\$47,500	98%
Insurance Prop/Liab	\$45,000	\$45,000	\$52,500	\$112,000	\$123,000	\$150,000	233%
TOTALS	\$4,159,568	\$4,310,239	\$4,520,241	\$4,714,194	\$5,098,030	\$5,152,233	24%

We fully recognize the importance of fiscal restraint and remain committed to efficiency in all budget decisions. I truly appreciate your consideration of the requested increase and would be happy to provide any additional information or context you may need.

Additional Meetings & Initiatives:

WIR Conference
Property Tax Division Change of Ownership Discussion
HEAT Standard Industry Meeting
New Mexico Finance Authority Board of Directors
Water Trust Board
NMCIA Board of Directors Meeting & New Member Orientation
NMCR Board of Directors Meeting
CSAC Agreement Amendment
Annual Conference Preparation
Advisory Council Meeting
Claims Committee Meeting
Senior Staff Meeting

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.

**SECURE RURAL SCHOOLS PAYMENTS
NEW MEXICO COUNTIES & SCHOOL**

County	FY2023	FY2024	Loss to NM Counties
Bernalillo	\$54,056.58	\$9,944.00	\$44,112.58
Catron	\$3,039,121.91	\$119,636.39	\$2,919,485.52
Chaves	\$39,434.94	\$3,717.52	\$35,717.42
Cibola	\$495,084.94	\$40,513.64	\$454,571.30
Colfax	\$64,899.41	\$11,047.01	\$53,852.40
Eddy	\$65,917.71	\$12,371.43	\$53,546.28
Grant	\$651,840.30	\$34,099.26	\$617,741.04
Hidalgo	\$60,027.15	\$14,631.48	\$45,395.67
Lincoln	\$322,609.67	\$37,927.79	\$284,681.88
Los Alamos	\$9,067.24	\$4,603.13	\$4,464.11
McKinley	\$288,114.51	\$25,927.47	\$262,187.04
Mora	\$89,058.61	\$16,243.64	\$72,814.97
Otero	\$658,658.84	\$51,729.67	\$606,929.17
Rio Arriba	\$1,605,383.85	\$221,931.20	\$1,383,452.65
Sandoval	\$326,721.28	\$59,479.28	\$267,242.00
San Miguel	\$314,265.51	\$53,947.47	\$260,318.04
Santa Fe	\$99,298.02	\$37,560.50	\$61,737.52
Sierra	\$352,541.99	\$16,677.07	\$335,864.92
Socorro	\$638,765.18	\$81,882.37	\$556,882.81
Taos	\$512,041.31	\$81,960.59	\$430,080.72
Torrance	\$166,916.77	\$20,680.06	\$146,236.71
Valencia	\$18,244.72	\$2,104.55	\$16,140.17
Totals	\$9,872,070.44	\$958,615.52	\$8,913,454.92

Source:

Retrieved from <http://www.fs.usda.gov/main/pts/securepayments/> or
http://www.nmdfa.state.nm.us/Financial_Distribution.aspx



May 13, 2025

United States Department of Energy
Secretary Christopher Wright
1000 Independence Ave SW, Ste. 4H-065
Washington, DC 20585

Docket No. DOE-HQ-2024-0089—Potential Designation of the Southwestern
Grid Connector National Interest Electric Transmission Corridor (NEITC)

Dear Secretary Wright:

New Mexico Counties is a nonprofit, nonpartisan organization that has served as a statewide voice for all 33 New Mexico counties since 1968. On behalf of the NMC Board of Directors, we respectfully request your consideration of the following concerns expressed by several of our member counties.

The Counties of Union, Quay, Curry, Roosevelt, Chaves, Eddy, Otero, and Lea (Counties) request a coordination meeting with you to resolve the inconsistencies between the NIETC and their local plans and policies. The Department of Energy (DOE) and the Grid Development Office have failed to coordinate this plan with the Counties and failed to meaningfully involve the local governments prior to releasing the plan to the public, which will devastate the local economies.

On several occasions, the Counties have requested meetings with your department so that we may advise your agency of the harm the current proposal will cause our communities. This is essential so that their position is analyzed, as required by law, in the forthcoming Environmental Impact Statement (EIS). However, DOE has refused to meet. We are hoping that you will resolve this conflict and either meet directly with the Counties or instruct your staff to do so on your behalf.

It is imperative that the local government's position is considered prior to any further action advancing this project. If the position of the Counties is not considered, the forthcoming EIS will be insufficient.

NMC, the Counties, and the New Mexico Cattle Growers Association (NMCGA) on their behalf, have made numerous requests for in-person meetings, per the Federal Register Notice dated December 16, 2024. However, these have been

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ignored, or excuses were made as to why meeting with the effected local governments was not feasible, while the Department continued to push the project forward and close public comments. Most recently, the following requests have been made:

- The Counties and NMCGA requested the Department of Energy (DOE) attend the landowner meeting on March 6, 2025, in Clayton, New Mexico.
 - The request was made on February 21, 2025, and the Department did not reply to the request until March 13, 2025.
- The Counties and NMCGA gave the Department of Energy (DOE) Grid Development Office 2 sets of potential meeting dates: April 2-4 and April 7-9, 2025.
 - Counties and NMCGA requested that if these dates did not work for DOE officials that they provide alternative dates for the meetings.
 - The meetings would have taken place in Clovis, New Mexico for Union, Quay, Curry and Roosevelt Counties and Roswell, New Mexico for Chaves, Lea, Otero, and Eddy Counties.

The selection of these dates was important so that citizens had time to have their questions answered prior to the comment deadline of April 15, 2025.

The NEITC will have a significant impact on private property and the local economy, which as of today has not been considered. The Corridor will have a major negative economic impact on each of the Counties as they will lose significant agricultural lands to the proposed corridor that they depend on to support local services.

Although the proposed Southwestern Grid Connector Corridor route is vaguely described and mapped, it will severely impact family farms, ranches, and rural communities throughout eastern New Mexico. Currently, the Corridor is proposed to be 5 to 15 miles wide, with the ability to expand to 120 miles wide in some areas and takes in several rural communities. This expansive proposal is unreasonable.

1,841,000 acres in Eastern New Mexico as well as parts of Colorado and Oklahoma are impacted. DOE and the Federal Energy Regulatory Commission (FERC) must not proceed with an NIETC plan in New Mexico until it has properly coordinated this plan with the Counties and has meaningfully worked to resolve the conflicts with the local plans. It is essential that DOE have open, transparent and meaningful communications with the local governments and include our position in the public document so that decisions makers can consider our position when commenting on the proposed corridors. Any final EIS released without fulfilling this responsibility will result in an insufficient EIS subject to challenge.

The proposed Southwestern Grid Connector Corridor constitutes a “major federal action” that requires DOE to conduct a full Environmental Impact Statement (EIS) to comply with the National Environmental Policy Act (NEPA). The project will significantly impact environmental, cultural, and socioeconomic values in eastern New Mexico cities and communities including ranches and farms. DOE and FERC need a thorough and complete analysis that considers these issues as well as many others, which cannot be adequately addressed without local government coordination.

Please find attached resolutions opposing the designation of the Southwestern Grid Connector National Interest Electric Transmission Corridor and NMCGA comments submitted on the proposed designation. NMCGA represents ranchers, farmers, landowners, and business owners in Union, Quay, Curry, Roosevelt, Chaves, Lea, Otero, and Eddy Counties in New Mexico. Also attached are copies of the meeting requests and the Department's responses mentioned above.

New Mexico Counties renews our request to meet with you or your delegate to resolve these conflicts and ask that you respond to us with suggested meeting dates by (give him 2-3 weeks to answer from the time it reaches his inbox). In the interim, we ask that you pause or preferably end this project until it can be properly coordinated with the New Mexico Counties.

Thank you for your consideration of this request. If you have any questions, please feel free to contact the New Mexico Counties Executive Director at (505) 660-9629 or via email at jesparsen@nmcounties.org.

Sincerely,



Annie Hogland, President
New Mexico Counties



Joy Esparsen, Executive Director
New Mexico Counties



May 29, 2025

New Mexico Environment Department
Occupational Health and Safety Bureau
Harold Runnels Building
1190 St. Francis Drive, Suite N4050
Santa Fe, NM 87505

RE: EIB 25-11 (R)- Proposed New Regulation 11.5.7 NMAC- Heat Illness and Injury

Dear Occupational Health & Safety Bureau:

On behalf of the Board of Directors of New Mexico Counties, a non-profit, non-partisan organization representing all 33 counties in our state, I write to express significant concerns regarding the proposed Heat Illness and Injury Prevention Rule (11.5.7 NMAC) scheduled to take effect on July 1, 2025. While we recognize and share the goal of protecting workers from heat-related illnesses and injuries, we respectfully request that the Board postpone implementation of the rule to allow for further dialogue, clarification, and revision to address the unique operational challenges faced by county public works departments.

Key Concerns from Counties

1. Operational and Logistical Burden

County public works departments operate in geographically dispersed and resource-constrained environments. Complying with the proposed requirements—such as developing site-specific written plans, conducting heat index-based assessments, monitoring employee acclimatization, and providing shaded cooling areas and hydration resources across multiple remote job sites—will require a substantial investment of time, training, and infrastructure that many counties are currently unprepared to meet.

2. Budgetary Impact

The rule's mandates—particularly those regarding hydration equipment, cooling stations, and expanded rest break requirements—impose new costs that are not currently funded by state or federal sources. This places a disproportionate burden on rural and under-resourced counties already managing tight budgets and critical infrastructure needs.

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NMCOUNTIES.ORG

3. Ambiguity and Administrative Complexity

The rule includes several technical and procedural requirements that are unclear in their application, such as how to verify and document “equally effective” cooling alternatives or determine “personal risk factors.” Without additional guidance, counties risk unintentional non-compliance and increased liability.

4. Workforce Management Challenges

Mandated acclimatization schedules, buddy systems, and new training programs will require counties to adjust work schedules and staffing models, which may reduce service delivery, particularly in smaller departments with limited personnel.

Request for Postponement and Collaboration

Given the scale and scope of these impacts, we strongly urge the Environmental Improvement Board to:

- **Postpone the effective date** of the proposed rule to allow additional time for county governments to prepare and plan for compliance.
- **Engage directly with county risk managers and public works leaders** through a stakeholder working group to address implementation challenges and identify workable, field-tested solutions.
- **Provide model templates, training materials, and financial assistance guidance** to assist counties with compliance once the rule is finalized.

New Mexico Counties is committed to ensuring safe working conditions for all county employees, and we welcome the opportunity to collaborate with NMED and the Board to improve the proposed rule in ways that uphold its safety goals while recognizing the realities of local government operations.

Thank you for your consideration, and we respectfully request your leadership in supporting a thoughtful and inclusive approach to implementing this important regulation. If you have questions regarding our submission, please contact Executive Director Joy Esparsen at (505) 660-9629.

Sincerely,



President
New Mexico Counties



Executive Director
New Mexico Counties



NEW MEXICO ASSOCIATION OF COUNTIES MEETINGS, EVENTS, & TRAVEL POLICY

BASIC PHILOSOPHY

New Mexico Association of Counties (NMAC) believes that an exchange of information among counties, the State of New Mexico, and the federal government is conducive to good government. It is the goal of NMAC to provide educational and informative meetings, workshops, and conferences as a resource for its county members and stakeholders.

It is the intent of NMAC to offer meetings, workshops, events, and conferences throughout the state at a minimal fee to our membership to increase accessibility to the whole membership.

NMAC recognizes the value in conducting quality programs and meetings and reinvests conference dollars into quality conference programs.

ALCOHOL & HOSPITALITY SUITES

In accordance with the laws of New Mexico, NMAC attendees and their guests are expected be responsible and prudent in their use of alcoholic beverages at all events and are encouraged to use designated drivers or other modes of transportation available if they have consumed alcoholic beverages. Events involving alcohol at NMAC conferences will include shuttle service.

Anytime alcoholic beverages are being served during an NMAC function, whether provided by NMAC or not, these guidelines shall be followed. Conference attendees who violate this policy will lose their privilege to participate in conferences with NMAC for a minimum of one (1) year, or as determined by the NMAC Board of Directors.

Service of alcoholic beverages at any NMAC event shall be by a licensed server. Liquor liability insurance is required at every NMAC reception. NMAC or its designee reserves the right to refuse service to any individual who appears to be intoxicated.

Regularly scheduled receptions for NMAC conferences, meetings, NACo events, or other events shall be considered approved at the time that the board reviews and approves the annual meetings calendar.

Hospitality suites of any kind are not allowed at NMAC conferences or meetings whether in a private room or public area. A hospitality suite is defined as a non-sanctioned reception or event at an NMAC conference or gathering at which alcohol is served and is open to the membership. Any Business Partner, sponsor, exhibitor, or participant in violation of this policy will lose their privileges to participate with NMAC for a minimum of one year, or as determined by the NMAC Board of Directors. In consideration for allowing their participation in conferences or meetings, entities or individuals who open a tab for alcohol assume full responsibility and liability. Such parties agree to defend, indemnify and hold NMAC harmless for all claims or damages arising from such alcohol consumption.

NMAC and NMCIA BOARD OF DIRECTORS MEETINGS

Board of Directors Hotel Reservations

NMAC staff will make all reservations for board members for Board of Directors meetings, unless circumstances deem otherwise. NMAC will cover the cost of these reservations in lieu of reimbursement. Board members are responsible for notifying NMAC staff if they will not attend the meeting or do not need a sleeping room for each meeting at least three (3) weeks prior to the meeting unless otherwise noted in the email RSVP announcement.

Board Guests

Each board member may bring one guest (spouse/domestic partner) to any Board of Directors meeting, with prior notice. In the event a board member should bring an additional guest, the cost of the individual meal will be the responsibility of that board member. Advance notification to NMAC staff at least two (2) weeks in advance will ensure proper planning to accommodate board members and guests. Should there be a change and the board member's guest will not be attending, it is the responsibility of the member to timely notify NMAC. If the board member does not notify NMAC staff and there is a charge incurred, it will be the responsibility of the board member to pay.

Board Cancellations

If a board member fails to notify NMAC staff or does not cancel a hotel reservation within the specified cancellation policy, the board member will be responsible for all incurred fees and charges and will not be reimbursed, absent extenuating circumstances approved by the NMAC Treasurer in consultation with the Executive Director. NMAC Board members are expected to send a proxy if they are unable to attend a meeting.

NMAC CONFERENCES

County Member & Government Agency Registration

Registration is required for all meetings at which a fee is assessed, and entry into such NMAC meetings or functions is by official name badge only.

NMAC Legislative and Annual Conference registration will open approximately twelve (12) weeks prior to the conference. Online registration will close two (2) weeks prior to the conference. An early registration period will be implemented to allow for discounted fees. Regular registration will last a minimum of six (6) weeks. Individuals registering onsite will pay the onsite registration fee. All payments must be received before attendees pick up their badges.

Business Partner Registration

NMAC offers an annual Business Partner Program as well as sponsor and exhibitor opportunities at conferences. Business Partners may register for the conference as a single representative. Sponsors and exhibitors must purchase a specific package and can then purchase registration for additional representatives as needed.

Complimentary Registrations

Complimentary registrations will be provided to the Governor, all state elected officials, New Mexico cabinet secretaries, members of the New Mexico congressional delegation, NACo officers or special guests, NMAC past presidents, and other collaborative partners determined by the Executive Director. The current NMAC President, President-Elect, Vice President, Treasurer, and Immediate

Past President shall receive complimentary registration to all NMAC conferences. Other government representatives wishing to attend may register under government agency.

Guest Tickets

Members wishing to bring a guest to an NMAC function can purchase a guest ticket by credit card for designated events.

Guest tickets may be purchased for government agency representatives, not otherwise registered for conferences or included on the comp list, that are presenting to affiliates. Guest tickets may not be purchased for affiliate speakers that otherwise should be registered as a Business Partner, sponsor, or exhibitor.

Media Access

Complimentary media passes will be available for most events.

Payments

Payment is due in advance by check or credit card. Onsite registration must be paid by credit card. If a participant arrives with a check onsite and has not preregistered, they must pay the difference for onsite registration fees by credit card at that time.

Counties, Business Partners, sponsors, exhibitors, and government agencies that have outstanding balances from prior conferences will not be allowed to register until their previous balance is paid.

Cancellations

Registrants who cancel their registration a minimum of three (3) weeks prior to the conference will receive a refund of their fees less an administrative fee of 25%. "No show" registrants, or those cancelling less than three (3) weeks before the conference, will not receive a refund of fees.

All cancellation requests must be submitted in writing to be processed. Verbal cancellations will not be accepted. Written requests should include the registrant's full name, organization, reason for cancellation, and must be sent via email by the applicable deadline.

If an individual must cancel their registration due to extenuating circumstances, and has already paid, they may request an exception from the Executive Director. If approved, they will be refunded the registration fee less a 25% administrative fee.

Name Badges

All participants, sponsors, exhibitors, and guests require a name badge and a completed registration, including payment of all applicable fees. Event badges are available onsite.

Board and Advisory Council Room Block

Headquarters hotel status is determined by NMAC staff. NMAC provides a list of NMAC Board of Directors, NMCA Board of Directors, and affiliate chairs to the headquarter hotel. It is the responsibility of the individual to guarantee their rooms with a credit card. Should the individual not guarantee their room, the room will be forfeited. It is the responsibility of the board member or Advisory Council member to notify the hotel of any changes and/or cancellation, per hotel policy. Only those on the list will have a reserved room at the headquarter hotel until rooms are released on the designated date. At that time, rooms will be made available to general conference attendees.

NMAC Executive Officers

NMAC will make the hotel reservations and pay for rooms for the executive officers of the Board of Directors (President, President-Elect, Vice-President, and Immediate Past President) at all conferences.

With the exception of executive officers, NMAC does not reimburse travel, lodging, or meal expenses for board members attending meetings held in conjunction with the NMAC Legislative Conference, Annual NMAC Conference, or a regular NMAC Affiliate meeting if the member would normally attend as a county official, unless specifically requested to attend as an officer.

Courtesy Room Block

NMAC contracts a block of sleeping rooms for the convenience of our membership. We encourage attendees to take advantage of these negotiated rates. Only registered conference attendees can reserve hotel rooms and receive the conference rate at designated conference hotels. Cut-off dates for reservation of rooms are established by the hotel, and it is the responsibility of all attendees to confirm their reservation by credit card prior to this date. It is also the responsibility of attendees to notify the hotel of any changes and/or cancellation, per hotel policy.

Political Activities

Individuals may not engage in political activities, nor distribute campaign literature at NMAC sponsored meetings or events. Literature will be removed and those who continue to violate this policy may be asked to leave the event.

SPONSORS & EXHIBITORS

Participation of sponsors and exhibitors is integral to the success of NMAC meetings and conferences. This participation allows for a mutually beneficial exchange with our county membership. Participation fees are adjusted periodically.

Sponsors and exhibitors are invited to participate in designated meetings and conferences. Their financial support of the event helps to offset overall conference costs. All sponsors and exhibitors shall be registered if attending the event. Exhibitors cannot participate in future NMAC events until the previous balance is paid in full.

Exhibit Space

Exhibit space is sold on a first-received, first-assigned basis, based on the date and time that the exhibitor's registration is confirmed. Preference is given to NMAC Business Partners and host county wanting exhibit space. Exhibit locations will be confirmed at least two (2) weeks prior to the exhibitor move-in date of the conference.

NMAC will establish guidelines for hours and locations of operation for exhibitors at each event. All exhibitors shall follow the guidelines established by NMAC. Additional representatives from these companies are required to register for the conference to participate.

Business Partners

Sponsors and exhibitors are encouraged to become Business Partners of NMAC, which entitles them to a guaranteed exhibit space at Legislative and Annual Conferences.

AFFILIATE MEETINGS

Only county elected officials and employees may be members of an affiliate in accordance with the affiliate's bylaws, unless designated as an associate member.

Agendas

All affiliate agendas shall be approved at the Advisory Council meeting at least one month prior to each conference as directed in the NMAC bylaws. Each affiliate agenda will adhere to the hours set by NMAC for affiliate meetings. This will maintain continuity and cohesiveness in the program and aid in the planning of the event. All guidelines as set forth in the affiliate bylaws apply to NMAC conferences.

Audio/Visual

The cost of audio-visual equipment and services requested by the affiliate chair or other officer will be paid by the affiliate.

ANNUAL CONFERENCE

Site Selection

Requests for proposals to host the NMAC Annual Conferences are vetted with county managers to determine interested counties and applicable years every two to three years. Counties that have committed to host will be required to complete a proposal that addresses conference criteria outlined by NMAC. The proposal must include a written commitment from the county commission. The proposals will be brought to the NMAC Board of Directors for final approval. The host county will provide local resources to assist NMAC in planning and implementing the conference.

Host County

The host county and NMAC staff will meet at least twelve (12) months in advance of the conference to begin the planning process. The county will form a steering committee that will work with NMAC in planning and implementing the conference. At least nine (9) months prior to the conference the committee will select subcommittees to provide specific support for NMAC in the implementation of the conference.

It is the host county's responsibility to provide support staff, as detailed in the proposal, to ensure that all aspects of the conference are properly and appropriately staffed and implemented. NMAC will provide the host county with a detailed conference budget and will work with the host county committee to comply with this budget. NMAC staff will coordinate all aspects of the function and make final selections.

NACo CONFERENCES

Officer and Board Member Travel

NMAC Executive Officers, NACo Board members, and WIR Board members are authorized to receive reimbursement of registration fees and travel expenses incurred while attending the following NACo conferences and meetings:

NMAC President:

NACo State Association Presidents & Executive Directors Annual Meeting
NACo Legislative Conference

NACo Annual Conference
WIR Conference

NMAC Immediate Past President, President Elect, and Vice President:
NACo Legislative Conference
NACo Annual Conference
WIR Conference

NACo Board members and WIR Board members:
NACo Legislative Conference
NACo Annual Conference
WIR Conference
NACo & WIR Fall Board Meetings

Allowable Expenses

NACo travel expenses are reimbursable unless a member fails to use standard travel accommodations (such as failing to stay at a conference hotel or traveling an indirect route to the meeting). Individuals are approved for travel one day pre and one day post conference. When expenses appear to be excessive compared to the amount spent by other members seeking reimbursement for the same trip or in instances where expenditures are deemed to be out of the ordinary, the NMAC Treasurer in consultation with Executive Director shall review the circumstances and determine, on an individual basis, how much of the expenses shall be reimbursable.

Individuals traveling on behalf of NMAC are expected to attend conference functions. NMAC recognizes that officers may also be required to attend meetings on behalf of their county in Washington, D.C. In these instances, members should separate costs incurred by the responsible entity.

NACo Cancellations

It is the members' responsibility to timely notify NMAC staff in advance (based on the cancellation and change policy of the NACo meeting) of any cancellations or other changes. Expenses due to last-minute changes shall be paid by the member and will not be reimbursed absent extenuating circumstances approved by the NMAC Treasurer in consultation with the Executive Director.

REIMBURSEMENT

The New Mexico Association of Counties will reimburse fair and reasonable expenses to allow members of the NMAC Board of Directors, Executive Committee, NACo Board members, WIR Board members, NMCIA Board of Directors, Accreditation, and Advisory Council members to attend approved meetings to conduct NMAC/NMCIA business. Members are expected to be prudent with expenses incurred.

Actual Expenditures

Reimbursement requests for in state or out-of-state travel shall be made utilizing actual expenditures. Claims for reimbursement shall be requested within 30 days following completion of travel, pending extenuating circumstances and with the approval of the Executive Director. NMAC does not pay travel reimbursement in advance of the event.

Lodging

NMAC provides lodging reimbursement for approved travel at a rate not to exceed the negotiated event rate. All accommodations are for the sole use of the approved member and cannot be transferred.

Meals

Itemized receipts for meals are required and should include the total cost including tips. Reimbursement for meals is authorized only in the event that meals are not provided during scheduled meetings. Reimbursement for meals will not exceed the federal GSA daily total as shown on www.gsa.gov for that travel location. Itemized receipts are required.

Airfare

Airfare should be purchased at the most reasonable price possible. The NMAC Finance Department will review all travelers for an out-of-state event to determine an average. If an airline reimbursement request is deemed excessive, it will be reviewed, and final approval will be determined by the Executive Director.

Rental Cars

Rental car reimbursement will be approved only when necessary, due to location, distance from the airport, etc. for the out-of-state event.

Mileage

The mileage reimbursement rate will be the maximum state rate allowed for local government. Mileage reimbursement is not authorized if travel was in a government vehicle or if reimbursement is made by the county. Mileage reimbursement is based on verified map mileage from indicated starting address to destination. Stated mileage that differs with the verified mileage by more than 10 miles will be adjusted accordingly.

NMAC encourages board members to use county vehicles when feasible.

If a member decides to drive to a conference instead of flying, they will only be reimbursed up to the average ticket price for the members who flew.

Additional Expenditures

Individuals traveling long distances to/from a meeting or event, or that may need additional consideration, may be authorized for additional lodging and expenditures with the approval of the Executive Director.

There may be instances where a county prepays for an individual that is authorized for travel at NMAC's expense. In those instances, the county can request reimbursement of that specific individual's travel.

Outstanding Checks

Reimbursement checks not deposited within 90 days will be voided and a stop payment will be issued. If the requestor requests a replacement check, within 30 days of the original check being voided, a new check will be reissued less the stop payment fee.

NMCIA Conferences

NMCIA conference participation will be determined by the NMCIA Board of Directors annually based upon budget and final approval.

Emergency/Crisis Plan

NMAC recognizes the importance of conducting effective meetings and makes every effort to minimize the safety risk to all attendees. In the event of an emergency the NMAC Emergency Response Plan will be in effect. Incident forms must be completed when a conference participant is injured or suffers a medical emergency. NMAC staff are directed to call 911 when an emergency arises.

APPROVED, by the NMAC Board of Directors on XX, 2025:

NMAC President

NMAC Executive Director



NEW MEXICO ASSOCIATION OF COUNTIES MEETINGS, ~~AND~~ EVENTS, & TRAVEL POLICY

BASIC PHILOSOPHY

New Mexico Association of Counties (NMAC) believes that an exchange of information among counties, the State of New Mexico, and the federal government is conducive to good government. It is the goal of NMAC to provide educational and informative meetings, workshops, and conferences as a resource for its county members and stakeholders.

It is the intent of NMAC to offer meetings, workshops, events, and conferences throughout the state at a minimal fee to our membership to increase accessibility to the whole membership.

NMAC recognizes the value in conducting quality programs and meetings and reinvests conference dollars into quality conference programs.

ALCOHOL & HOSPITALITY SUITES

In accordance with the laws of New Mexico, NMAC attendees and their guests are expected to be responsible and prudent in their use of alcoholic beverages at all events and are encouraged to use designated drivers or other modes of transportation available if they have consumed alcoholic beverages. Events involving alcohol at NMAC conferences will include shuttle service.

~~Alcoholic beverages shall be consumed in a responsible and prudent manner. NMAC encourages individuals who have consumed alcoholic beverages to use designated drivers or call for a cab. Receptions held at NMAC conferences or meetings that are off-site from the sleeping rooms include shuttle service. When shuttle service is not available, a designated driver service will be put in place.~~

Anytime alcoholic beverages are being served during an NMAC function, whether provided by NMAC or not, these guidelines shall be followed. ~~Members and business partners~~ Conference attendees who violate this policy will lose their privilege to participate in conferences with NMAC for a minimum of one (1) year, or as determined by the NMAC Board of Directors.

Service of alcoholic beverages at any NMAC event shall be by a licensed server. Liquor liability insurance is required at every NMAC reception. ~~The NMAC Board of Directors or Executive Committee, when they approve added receptions, the sponsor may be asked to reimburse NMAC for the cost of the insurance.~~ NMAC or its designee reserves the right to refuse service to any individual who appears to be intoxicated.

~~NMAC receptions shall be approved in advance by the NMAC Board of Directors. Regularly scheduled receptions for NMAC conferences, meetings, NACo events, or other events shall be considered approved at the time that the board reviews and approves the annual meetings calendar. Receptions outside of these regularly scheduled events may be approved by the NMAC Executive Committee and shall follow this alcoholic beverage policy. Failure to obtain approval of the NMAC Board of Directors for a reception or event that serves alcoholic beverages during an NMAC conference, and/or failure to follow the following guidelines, shall result in an event being non-sanctioned.~~

Hospitality suites of any kind are not allowed at NMAC conferences or meetings whether in a private room or public area. A hospitality suite is defined as a non-sanctioned reception or event at an NMAC conference or gathering at which alcohol is served and is open to the membership. Any Business Partner, sponsor, exhibitor, or participant in violation of this policy will lose their privileges to participate with NMAC for a minimum of one year, or as determined by the NMAC Board of Directors. In consideration for allowing their participation in conferences or meetings, entities or individuals who open a tab for serving alcohol assume full responsibility and liability. Such parties agree to be responsible and liable for such event and shall defend, indemnify and hold NMAC harmless for all ensuing damages and claims or damages arising from such alcohol consumption. ~~The incident will be reported to the Board of Directors for their review and direction.~~

NMAC and NMCIA BOARD OF DIRECTORS MEETINGS

Board of Directors Hotel Reservations

NMAC staff will make all reservations for board members for Board of Directors meetings, unless circumstances deem otherwise. NMAC will cover the cost of these reservations in lieu of reimbursement. Board members are responsible for notifying NMAC staff if they will not attend the meeting or do not need a sleeping room for each meeting at least three (3) weeks prior to the meeting unless otherwise noted in the email RSVP announcement ~~(or based on meeting notification information).~~

Board Guests

~~The NMAC Board of Directors wishes to include spouse/partner participation during board meetings and during the annual board retreat. As a result, e~~Each board member may bring one guest (spouse/domestic partner) to any Board of Directors meeting, with prior notice. In the event a board member should bring an additional guests, the cost of the individual meal will be the responsibility of that board member. Advance notification to NMAC staff at least two (2) weeks in advance will ensure proper planning to accommodate board members and guests. Should there be a change and the board member's guest will not be attending, it is the responsibility of the member to timely notify NMAC. If the board member does not notify NMAC staff and there is a charge incurred, it will be the responsibility of the board member to pay it. ~~Payment for additional guests will be collected prior to or at the event.~~

Board Cancellations

If a board member fails to notify NMAC staff or does not cancel a hotel reservation within the specified cancellation policy, the board member will be responsible for all incurred fees and charges and will not be reimbursed, absent urgent extenuating circumstances approved by the NMAC Treasurer in consultation with the Executive Director. NMAC Board members are expected to send a proxy if they are unable to attend a meeting.

NMAC CONFERENCES

Participation

~~Conferences are conducted for county members and business partners.~~

County Member & Government Agency Registration

Registration is required for all meetings at which a fee is assessed, and entry into such NMAC meetings or functions is by official name badge only. ~~Non-registered attendees are given the~~

opportunity to register on site. Those who participate in a conference or event without being registered will be billed and may be subject to ejection.

NMAC Legislative and Annual Conference rRegistration for all conferences will open approximately at least twelve (12) weeks prior to the conference. Online registration will close two (2) weeks and remain online up to ten days prior to the conference. All advance registration is online. An early registration period will be implemented to allow for discounted fees. Regular registration will last a minimum of six (6) weeks. Individuals registering onsite will pay the onsite registration fee. The period from the last two weeks before the conference through onsite registration is considered late registration, and late registration fees will apply. All payments must be received before attendees pick up their badges.

Business Partner Registration

NMAC offers an annual Business Partner Program as well as sponsor and exhibitor opportunities at conferences. Business Partners may register for the conference as a single representative. Sponsors and exhibitors must purchase a specific package and can then purchase registration for additional representatives as needed.

Complimentary Registrations

Complimentary registrations will be provided to the Governor, all state elected officials, New Mexico cabinet secretaries, members of the New Mexico congressional delegation, NACo officers or special guests, and NMAC past presidents, and other collaborative partners determined by the Executive Director. The current NMAC President, President-Elect, Vice President, Treasurer, and Immediate Past President shall receive complimentary registration to all NMAC conferences. All others from Other government agencies or partner organizations representatives wishing to attend may register at the NMAC member rate under government agency.

Guest Registration/Individual Tickets

Members wishing to bring relatives or friends as a guests to an NMAC function may can purchase a guest ticket by credit card for designated events. register that guest for the conference. A registration fee will cover admission to the scheduled NMAC meals, breaks, spousal tours, and other social events. Event specific tickets may be purchased during on-site registration.

Guest tickets may be purchased for government agency representatives, not otherwise registered for conferences or included on the comp list, that are presenting to affiliates. Guest tickets may not be purchased for affiliate speakers that otherwise should be registered as a Business Partner, sponsor, or exhibitor.

Media Access

Complimentary mMedia passes will be available for most events at the conference.

Payments

Payment is due in advance by check or credit card. Onsite registration must be paid by credit card. If a participate arrives with a check onsite and has not preregistered, they must pay the difference for onsite registration fees by credit card at that time.

Counties, Business Partners, sponsors, exhibitors, and government agencies that have outstanding balances from prior conferences will not be allowed to register until their previous balance is paid.

Any balance due shall be paid prior to receiving conference documents. Any conference participant (individual, county, sponsor, business partner, exhibitor, state agency, etc.) with an unpaid balance from a previous conference will not be allowed to register for another conference until the balance is cleared.

Outstanding Balance & Cancellation Fees

All outstanding balances will be paid prior to receiving registration credentials. Registrants who cancel their registrations a minimum of three (3) weeks prior to the conference will receive a refund of their fees less an administrative fee of ~~20-25%~~ percent. "No show" registrants, or those cancelling less than three (3) weeks before the conference, will not receive a refund of fees, ~~absent~~ urgent circumstances.

All cancellation requests must be submitted in writing to be processed. Verbal cancellations will not be accepted. Written requests should include the registrant's full name, organization, reason for cancellation, and must be sent via email by the applicable deadline.

If an individual must cancel their registration due to extenuating circumstances, and has already paid, they may request an exception from the Executive Director. If approved, they will be refunded the registration fee less a 25% administrative fee.

Name Badges

All participants, sponsors, exhibitors, and guests require a name badge and a completed registration, including payment of all applicable fees. Event badges are available onsite.

Board and Advisory Council NMC Room Block

Headquarters hotel status is determined, ~~as appropriate,~~ by NMAC staff. NMAC provides a ~~priority~~ list of NMAC Board of Directors, ~~NMCIAPool Board of Directors, members,~~ and affiliate chairs to the headquarter hotel ~~for lodging~~. It is the responsibility of the individual to guarantee their rooms with a credit card. Should the individual not guarantee ~~his/her~~ their room, the room will be forfeited. It is the responsibility of the board member or Advisory Council member to notify the hotel of any changes and/or cancellation, per hotel policy. Only those on the ~~priority~~ list will have a reserved room at the headquarter hotel until rooms are released on the designated date. At that time, rooms will be made available to general conference attendees.

NMC Room Block Cancellations

~~It is the member's responsibility to timely notify the NMAC staff in advance (based on the cancellation and change policy) of any cancellations or changes. Expenses due to last minute changes will be the responsibility of the member, absent urgent circumstances.~~

NMAC Executive Officers

NMAC will make the hotel reservations and pay for rooms for the executive officers of the Board of Directors (President, President-Elect, Vice-President, and Immediate Past President) at all conferences.

With the exception of executive officers, NMAC does not reimburse travel, lodging, or meal expenses for ~~a board~~ members attending meetings held in conjunction with the NMAC Legislative Conference, Annual NMAC Conference, or a regular NMAC Affiliate meeting if the ~~Board~~ member would normally attend as a county official, unless specifically requested to attend as an officer.

Courtesy Room Block/Lodging

NMAC contracts a block of sleeping rooms for the convenience of our membership attending NMAC meetings. We encourage attendees to take advantage of these negotiated rates. ~~(Hotel expenses will be reimbursed at a rate not to exceed the negotiated rate).~~ Only registered conference attendees ~~are able to~~ can reserve hotel rooms and receive the conference rate at designated conference hotels. Cut-off dates for reservation of rooms are established by the hotel, and it is the responsibility of all attendees to confirm their reservation by credit card prior to this date. It is also the responsibility of attendees to notify the hotel of any changes and/or cancellation, per hotel policy. ~~After the cut-off date, each hotel will honor the NMAC rate on a space availability basis only. Any special considerations, such as early check-in or late check-out, shall be arranged directly through the hotel.~~

Political Activities

Individuals may not engage in political activities, nor distribute campaign literature at NMAC sponsored meetings or events. Literature will be removed and those who continue to violate this policy may be asked to leave the event.

SPONSORS & EXHIBITORS

Participation of sponsors and exhibitors is integral to the success of NMAC meetings and conferences. This participation allows for a mutually beneficial exchange with our county membership. Participation fees are adjusted periodically.

Sponsors and exhibitors are invited to participate in designated meetings and conferences. Their financial support of the event helps to offset overall ~~expense of conducting a meeting/conference costs~~. All sponsors and exhibitors shall be registered ~~for each meeting or conference if attending the event~~. ~~All exhibitors shall be registered for the conference and the registration fee shall be included in their exhibitor fee.~~ Exhibitors ~~with a previous balance due for participation in an NMAC event may not~~ can participate in ~~the next future~~ NMAC events until the previous balance is paid in full.

Exhibit Space

Exhibit space is sold on a first-received, first-assigned basis, based on the date and time that the exhibitor's registration is confirmed. Preference is given to NMAC Business Partners and host county ~~members~~ wanting exhibit space. Exhibit locations will be confirmed at least two (2) weeks prior to the exhibitor move-in date of the conference.

NMAC will establish guidelines for hours and locations of operation for exhibitors at each event. All exhibitors shall follow the guidelines established by NMAC. Additional representatives from these companies are required to register for the conference to participate.

Business Partners

Sponsors and exhibitors are encouraged to become Business Partners of NMAC, which entitles them to a guaranteed exhibit space at Legislative and Annual Conferences ~~discounted registration fees than non-members~~.

AFFILIATE MEETINGS

Only county elected officials and employees may be members of an affiliate in accordance with the affiliate's bylaws, unless designated as an associate member. ~~Affiliates are encouraged to ask business partners to attend as speakers and to give them priority over nonmember businesses wishing to address their group.~~

Agendas

All affiliate agendas shall be approved at the Advisory Council meeting at least one month prior to each conference as directed in the NMAC bylaws. Each affiliate agenda will adhere to the hours set by NMAC for affiliate meetings. This will maintain continuity and cohesiveness in the program and aid in the planning of the event. All guidelines as set forth in the affiliate bylaws apply to NMAC conferences.

Audio/Visual

The cost of audio-visual equipment and services requested by the affiliate chair or other officer will be paid by the invoicee by NMC to the applicable affiliates.

Guest Speakers

~~Each affiliate chair is responsible for finding and securing guest speakers for their affiliate program and for communicating this information to NMAC at the time the agendas are due. Affiliate chairs are responsible for determining if their presenters are registered for the conference. Guest speakers may receive a restricted name badge at the affiliate chair's written request to NMAC. Restricted name badges allow attendance only to the meeting at which the individual is speaking. Attendance at other conference events requires full conference registration.~~

Protocol

~~Affiliates may choose to close or restrict attendance at any of their meetings. All members of NMAC are welcome to attend any NMAC meeting provided it is not in an executive session or a restricted session and registration criteria, if any, has been met. Voting is restricted to only those members in attendance with duly authorized voting authority. All discussions are conducted through the chair of the meeting. Meetings and event policies apply to all members.~~

ANNUAL CONFERENCE

Site Selection

Requests for proposals to host the NMAC Annual Conferences are vetted with county managers to determine interested counties and applicable years every sent statewide two to three years in advance of each conference. Counties that have committed to host will be required to complete a proposal that addresses conference criteria outlined by NMAC. The proposal must include a written commitment from the county commission. Each proposal submitted to NMAC shall meet all conference criteria and include written support from the county commission. The proposals will be brought to the are presented to the NMAC Board of Directors for final approval selection. The host county will provide local resources to assist NMAC in planning and implementing the conference.

Host County

The host county and NMAC staff will meet at least twelve (12) months in advance of the conference to begin the planning process. The county will form a steering committee that will work with NMAC in planning and implementing the conference. At least nine (9) months prior to the conference the

committee will select subcommittees to provide specific support for NMAC in the implementation of the conference.

It is the host county's responsibility to provide support staff, as detailed in the RFP proposal, to ensure that all aspects of the conference are properly and appropriately staffed and implemented. NMAC will provide the host county with a detailed conference budget and will work with the host county committee to comply with this budget. NMAC staff will coordinate all aspects of the function and make final selections.

NACo CONFERENCES

Officer and Board Member Travel

NMAC Executive Officers, NACo Board members, NACo committee chairs, and WIR Board members are authorized to receive reimbursement of registration fees and travel expenses incurred while attending the following NACo conferences and meetings:

NMAC President:

- NACo State Association Presidents & Executive Directors Annual Meeting
- NACo Legislative Conference
- NACo Annual Conference
- ~~NACo~~ WIR Conference

NMAC Immediate Past President, President Elect, and Vice President:

- NACo Legislative Conference
- NACo Annual Conference
- ~~NACo~~ WIR Conference

~~New Mexico's~~ NACo Board members, NACo Committee Chairpersons and WIR Board members:

- NACo Legislative Conference
- NACo Annual Conference
- ~~NACo~~ WIR Conference
- NACo & WIR Fall November/December Board Meetings

Allowable Expenses

NACo travel expenses are reimbursable unless a member fails to use standard travel accommodations (such as failing to stay at a conference hotel or traveling an indirect route to the meeting). Individuals are approved for travel one day pre and one day post conference. When expenses appear to be excessive compared to the amount spent by other members seeking reimbursement for the same trip or in instances where expenditures are deemed to be out of the ordinary, the NMAC Treasurer in consultation with Executive Director shall review the circumstances and determine, on an individual basis, how much of the expenses shall be reimbursable.

Individuals traveling on behalf of NMAC are expected to attend conference functions. NMAC recognizes that officers may also be required to attend meetings on behalf of their county in Washington, D.C. In these instances, members should separate costs incurred by the responsible entity.

NACo Cancellations

It is the members' responsibility to timely notify NMAC staff in advance (based on the cancellation and change policy of the NACo meeting) of any cancellations or other changes. Expenses due to last-minute changes shall be paid by the member and will not be reimbursed absent ~~urgent~~ extenuating circumstances approved by the NMAC Treasurer in consultation with the Executive Director. ~~Any travel cancellations shall be made sufficiently in advance to avoid NMAC incurring cancellation charges. If a member fails to timely notify NMAC staff or does not cancel a hotel reservation within the specified cancellation policy, the member will be responsible for all incurred fees and charges and will not be reimbursed, absent urgent circumstances approved by the Treasurer in consultation with the Executive Director.~~

REIMBURSEMENT

The New Mexico Association of Counties will reimburse fair and reasonable expenses to allow members of the NMAC Board of Directors, Executive Committee, NACo Board members, ~~NACo, committee chairs,~~ WIR Board members, ~~Multi-Line and Workers Compensation~~ NMCIA Pool Boards of Directors, ~~Law Enforcement and Detention Advisory Committee~~ Accreditation, and Advisory Council members to attend approved meetings to conduct NMAC/NMCIA business. Members are expected to be prudent with expenses incurred.

Actual Expenditures

Reimbursement requests for in state or out-of-state travel shall be made utilizing actual expenditures. Claims for reimbursement shall be requested within 30 days following completion of travel, pending extenuating circumstances and with the approval of the Executive Director. NMAC does not pay travel reimbursement in advance of the event.

Administration

Expenses

~~Board members shall be reimbursed by NMAC for the following expenses on official NMAC Board business:~~

Lodging

~~NMAC provides lodging reimbursement for approved travel at a rate not to exceed the negotiated event rate. All accommodations are for the sole use of the approved member and cannot be transferred. When travel extends beyond one calendar day, the member may claim the actual costs of lodging. Receipts for lodging shall be obtained and submitted with the travel expense voucher when requesting reimbursement. The NMAC Treasurer in consultation with the executive director shall preauthorize any pre and post event lodging requests. (Failure to receive preauthorization shall exclude expenses from reimbursement). Hotel accommodations, at a rate not to exceed the negotiated room rate, for sponsored events.~~

Meals

Itemized receipts for meals are required and should include the total cost including tips. ~~shall not exceed the current GSA per diem authorized daily meal allowance.~~ Reimbursement for meals is authorized only in the event that meals are not provided during scheduled meetings. Reimbursement for meals ~~will be reimbursed at will not exceed~~ the federal GSA ~~meal expense rates~~ daily total as shown on www.gsa.gov for that travel location. Itemized receipts are required.

Airfare

Airfare should be purchased at the most reasonable price possible. The NMAC Finance Department will review all travelers for an out-of-state event to determine an average. If an airline reimbursement request is deemed excessive, it will be reviewed, and final approval will be determined by the Executive Director. Airfare arrangements shall be made a minimum of two weeks prior to travel and will be reimbursed at the lowest available rated absent urgent circumstances.

Rental Cars

Rental car reimbursement will be approved only when necessary, due to location, distance from the airport, etc. for the out-of-state event.

Mileage

The mileage reimbursement rate will be the maximum state rate allowed for local government. Mileage reimbursement is not authorized if travel was in a government vehicle or if reimbursement is made by the county. Mileage reimbursement is based on verified map mileage from indicated starting address to destination the home of record (or county office). Stated mileage that differs with the verified mileage by more than 10 miles will be adjusted accordingly.

NMAC encourages board members to use county vehicles when feasible.; board members may submit for reimbursement of mileage when using a personal vehicle and may submit for approved expenses associated with travel to and or from the Board of Directors meetings, in conjunction with the NMAC approved Travel and Reimbursement Policy. Round-trip mileage from home of record (or county office) to site of meeting when a personal vehicle is used.

If a member decides to drive to a conference instead of flying, they will only be reimbursed up to the average ticket price for the members who flew.

Airfare travel to the meeting site at a cost not to exceed comparable ground transportation costs.

Additional Expenditures

Individuals traveling long distances to/from a meeting or event, or that may need additional consideration, may be authorized for additional lodging and expenditures with the approval of the Executive Director.

There may be instances where a county prepays for an individual that is authorized for travel at NMAC's expense. In those instances, the county can request reimbursement of that specific individual's travel.

Outstanding Checks

Reimbursement checks not deposited within 90 days will be voided and a stop payment will be issued. If the requestor requests a replacement check, within 30 days of the original check being voided, a new check will be reissued less the stop payment fee.

NMCIA Conferences

NMCIA conference participation will be determined by the NMCIA Board of Directors annually based upon budget and final approval.

Emergency/Crisis Plan

NMAC recognizes the importance of conducting effective meetings and makes every effort to minimize the safety risk to all attendees. In the event of an emergency the NMAC Emergency/~~Crisis~~ Response Plan will be in effect. Incident forms must be completed when a conference participation is injured or suffers a medical emergency. NMAC staff are directed to call 911 when an emergency arises.

APPROVED, by the NMAC Board of Directors on XX, 2025:

NMAC President

NMAC Executive Director

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

<u>Item Number:</u> 9.B.	<u>Item Title:</u> CRL Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Memorandum

Date: June 5, 2025
To: NMCI Board
From: Grace Philips, NMCI Risk Management Director
Re: CRL Update

Micheon Hollier advised me that CRL, in auditing its records, recently discovered they did not invoice NMCI for payroll audits associated with the 2022-23, 2023-24 and 2024-25 workers' compensation policy years.

CRL and NMCI staff meet annually to review the payroll audits and did so for these years. Staff confirmed we did not receive invoices for those years. Lori, Cynthia and I met with Micheon and her staff today to discuss the situation and review the additional premiums owed.

2022-23 Policy Year

Original Payroll:	\$543,408,247
Fixed Rate per \$100 in Payroll:	0.1154
CRL Premium Billed:	\$627,093
Audited Payroll:	\$560,193,372
Total Audited CRL Premium:	\$646,463
Additional Premium Due:	\$19,370

2023-24 Policy Year

Original Payroll:	\$560,193,372
Fixed Rate per \$100 in Payroll:	0.1063
CRL Premium Billed:	\$595,504
Audited Payroll:	\$668,474,136
Total Audited CRL Premium:	\$ 710,588
Additional Premium Due:	\$115,084

2024-25 Policy Year

Original Payroll:	\$604,078,592
Fixed Rate per \$100 in Payroll:	0.1116
CRL Premium Billed:	\$674,169
Audited Payroll:	\$622,353,431
Total Audited CRL Premium:	\$694,564
Additional Premium Due:	\$20,395

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

<u>Item Number:</u> 9.C.	<u>Item Title:</u> NMCRe Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Memorandum

Date: June 13, 2025
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: NMCRE Update

At their June 10 meeting the NMCRE board:

- Approved the July 1, 2025 chief operating officer services agreement
- Approved the December 31, 2024 financial audit that had no findings
- Approved workers' compensation reinsurance coverage for NMCIA for the July 1, 2025 policy year:
 - CRL limit of \$1.25M xs \$750K and NMCRE \$1M xs \$2M
 - \$213,467 premium to be paid to NMCRE by NMCIA
- Approved the workers' compensation reinsurance certificate for the July 1, 2025 policy year

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

<u>Item Number:</u> 11.	<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> <p style="text-align: center;">11.</p>	<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>	