

# New Mexico Counties

Advancing Counties through Service, Education, Advocacy and Leadership



## NEW MEXICO COUNTY INSURANCE AUTHORITY

### Board of Directors Meeting

**January 19, 2026, 1:00 p.m.**

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

**Serving New Mexico's Counties for More than 75 Years**

**New Mexico Counties  
444 Galisteo Street  
Santa Fe, NM 87501  
1-877-983-2101  
505-983-2101  
[www.nmcounties.org](http://www.nmcounties.org)**

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

|   |  |
|---|--|
| <b><u>Item Number:</u></b><br><br><b>1.</b>   | <b><u>Item Title:</u></b><br><br>Call to Order /Roll Call / Pledge of Allegiance/<br>Introductions |
| <b><u>Presenter (s):</u></b><br>Lance Pyle, Chair<br>Cynthia Stephenson, Risk Management Specialist |  |
| Call to order time:   |  |
|   |  |



# NMCIA Board of Directors 2025

## Officers

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

## GROUP I, GEOGRAPHICAL DIRECTORS

**Term Expires 1/2027**

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

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

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

| <b>BERNALILLO</b>  | <b>DOÑA ANA</b>  | <b>SANDOVAL</b>                                   |
|--|--|---|
| <b>Shirley Ragin</b><br><i>Deputy County Manager for Finance</i> | <b>Deborah Weir</b><br><i>Assistant County Manager</i> | <b>Michael Meek</b><br><i>County Commissioner</i> |
|  |  |   |

| <b>SANTA FE</b>                                    |  |  |
|--|--|--|
| <b>Gregory S. Shaffer</b><br><i>County Manager</i> |  |  |
|  |  |  |

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

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

**EX Officio Directors**

| <b>President</b>  | <b>President Elect</b>                                    | <b>Attorney Affiliate<br/>Representative</b>               |
|---|---|--|
| <b>Terri Fortner</b><br><i>San Juan County Commissioner</i> | <b>Tina Dixon</b><br><i>Roosevelt County Commissioner</i> | <b>Michael Eshleman</b><br><i>Sandoval County Attorney</i> |
|   |   |  |



# NMCIA Committees

## LITIGATION CLAIMS COMMITTEE

Deborah Weir  
Kate Fletcher  
Gregory S. Shaffer  
Charlene Webb

*Alternate:*

Roberta Gonzales

## FINANCE AND AUDIT COMMITTEE

Gregory S. Shaffer  
Roberta Gonzales  
Shirley Ragin  
Anthony Dimas, Jr.

*Alternate:*

Lance Pyle

## UNDERWRITING COMMITTEE

Shirley Ragin  
Gregory S. Shaffer  
Lance Pyle  
Kate Fletcher

*Alternate:*

Charlene Webb

## PROFESSIONAL LIABILITY COVERAGE PRICING COMMITTEE

Roberta Gonzales  
Gregory S. Shaffer  
Shirley Ragin

*Alternate:*

Charlene Webb

## STRATEGIC PLANNING COMMITTEE

Deborah Weir  
Kate Fletcher  
Michael Meek

*Staff:*

Grace Philips  
Lori Urban  
Cynthia Stephenson

## DETENTION COMMITTEE

Shirley Ragin  
Anthony Dimas, Jr.  
Detention Affiliate Representative

*Staff:*

Grace Philips  
Mark Allen  
Greg Rees  
Clay Corn

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

|   |   |
|---|---|
| <b><u>Item Number:</u></b><br><br>2.  | <b><u>Item Title:</u></b><br><br>Approval of Agenda |
| <b><u>Presenter (s):</u></b><br>Lance Pyle, Chair   |   |
|   |   |
| <div style="display: flex; justify-content: space-between; width: 80%; margin-left: 20px;"><div>Motion by:</div><div>Seconded by:</div></div> |   |



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

**January 19, 2026, 1:00 p.m.**

**AGENDA**

**In Person**

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

**AGENDA**

\* 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 January 20, 2026, at 8:30 a.m. If the NMCIA Board does, in fact, recess and reconvene this meeting, notice of the date, time, and place of the reconvened meeting will be posted (1) on or near the door of the place where the original meeting was held (if any); (2) at New Mexico Counties' offices (444 Galisteo Street Santa Fe NM 87501); and (3) on New Mexico Counties' website (<https://www.nmcountries.org/services/insurance>).

If the NMCIA Board completes the agenda on January 19, 2026, it will not meet on January 20, 2026.

- |  |               |        |
|--|---------------|--------|
| <b>1. Call to Order / Roll Call / Pledge of Allegiance / Introductions</b>   | Lance Pyle    | Pg. 2  |
| <b>2. Approval of Agenda</b>   | Lance Pyle    | Pg. 6  |
| <b>3. Approve NMCR Shareholder Meeting Minutes of October 22, 2025, NMCIA Board Meeting Minutes of October 22, November 12, November 17, and December 22, 2025</b> | Lance Pyle    | Pg. 9  |
| <b>4. Board Presentation</b>   |               |        |
| A. Bernalillo County Coverage Update   | Shirley Ragin | Pg. 26 |
| <b>5. Board Action Items</b>   |               |        |
| A. Elect NMCIA Officers (Chair, Vice Chair, NMC Rep)   | Lance Pyle    | Pg. 27 |
| B. Approve Proposed Bylaw Language Changes Creating Two Ex-officio Seats for the Detention and Sheriff Affiliates  | Grace Philips | Pg. 28 |
| C. Review Budgetary Impact of Bernalillo County's Withdrawal From MultiLine and Law Enforcement Programs and Approve Updated 2026 ML and LE Budget                 | Grace Philips | Pg. 37 |
| D. Approve Santa Fe for August 19 Meeting location   | Grace Philips | Pg. 42 |
| <b>6. Board Discussions</b>  |               |        |
| A. Capital Adequacy Update   | Grace Philips | Pg. 43 |
| B. Interest in March Retreat   | Grace Philips | Pg. 46 |

|   |               |        |
|---|---------------|--------|
| C. Communication with Members   | Lance Pyle    | Pg. 47 |
| <b>7. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)</b>   | Lance Pyle    | Pg. 48 |
| <ul style="list-style-type: none"> <li>• MDC Appeal of One Occurrence Application – Arbitration Update</li> <li>• Albert Davalos v Santa Fe County</li> <li>• Jesus Hurado-Chavez v Hidalgo County</li> <li>• Channon Franco, et al. v Bernalillo County</li> <li>• Estate of Ray Charles Campolla v Bernalillo County</li> </ul> |               |        |
| <b>8. Board Reports</b>   |               |        |
| A. CRL Update   | Grace Philips | Pg. 49 |
| B. Risk Management Update   | Grace Philips | Pg. 51 |
| <b>9. Other Business</b>  | Lance Pyle    | Pg. 87 |
| <b>10. Adjournment</b>  | Lance Pyle    | Pg. 88 |



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

|  |  |
|--|--|
| <b><u>Item Number:</u></b><br><br><p style="text-align: center; margin-top: 20px;"><b>3.</b></p>   | <b><u>Item Title:</u></b><br><br>Approve NMCRé Shareholder Meeting Minutes of October 22, 2025, NMCIA Board Meeting Minutes of October 22, November 12, November 17, and December 22, 2025 |
| <b><u>Presenter (s):</u></b><br>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 REINSURANCE, INC.  
SHAREHOLDERS MEETING**

**October 22, 2025, 8:15 a.m.**

**In Person**

Fuller Lodge  
Pararito Room  
2132 Central Avenue  
Los Alamos, NM 87544

**MINUTES**

**Call to Order/ Roll Call**

Chair Lance Pyle called the meeting to order at 8:18 a.m. Cynthia Stephenson called the roll and announced that a quorum was present.

**Board Members Present**

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

**Board Members Absent/Excused**

Anthony Dimas, Jr., McKinley County Manager  
Terri Fortner, NMC Elect, San Juan County Commissioner  
Tina Dixon, NMC President Elect, Roosevelt County Commissioner  
Michael Meek, Sandoval County Commissioner

**NMC Staff Present**

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

Lori Urban, Assistant Risk Management Director (via Zoom)

### **Guests Present**

Nasreen Kopecky, Account Representative, Gallagher  
Armany Mansour, Bernalillo County Risk Administrator  
Linda Matteson, Los Alamos County Deputy Manager  
Amber Vaughn, Sierra County Manager

### **Approval of Agenda**

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

### **Election of New Mexico County Reinsurance, Inc. Board of Directors**

Jhonathan Aragon made a motion to approve the list of board members as presented (Ron Lethgo, Shirley Ragin, Gregory S. Shaffer, Amber Hamilton and Johnnie Miller). Lisa Sedillo-White seconded the motion, which passed unanimously.

### **Other Business**

Grace Philips provided information on NMCIA's captive reinsurance company for guests, noting it is domiciled in Utah. She said it was established because there are no law enforcement reinsurance options for the Pool.

### **Adjournment**

Jhonathan Aragon made a motion to adjourn the meeting and Brandy Thompson seconded the motion, which passed unanimously. The meeting was adjourned at 8:22 a.m.

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

**October 22, 2025, 8:30 a.m.**

Fuller Lodge  
Pararito Room  
2132 Central Avenue  
Los Alamos, NM 87544

**MINUTES**

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

Chair Lance Pyle called the meeting to order at 8:30 a.m. Cynthia Stephenson called the roll and announced that a quorum was present.

**Board Members Present**

Jhonathan Aragon, Valencia County Manager  
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney  
Kate Fletcher, Cibola County Manager  
Roberta Gonzales, Eddy County Finance Director  
Lance Pyle, Chair, Curry County Manager  
Shirley Ragin, Bernalillo Deputy County Manager of Finance  
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services  
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager  
Brandy Thompson, Union County Manager  
Charlene Webb, Grant County Manager  
Deborah Weir, Dona Ana County Assistant Manager

**Board Members Absent/Excused**

Anthony Dimas, Jr., McKinley County Manager  
Terri Fortner, NMC President, San Juan County Commissioner  
Tina Dixon, NMC President Elect, Roosevelt County Commissioner  
Michael Meek, Sandoval County Commissioner

**NMC Staff Present**

Mark Allen, General Counsel  
Kamie Denton, Workers' Compensation Manager  
Joy Esparsen, Executive Director  
Richard Garcia, Finance Director  
Brandon Huss, Legal Bureau Chief  
Eric Kuebler, Legal Bureau Investigator  
Patricia Lovato, Risk Management Data Analyst  
Robin Martinez, Multi-Line Claims Manager  
Grace Philips, Risk Management Director  
Greg Rees, Loss Prevention Manager  
Cynthia Stephenson, Risk Management Specialist  
Lori Urban, Assistant Risk Management Director (via Zoom)

## **Guests Present**

Steven Brewer, Benchmark Analytics, Partner, Risk Services  
Victoria DeVargas, Los Alamos County Risk Manager  
Armany Mansour, Bernalillo County Risk Administrator  
Linda Matteson, Los Alamos County Deputy Manager  
Krista Montoya, Los Alamos County Risk Management Specialist  
Amber Vaughn, Sierra County Manager  
John Chino, Area Vice President, Gallagher  
Nasreen Kopecky, Account Representative, Gallagher  
David Reagor, Los Alamos County Councilor  
Nathan Simon, Director, Investment Consultant, Strategic Asset Alliance (via Zoom)  
Jason Trujillo, Los Alamos County Safety Coordinator

## **Approval of Agenda**

Charlene Webb made a motion to approve the agenda, making one change of moving item 5F before 5B, and Kate Fletcher seconded the motion, which passed unanimously.

## **Approval of Minutes of August 20, 2025**

Shirley Ragin noted her last name was listed as White once in the minutes and needs to be corrected. Brandy Thompson made a motion to approve the minutes with the correction and Charlene Webb seconded the motion, which passed unanimously.

## **Board Presentations**

### **Presentation by Strategic Asset Alliance**

Nathan Simon presented the 2025 3<sup>rd</sup> quarter investment review, noting \$108,821,698 invested as of September 30, 2025 and that risk assets to net position is targeted at 30% to minimize the effect of market volatility, with current assets at 31.8% (the maximum allowable is 35%). He said the target is in range with his other risk pooling clients. He reviewed capital markets' performance, noting the current shutdown and the expectation the Federal Reserve will cut rates two more times this year. He reviewed the bond market yield curve and tariff rates, noting tariffs are causing volatility in the market. In discussing AI, he said ChatGTP reached 5 billion in average monthly visits for the first time in 2025, adding that AI data centers are scaling toward 5 gigawatts (GW) and that by 2028 the U.S. will have a 68 GW electricity shortfall.

### **Gallagher Update**

Nasreen Kopecky presented bids from the market, noting equipment breakdown is up 12% with values up 9% and the deductible increasing with Travelers from \$1,000 to \$10,000, stating she will market to other carriers. For pollution liability, she said she's looking for a multi-year policy which Chubb cannot offer and will market to other carriers. The crime, flood, special event (NMC) and D&O renewals are flat.

### **Financial Reports**

Richard Garcia presented financial reports as of August 31, 2025, noting \$19.6 million in total current assets, nearly \$109 million in long-term liabilities with a total liabilities and net position of \$127.7 million. The fund balance was \$7.2 million, the current year pool net position \$10.5 million and the total net pool position is \$17.8 million. He noted the net positions for each of the coverage programs:

Law Enforcement -\$20.5 million  
Multi-Line program \$24.5 million  
Workers' compensation \$13.8 million

## **Board Action Items**

### **Approve 2026 Meeting Calendar**

Grace Philips presented the proposed 2026 meeting calendar noting one change from the 2025 structure, moving the October meeting and retreat to November next year, which will result in tighter invoicing but will be better for receiving numbers from the broker on the pass-through coverages. She asked for suggestions for the August meeting to be held in a small county. Kate Fletcher offered Cibola County where the board met three years ago. Staff will present other options at the board's January 19, 2026 meeting. Greg Shaffer noted the March 2026 meeting could cause a conflict with spring break. Brandy Thompson made a motion to approve the 2026 meeting calendar and Charlene Webb seconded the motion, which passed unanimously.

### **Approve Six-Month Property Renewal July 1 Cycle**

Grace Philips reminded Board members that the Pool's property program is on a calendar year cycle and its reinsurer CRL is on a fiscal year renewal. She said this creates a potential for nonconcurrence in our coverage agreements and causes us to estimate reinsurance renewal pricing. She asked the board to approve the underwriting committee's recommendation to change the renewal to a July 1 cycle, noting the current renewal to be considered for property would be January 1-June 30, 2026, with counties being billed for a full year in June for the July 1 full year renewal. Brandy Thompson made a motion to approve a six-month property renewal and a July 1 future renewal cycle. Shirley Ragin seconded the motion, which passed unanimously.

### **Approve NMCA Board 2026 Open Meetings Act Resolution**

Greg Shaffer stated in section four the second sentence about notice of change that the words "inclement weather" need to be removed for consistency. Kate Fletcher made a motion to approve the 2026 Open Meetings Act resolution with that change and Lisa Sedillo-White seconded the motion, which passed unanimously.

### **Consider Policy Authorizing Risk Management Director Authority to Deny Coverage to Individual County Employees or Elected Officials**

Grace Philips said staff incorporated feedback on the policy following the Board's August 19 meeting and circulated the revised, soliciting additional feedback, and receiving feedback from Greg Shaffer and NMCA's coverage counsel. She reminded members the policy authorizes the Board to deny or end coverage for individual county employees, former employees or elected officials because of the undue risk of liability exposure to the Pool. After discussion of communicating the policy to counties and the risk to counties in hiring an uninsurable individual, Charlene Webb made a motion to approve the policy and Brandy Thompson seconded the motion, which passed unanimously.

### **Approve 2026 Multi-Line and Law Enforcement Reinsurance**

Grace Philips said Multi-Line coverage would remain the same with aggregate caps to protect the captive, noting liability in excess of the aggregate comes back to the Pool. She said the renewal is flat at \$470,000, even with a 75% confidence level. She let members know the Law Enforcement renewal is a 7.1% increase with a premium of \$6,289,725 at a

confidence level of 75%. She said in 2025 Dona Ana County did not purchase the offered additional \$1 million in coverage, but it would be offered in 2026. She reminded the Board that Hannover Re is the captive's reinsurer. Kate Fletcher made a motion to approve the 2026 reinsurance and Jhonathan Aragon seconded the motion, which passed unanimously.

### **Approve 2026 Pass-through Coverages**

Grace Philips asked the Board to approve the coverages with the understanding we do not have firm numbers on all policies, with others being flat or improved. Shirley Ragin made a motion to approve the 2026 pass-through coverages and Jhonathan Aragon seconded the motion, which passed unanimously.

### **2026 Multi-Line Contributions**

Lori Urban let members know the underwriting committee met twice to review proposed contributions, with some non-committee board members joining the calls. She said all proposed numbers are based on members' 2025 deductibles and are based on all members binding coverage, adding three gave 120 days' notice of going to market for quotes. She said the underwriting is based on the actuary's 75% confidence level. Historically we used 55% as the central estimate. She said the increased confidence level aids the Pool's net position and increases the likelihood we collect enough to cover claims. She let members know the captive reinsurance premium is also based on a 75% confidence level. At the current deductible levels, the Pool will collect 6.7% less than in 2025 due to collecting just six months of contributions for property coverage, with the property policy year moving to a July 1 renewal in 2026. Brandy Thompson made a motion to approve the Multi-Line contributions and Deborah Weir seconded the motion which passed unanimously.

### **2026 Law Enforcement Contributions**

Lori Urban presented the Law Enforcement contributions, noting the qualitative factor for stagnation of Lexipol integration for seven members, with some receiving a fee of 5% of contributions for not having started implementing the program and the others a 2.5% fee for slow implementation. Grace Philips noted it is important to get every county up to speed with their implementation and that they have different target due dates based on their start dates. After lengthy discussion of the issue regarding the seven counties' issues getting Lexipol implemented in their counties, Jhonathan Aragon made a motion to approve the contributions with surcharges as presented. Lisa Sedillo-White seconded the motion, which passed unanimously.

### **Approve 2026 Professional Liability Coverage for Medical Providers Pricing**

Grace Philips let members know that not long ago the Pool stepped up to provide professional liability coverage for individual county employees hired to work in their jails, as those individuals could not obtain coverage. The Pool did not have any underwriting history or a strong basis for pricing and has been charging \$12,000 per year for each employee. She said the underwriting committee discussed the topic and proposed an increase to \$18,000. Data from the commercial market indicates pricing would be much more than that, but the committee understands the real way to price a medical program is based on the number of beds. The committee doesn't want to discourage counties from having a robust medical program due to per clinician pricing. She said she is asking the Board to approve an increase to \$18,000 per county employee and later in the agenda to endorse creating a subcommittee that for the next renewal cycle will recommend a per clinician pricing fee but also pricing based on the size of a facility. Kate Fletcher made a motion to increase the per

employee fee for professional liability coverage to \$18,000 and form a subcommittee. Jhonathan Aragon seconded the motion, which passed unanimously.

### **Approve 2026 Budget**

Grace Philips presented the 2026 budget, noting detention claims are down for the year while sheriffs are up 38%, pointing out the Multi-Line program is doing well as evidenced by the flat reinsurance renewal. She highlighted several budget line items. She said she added a line item as a thought starter with no money budgeted as an option for future renewals to address capital adequacy deficiencies, including it as part of the renewal. She noted the Benchmark program (detention) is listed and that previously the costs were folded into risk mitigation expenses. She said the actuarial budget is up due to another analysis that needs to be done for the 2025-26 property policy year. She pointed out the budget for software is up considerably and is primarily made up of Origami expenses, adding that deductible billing will be built into the system and will be a several months project. Last, she pointed out that the Legal Bureau operations line item has been zeroed out, stating it had reduced from a \$200,000 annual expense to \$50,000 and now she believes it is fully sustainable without supplemental budget. Deborah Weir made a motion to approve the 2026 budget and Jhonathan Aragon seconded the motion, which passed unanimously.

### **Approve 2026 Liability Coverage Agreement**

Grace Philips reviewed proposed language changes with members, pointing out changes to attorney fees definition is to clarify language for members, but not make a policy change. She noted updating the arbitration language to match language included in the Workers' Compensation Memorandum of Coverage ensuring arbitration language in all coverage agreements are the same. She indicated the agreement includes additional language clarifying the definition of Member exclude coverage for an individual who has received a denial of coverage under the Pool's Policy on Denial of Coverage to Named Employees and Elected Officials. Changes to Law Enforcement Endorsement 4-6 reorder and make clear which counties have coverage. Grace said the reason is some counties do not have detention centers but have book and transport only and do not have medical or mental health contracts. Deborah Weir made a motion to approve the 2026 Liability Coverage Agreement and Lisa Sedillo-White seconded the motion, which passed unanimously.

### **Approve January 1 – June 30, 2026 Property Coverage Agreement**

Grace Philips reviewed the only language change as the updated arbitration language for this policy. Brandy Thompson made a motion to approve the 2026 Property Coverage Agreement and Charlene Webb seconded the motion, which passed unanimously.

### **Create Professional Liability Coverage Pricing Committee**

Roberta Gonzales, Greg Shaffer and Shirley Ragin volunteered to serve on this committee and Charlene Webb volunteered to serve as an alternate. Brandy Thompson made a motion to create a professional liability coverage pricing committee and Kate Fletcher seconded the motion, which passed unanimously.

### **Approve Workers' Compensation Administration Certificate**

Grace Philips reminded the Board they reviewed a version of the certificate at their August 19 meeting that required NMCIA to have 200% of what is needed to pay claims set aside. She and Joy Esparsen met with the WCA Director Heather Jordan to express what a hardship that would be and that it would require NMCIA artificially inflate contributions to meet the requirement. She said the director agreed to remove the requirement. Charlene



Webb made a motion to approve the certificate and Lisa Sedillo-White seconded the motion, which passed unanimously.

### **Action on Cyber Deductible Reimbursement Policy**

Grace Philips reviewed the existing policy, noting the Board approved creation of the policy in 2021 as a benefit to members, due to the high cyber liability deductible of \$250,000. The policy provides reimbursement of up to \$125,000 of a member's cyber claim deductible. Discussion noted that the risk mitigation actions required to qualify for reimbursement should be standard operating procedures for all counties and are for many of them. Greg Shaffer made a motion to repeal the policy effective January 1, and Shirley seconded the motion, which passed unanimously.

The Board took a break at 10:42 a.m., returning at 10:56 a.m.

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

- Irma Valenzuela v Bernalillo County
- Estate of Chandler and Shivner v Luna County
- Estate of Teresa Begay v McKinley County
- Estate of Monica Garcia v Socorro County
- Estate of David Aguilera v Chaves County
- Treasure Hazen v Dona Ana County
- Cristina Cruz-Grost v Bernalillo County
- Quay County v NMCI

Jhonathan Aragon made a motion to go into executive session to discuss pending litigation in accordance with the Open Meetings Act 10-15-7-H(7) for the above-named claims. Shirley Ragin seconded the motion, which passed via a roll call vote: Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Gregory Shaffer, Brandy Thompson and Kate Fletcher voting in favor. Lance Pyle certified that the only things discussed were pending and threatened litigation in accordance with the Open Meeting Act. Jhonathan Aragon made a motion to come out of executive session and Shirley Ragin seconded the motion and a roll call vote was taken: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Gregory Shaffer, Brandy Thompson, and Kate Fletcher voting yes. Brandy Thompson made a motion to authorize the amounts as discussed by the Board in cases 2025-10-1, 2025-10-2, 2025-10-3, 2025-10-4 and 2025-10-5. Kate Fletcher seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Gregory Shaffer, Brandy Thompson, and Kate Fletcher voting yes.

The Board took a 15-minute break.

### **Board Reports (provided in written materials)**

#### **Executive Director Update**

Joy Esparsen highlighted a few things from her written report, noting legislative research activities include conducting a survey of county courthouse infrastructure and operations needs to support the Administrative Office of the Courts budget request. She said staff

continue to participate in stakeholder meetings to discuss potential Inspection of Public Records Act (IPRA) amendments and that the working group is reviewing the memorial proposed by Representative Brown to further study the impact of IPRA on public entities. She told members the assessors and attorneys affiliates will meet with Tax & Revenue about the veteran's exemption.

### **Risk Management Update**

Grace Philips referred members to the memo in the board book, mentioning the results of the independent claims audit done by Praxis Claims Consulting is included.

### **Investment Update**

Grace Philips noted Ryan Salmon's Wells Fargo investment update was included in the book, but he was not in attendance to present.

### **Loss Prevention Update**

Greg Rees let the Board know that Accreditation Program Manager Jessica Tyler was leaving at the end of the month and that he will begin recruiting this week to fill the position. He said our request for training from the National Institute of Corrections was approved and the project was funded but then the budget was pulled, so there is no training until funding is restored. He reviewed the Lexipol tiers of completion by members, noting sheriff offices review policies in batches during implementation. He gave an update on replacing the RAP program, noting he and a 10-member workgroup are reviewing three vendors and he has received mixed reviews on courses assigned to that group.

### **Legal Bureau Update**

Brandon Huss directed members to the memo in the book, noting the QR code to audio of his oral argument before the U.S. Court of Appeals for the Tenth Circuit in Scott Fugua, Estate of Jason Roybal v. Corporal Zook, Deputy Martinez, and Deputy Guzman, addressing a critical qualified immunity question arising from a deputy-involved shooting following a felony vehicle pursuit. He then highlighted several case resolutions handled by the Bureau.

### **CRL Update**

Grace Philips said the property market is softening and she does not expect any assessments from CRL for participation in that program. She said the Property Plus working layer is doing well, noting the return of capital to members. She said Texas left the property program on their own, Idaho left after having one of CRL's single largest losses at a school property, and South Carolina was asked to leave the program.

### **Other Business**

No other business was discussed.

### **Adjournment**

Jhonathan Aragon made a motion to adjourn the meeting, and Brandy Thompson seconded the motion. The meeting was adjourned at 3:10 p.m.

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

**November 12, 2025, 7:00 a.m.**

Via Video Conference

**MINUTES**

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

Chair Lance Pyle called the meeting to order at 7:01 a.m. Cynthia Stephenson called the roll and announced that a quorum was present.

**Board Members Present**

Jhonathan Aragon, Valencia County Manager (joined after approval of agenda)  
Anthony Dimas, Jr., McKinley County Manager (joined at beginning of bylaw discussion)  
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney  
Kate Fletcher, Cibola County Manager  
Roberta Gonzales, Eddy County Finance Director  
Lance Pyle, Chair, Curry County Manager  
Shirley Ragin, Bernalillo Deputy County Manager of Finance  
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services  
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager  
Brandy Thompson, Union County Manager  
Charlene Webb, Grant County Manager  
Deborah Weir, Dona Ana County Assistant Manager

**Board Members Absent/Excused**

Terri Fortner, NMC President, San Juan County Commissioner  
Tina Dixon, NMC President Elect, Roosevelt County Commissioner  
Michael Meek, Sandoval County Commissioner

**NMC Staff Present**

Kamie Denton, Workers' Compensation Claims Manager  
Joy Esparsen, Executive Director  
Richard Garcia, Finance Director  
Robin Martinez, Multi-Line Claims Manager  
Grace Philips, Risk Management Director  
Cynthia Stephenson, Risk Management Specialist  
Lori Urban, Assistant Risk Management Director

**Guests Present**

John Chino, Area Vice President, Gallagher  
Meadow Forget, Roosevelt County Manager  
Nasreen Kopecky, Account Representative, Gallagher

**Approval of Agenda**

Grace Philips asked that the financial update be moved before the bylaw action item, as Greg Shaffer had caught a detail in the bylaws she wanted to review before presenting

those proposed changes. Kate Fletcher made a motion to approve the agenda moving item 4 before item 3 and Charlene Webb seconded the motion, which passed via roll call vote: Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Greg Shaffer, Brandy Thompson and Kate Fletcher.

### **Financial Update on Law Enforcement Net Position**

Richard Garcia told members NMCI paid \$15.8 million for LE claims from September 1 through today (November 12) and at the last meeting on October 22 the Board authorized an additional \$4.5 million in potential settlements which will likely be paid by December 31, 2025, for a total of \$20.3 million. He indicated the August 31 financials the Board reviewed at their October 22 meeting indicated net earnings of \$10.5 million in eight months, bringing the total net position to \$17.8 million. He said the Pool could recover \$4 million from the captive and \$500,000 from two claims reaching the \$5 million limit. Grace Philips said she would send claim settlement data to the Board when asked which claims are included in the \$20.3 million. Lance Pyle asked the amount of the current net position and Richard responded he's working to close out October, and the net position will be under \$2-3 million expected revenue. He added that the December 31, 2025, actuarial adjustment could be detrimental to the Pool's financial position.

### **Approve Bylaw Amendments Addressing Consequences for Withdrawing Membership**

Grace Philips reviewed proposed language changes with members, with both Shirley Ragin and Lisa Sedillo-White expressing concerns about the timing of the changes, the perceived punitive nature, and the unknowns related to the fees to be charged to a member returning and how they will be calculated. Lance Pyle agreed, adding the bigger picture should include a Plan B if Bernalillo County leaves the Multi-Line and Law Enforcement programs and how that could affect other members. The Board discussed additional deductible options for the Class A members. Greg Shaffer said the common threads of the discussion were respect for stability of membership, recognition of implications, and members needing more time to consider the proposed changes. Grace said staff will send the deductible authorization documents to members on Friday or next Monday (November 17).

Greg Shaffer made a motion to table the action item and call for a special meeting. Kate Fletcher seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Greg Shaffer, Brandy Thompson, Kate Fletcher and Anthony Dimas.

### **Other Business**

The Board scheduled a special meeting to be held virtually on Monday, November 17, 2025, at 2:00 p.m.

### **Adjournment**

Chairman Pyle adjourned the meeting at 7:58 a.m.

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

**November 17, 2025, 2:15 p.m.**

Via Video Conference

**MINUTES**

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

Chair Lance Pyle called the meeting to order at 2:15 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

**Board Members Present**

Jhonathan Aragon, Valencia County Manager  
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney  
Kate Fletcher, Cibola County Manager  
Roberta Gonzales, Eddy County Finance Director  
Michael Meek, Sandoval County Commissioner  
Lance Pyle, Chair, Curry County Manager  
Shirley Ragin, Bernalillo Deputy County Manager of Finance  
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services  
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager  
Brandy Thompson, Union County Manager  
Charlene Webb, Grant County Manager  
Deborah Weir, Dona Ana County Assistant Manager

**Board Members Absent/Excused**

Anthony Dimas, Jr., McKinley County Manager  
Terri Fortner, NMC President, San Juan County Commissioner  
Tina Dixon, NMC President Elect, Roosevelt County Commissioner

**NMC Staff Present**

Joy Esparsen, Executive Director  
Richard Garcia, Finance Director  
Robin Martinez, Multi-Line Claims Manager  
Grace Philips, Risk Management Director  
Cynthia Stephenson, Risk Management Specialist  
Lori Urban, Assistant Risk Management Director

**Guests Present**

John Chino, Area Vice President, Gallagher  
Meadow Forget, Roosevelt County Manager  
Nasreen Kopecky, Account Representative, Gallagher  
Lucia Serrano, Chaves County Assistant Finance Director  
Bill Williams, Chaves County Manager

### **Approval of Agenda**

Kate Fletcher made a motion to approve the agenda Charlene Webb seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

### **Approve Bylaw Amendments Addressing Consequences for Withdrawing Membership**

Grace Philips reviewed revised bylaw language changes with members, noting the updates since the Board's last meeting.

The board agreed to edit to Section VI.A. by amending the fourth sentence to read: "For the coverage program(s) from which a member has withdrawn, the Member shall forfeit any right ...". They agreed in Section VI.C. to add a fourth sentence reading, "This forfeiture shall only apply to the coverage program(s) from which the Member was expelled." Greg Shaffer made a motion to approve the bylaw amendments as previously discussed relating to withdrawal and changing Section III subsection D from "shall" to "may" in the first sentence. Michael Meek seconded the motion which passed in a roll call vote: Jhonathan Aragon (yes), Lance Pyle (yes), Charlene Webb (yes), Roberta Gonzales (yes), Lisa Sedillo-White (no), Shirley Ragin (no), Deborah Weir (yes), Michael Meek (yes), Greg Shaffer (yes), Brandy Thompson (yes), and Kate Fletcher (no).

### **Approve Additional Deductible Options for Large Members**

Grace Philips told members she spoke with Santa Fe County's broker at the request of the county manager and was asked to provide a \$500,000 deductible. She said she would like to offer the same to Bernalillo County and to other counties if they are interested. She said if Bernalillo County leaves the two coverage programs, risk to the Pool is reduced, the budget and net position might be smaller, and we would re-run the capital adequacy formula, as it would have a different target number. She recommended also offering Bernalillo County a deductible that matches the Pool's self-insured retentions of \$2 million for Law Enforcement and \$1 million for Multi-Line. John Chino indicated the insurance market offers high attachment points and it makes sense for the Pool to replicate those amounts.

Brandy Thompson made a motion to approve additional deductible options for Class A members and any other counties that are interested. Lisa Sedillo-White seconded the motion which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Lisa Sedillo-White, Shirley Ragin, Deborah Weir, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

### **Other Business**

No other business was discussed.

### **Adjournment**

Chairman Pyle adjourned the meeting at 3:10 p.m.

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

**December 22, 2025, 12:00 p.m.**

Via Video Conference

**MINUTES**

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

Chair Lance Pyle called the meeting to order at 12:00 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

**Board Members Present**

Jhonathan Aragon, Valencia County Manager  
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  
Brandy Thompson, Union County Manager  
Deborah Weir, Dona Ana County Assistant Manager

**Board Members Absent/Excused**

Anthony Dimas, Jr., McKinley County Manager  
Tina Dixon, NMC President Elect, Roosevelt County Commissioner  
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney  
Terri Fortner, NMC President, San Juan County Commissioner  
Roberta Gonzales, Eddy County Finance Director  
Armany Mansour, Bernalillo County Risk Administrator  
Charlene Webb, Grant County Manager

**NMC Staff Present**

Mark Allen, General Counsel  
Joy Esparsen, Executive Director  
Richard Garcia, Finance Director  
Robin Martinez, Multi-Line Claims Manager  
Grace Philips, Risk Management Director  
Greg Rees, Loss Prevention Manager  
Cynthia Stephenson, Risk Management Specialist  
Lori Urban, Assistant Risk Management Director

**Guests Present**

John Chino, Area Vice President, Gallagher  
Nasreen Kopecky, Account Representative, Gallagher

## **Approval of Agenda**

Kate Fletcher made a motion to approve the agenda and Jhonathan Aragon seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Shirley Ragin, Deborah Weir, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

## **Approve Bernalillo County Quote for an Extended Reporting Period Endorsement**

Grace Philips reviewed with members the Bernalillo County letter requesting a quote for an extended reporting period endorsement "tail coverage" for both 180 and 360 days and the quote prepared for the county's consideration. She said 180 days is unique in its brevity and does not materially educe the Pool's liability exposure, so the quotes are similar. Two quotes were provided. One at the county's current deductible options of \$100,000 for Multi-Line and \$250,000 for Law Enforcement and a second high deductible option of \$1 million for Multi-Line and \$2 million for Law Enforcement. Grace noted that no tail coverage for property was requested by the county and was not necessary as the Pool's property program is an occurrence program and the county should not experience any gap between the property coverage they have now and the coverage they will obtain.

The Board reviewed the County's loss ratios and expense contributions for Multi-Line and Law Enforcement respectively. Grace noted that the averages do not include 2025 because that year is not complete and entirely undeveloped. The numbers for other claim years are also not final because open claims will continue to develop. With these caveats, Grace explained that the County's 7-year Multi-Line loss ratio is 93.34% and the five year loss ratio is 113.25%. The County's Law Enforcement loss ratios for 10-years is 146% and 5-years is 189%. She noted that it is not uncommon for extended reporting period coverage to exceed 100% of the regular coverage contribution quote but that the quotes recommended by staff do not exceed 100% to take into consideration the fact that Bernalillo County continues to be a valued member of the Pool and continues to participate in the Workers' Compensation program.

Shirley Ragin raised the objection from the County Sheriff regarding the Lexipol program and noted that the Sheriff has high confidence in his policies. Greg Rees summarized his outreach to the Sheriff and pointed out that Lexipol is designed to incorporate county policies and more importantly, designed to provide real time updates and documented training for law enforcement staff. Grace Philips reminded the Board that in the past, certain of the County's policies had be found to be legally insufficient.

Greg Shaffer noted his concern regarding the loss ratios, saying he does not believe the recommended premiums are high enough, but understood the balance we are trying to strike with the county as a continued member of the pool.

Jhonathan Aragon made a motion to approve the staff-recommended quote noting Mr. Shaffer's comments and Kate Fletcher seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon (yes), Lance Pyle (yes), Shirley Ragin (yes), Deborah Weir (yes), Michael Meek (yes), Greg Shaffer (yes), Brandy Thompson (yes), and Kate Fletcher (yes).

## **Other Business**

Lance Pyle asked Lori Urban to update the Board on receipt of member renewals. Lori said the deductible authorization forms were sent to all counties on November 18 and 19 with a



due date of December 15, noting that only Quay County had not submitted their signed form. She indicated staff would begin invoicing counties.

Lance asked Grace Philips to discuss the January 19 board meeting scheduled to begin at 1:00 p.m. Grace indicated a very long executive session with currently six or seven claims to be presented, and a robust discussion of what Bernalillo County's departure will mean in terms of cost, programing and more. She discussed the logistics of changing the start time and indicated it would be problematic for several reasons. Lance agreed to keep the start time at 1:00 p.m. and told members to expect the meeting to end sometime after 5:00 p.m.

Greg Shaffer noted the captive board of directors met the prior week and indicated willingness to provide "tail" coverage to Bernalillo County and would follow the lead of this board, asking if there is anything this board needs to do. He said it is the intent that the captive will get their full share of premium quoted to include Bernalillo County and that they supported NMCI charging 100% for Law Enforcement coverage and a minimum 50% for Multi-Line coverage. Grace indicated this board did not need to take any action and that the captive would be kept whole in the premium it collects from NMCI, as she expects most of the liability in the extended reporting period to be high.

### **Adjournment**

Jhonathan Aragon made a motion to adjourn the meeting and Deborah Weir seconded the motion. The meeting adjourned at 12:40 p.m.

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

|   |  |
|---|--|
| <b><u>Item Number:</u></b><br><br>4.A.  | <b><u>Item Title:</u></b><br><br>Bernalillo County Coverage Update |
| <b><u>Presenter (s):</u></b><br>Shirley Ragin, Bernalillo Deputy County Manager for Finance |  |
|   |  |
|   |  |

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

|   |  |
|---|--|
| <u><b>Item Number:</b></u><br><br><p style="text-align: center;"><b>5.A.</b></p>  | <u><b>Item Title:</b></u><br><br>Elect NMCIA Officers (Chair, Vice Chair, NMC Rep) |
| <u><b>Presenter (s):</b></u><br>Lance Pyle, Chair   |  |
|   |  |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Chair<br/>Motion by:</p> <br/><br/> <p>Vice Chair<br/>Motion by:</p> <br/><br/> <p>NMC Representative<br/>Motion by:</p> </div> <div style="width: 45%;"> <p>Seconded by:</p> <br/><br/> <p>Seconded by:</p> <br/><br/> <p>Seconded by:</p> </div> </div> |  |

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

|  |   |
|--|---|
| <b><u>Item Number:</u></b><br><br><p style="text-align: center;"><b>5.B.</b></p>   | <b><u>Item Title:</u></b><br><br>Approve Proposed Bylaw Language Changes<br>Creating Two Ex-officio Seats for the Detention<br>and Sheriff Affiliates |
| <b><u>Presenter (s):</u></b><br>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> |   |

# BYLAWS OF THE NEW MEXICO COUNTY INSURANCE AUTHORITY

## **Section I. – Purpose**

The purpose of these Bylaws is to provide for the regulation and implementation of the New Mexico County Insurance Authority, except as otherwise provided by statute or the New Mexico County Insurance Authority Joint Powers Agreement approved by the General Membership on June 19, 2019, (“JPA”).

## **Section II. – Definitions**

The following terms shall have the meaning set out below:

- A. ADMINISTRATOR — New Mexico Association of Counties (D.B.A. “New Mexico Counties”) or such other Administrator with whom the Board contracts for administrative services.
- B. AUTHORITY — The New Mexico County Insurance Authority formed, pursuant to the statutes of this state by the JPA.
- C. BOARD OF DIRECTORS or BOARD — The Board of Directors of the Authority.
- D. BYLAWS — The Authority’s Bylaws adopted or amended in accordance with Article IX of the JPA .
- E. DAYS – Days shall mean business days, unless specified otherwise.
- F. FUND — A fund of public monies established by the Authority to self-insure certain risks jointly within the scope defined herein and in the JPA, to purchase excess insurance or reinsurance when deemed prudent, and to pay the necessary expenses for the operation of the Authority.
- G. DIRECTOR — An elected or appointed officer or employee of a Member who serves as a member of the Board of Directors.
- H. GENERAL MEMBERSHIP MEETING— A meeting of the Member Representatives collectively.
- I. MEMBER — Those New Mexico counties who (i) are, on the effective date of the JPA, parties to the Workers’ Compensation Fund JPA and/or Multi-Line Pool JPA or (ii) after the effective date of the JPA, execute a copy of the JPA after being admitted pursuant to the Bylaws and (iii) who have not withdrawn or been expelled from the Authority and maintain at least one line of coverage from the Authority.
- J. MEMBER REPRESENTATIVE — That person who is an elected or appointed officer or employee of a Member and is appointed by the governing body of the Member to be the Member’s official representative for the purposes set out in this JPA.
- K. NOTICE – Notice given in writing by regular mail or by electronic mail.
- L. PARTICIPANT – Those non-county political subdivisions and local public bodies approved by the Board to participate in the self-insurance pool created by this Agreement.

### **Section III. – Membership**

- A. The membership of the Authority shall be limited to New Mexico counties.
- B. New or returning Members to the Authority or a coverage program within the pool shall be admitted upon two-thirds (2/3) majority vote of all Directors serving on the Board, only after approval of the governing body of the prospective Member and a determination by the Board that the new Member will not detrimentally affect the financial status of the Authority or the contribution rates of other members; that the new Member has agreed to accept the obligations of members set forth in this JPA and the Bylaws; and that the new Member has paid the required sums. In the event that an additional Member is approved by the Board, that new Member shall execute a copy of this JPA.
- C. All Members of the Authority, unless expelled pursuant to the expulsion provisions of these Bylaws, may remain Members indefinitely and shall remain Members for a period of at least three years from the time they join or rejoin the pool.
- D. A new or returning Member to the Authority or a coverage program within the pool may be required to make a capital adequacy contribution in addition to annual contributions and fees, as determined by the Board. The Administrator shall recommend to the Board the amount of capital adequacy contribution and terms of payment for the Board to consider as a condition of approving the new or returning Member's membership. Returning Members may also be required to reimburse the Authority the costs previously borne by remaining members during the returning Member's absence including unfunded liabilities, reinsurance premiums, or administrative expenses redistributed as a result of the withdrawal.
- E. Membership Obligations
  - 1. To pay promptly all contributions or other payments to the Authority at such times and in such amounts as set by the Board. Any delinquent payments shall be paid with interest which shall be equivalent to the prime interest rate, on the date of delinquency, of the financial institution which invests the majority of the Authority's money. Payments will be considered delinquent 45 calendar days following the due date.
  - 2. To designate in writing a Member Representative and one alternate for General Membership meetings. The Member Representative and any alternate must be an employee or elected official of the Member. Any designated alternate may exercise all the powers of a Member Representative during a General Membership Meeting in the absence of the Member Representative.
  - 3. To follow the loss reduction and prevention procedures established, authorized or endorsed by the Board.
  - 4. To comply with its obligations under Coverage Agreements issued by the Authority.
  - 5. To submit materially complete and accurate applications for coverages.
- F. Procedure for General Membership Meetings
  - 1. The General Membership shall meet at least once annually in conjunction with the Legislative Conference of the New Mexico Association of Counties with notice by the Administrator to each Member at least fifteen (15) calendar days in advance.

2. Special meetings may be called by the Chair of the Board of Directors or pursuant to a procedure to be established by the Board. Any items considered at the special meeting must be approved by a two-thirds vote of the Member Representatives present at the Special General Membership meeting, unless specified otherwise in these Bylaws or the JPA. Notice of special membership meetings shall be sent by the Administrator to each Member at least fifteen (15) calendar days in advance.
3. The Chair of the Board, or the Vice Chair if the Chair is absent, shall preside at all meetings.
4. A simple majority of the Member Representatives shall constitute a quorum to do business.
5. No absentee or proxy voting shall be allowed.
6. Each Member shall be entitled to one vote on each issue to be cast by its Member Representative.
7. Meetings shall comply with the Open Meetings Act. On any questions requiring a vote of the entire General Membership, notice shall be given by the Administrator at least fifteen (15) calendar days in advance.

#### **Section IV. – Board of Directors**

##### **A. Board of Directors composition**

1. GROUP I – Group I Directors shall be based on geographical representation. Only Member Representatives from the counties in each respective district, as listed below, are eligible to vote for the Director in their district.
  - District 1 (Northwest): Cibola, Los Alamos, McKinley, Rio Arriba, Taos, Torrance, Valencia
  - District 2 (Northeast): Colfax, Curry, Guadalupe, Harding, Mora, Quay, San Miguel, Union
  - District 3 (Southwest): Catron, Grant, Hidalgo, Luna, Sierra, Socorro
  - District 4 (Southeast): Chaves, De Baca, Eddy, Lea, Lincoln, Roosevelt, Otero
2. GROUP II – Group II Directors shall be chosen by the Class A county's board of county commissioners. The Class A Counties are: Bernalillo, Doña Ana, San Juan, Santa Fe, and Sandoval. Each Class A County Member shall have at least one Director on the Board. Additionally, the board(s) of county commissioners of Class A counties receiving both Workers' Compensation and Multi-line coverage from the Authority, and having a population of three hundred thousand or more pursuant to the most recent federal decennial census, may appoint a second member to the Board.
3. GROUP III – There shall be three Group III Directors, one representing Members with populations up to 16, 000 (small county Director), one representing Members with populations over 16,000 and below 35,000 (mid-level-low county Director), and one representing Members with populations over 35,000 and below 100,000 (mid-level-high county Director). Only Member Representatives from counties with populations of 16,000 and below are eligible to vote for the small county Director. Only Member Representatives from counties with populations over 16,000 and below 35,000 are eligible to vote for the mid-level-low county Director. Only Member Representatives from counties with populations of over 35,000 and below 100,000

are eligible to vote for the mid-level-high county Director. Population categories will be determined by the most recent decennial census.

4. BOARD RATIFICATION - Prior to being seated, each Director is subject to ratification by the Board which has sole authority to seat and may, in its sole discretion, refuse to seat a Director whom it determines is not qualified for office. This provision does not apply to the initial Board elected (and seated) by the General Membership directly following the adoption of the JPA.
5. EX OFFICIO DIRECTORS - The President and President Elect of the New Mexico Association of Counties, ~~and~~ a representative of the New Mexico Association of Counties Attorney Affiliate, a representative of the New Mexico Association of Counties Detention Administrators Affiliate, and a representative of the New Mexico Association of Counties Sheriffs Affiliate shall serve as ex-officio, non-voting Directors of the Board.

#### B. Procedure for Board Elections, Removals, and Vacancies

1. Election of Directors from Group I and Group III shall take place at the annual General Membership meeting. Those persons receiving the largest number of votes shall be elected to the available positions and they shall assume office at the first Board meeting following their election.
2. Terms of the Directors shall be two-year overlapping terms, or until their successors are elected, except that the Directors first elected from Group I will be elected for an initial one-year term and the remaining Directors will be elected for two-year term.
3. When a Director ceases to be an elected or appointed officer or employee of a Member, or resigns from the Board, the Director's position will be deemed vacant.
4. A Director's position may be declared vacant by the Board, when the Director has accumulated two (2) consecutive unexcused absences at duly called meetings for which the Director has received notice.
5. By the affirmative vote of two-thirds (2/3) of the Directors then serving, the Board of Directors may remove a Director from office at any time, with or without cause, whenever the Board of Directors, in its sole discretion, deems such removal to be in the best interests of the Authority, thereby creating a vacancy on the Board.
6. Any vacancy on the Board from Group I or Group III shall be filled by a majority vote of the remaining Directors until the next annual General Membership Meeting, at which time the Members shall elect a person to fill the vacancy for the unexpired term.
7. Any vacancy on the Board from Group II shall be filled only after receiving a nomination from the Class A county's board of county commissioners and ratification by the Board.
8. In the event there are no Members present within a group or district to elect a Director, that Director shall be elected at large by the General Membership at a General Membership meeting.

#### C. Officers, Meetings, Procedures

1. The Board shall fix the date, time, and place of regular meetings.



2. At the first Board meeting following the General Membership Meeting, the Board shall elect a Chair and Vice Chair in accordance with a procedure adopted by the Board.
3. Special meetings may be called by the Chair or by a majority of Directors pursuant to the New Mexico Open Meetings Act.
4. A majority of voting Directors shall constitute a quorum to do business. All acts of the Board shall require a majority vote of the Directors present, except as otherwise specifically provided in the JPA or these Bylaws. The Board shall adopt such procedures as are deemed necessary and desirable for the conduct of its business.
5. Directors may be reimbursed for expenses incurred in the performance of their duties, as authorized by the Board.
6. The Administrator shall designate an attorney to serve as counsel to the Board during Board meetings.

#### D. Board Duties

1. To provide for the administration of the Authority through a contract with the Administrator;
2. To assure that the Authority remains financially solvent;
3. To approve and comply with a code of conduct;
4. To set contributions and/or special assessments sufficient to maintain the Authority by a two-thirds (2/3) vote of Directors present at the meeting;
5. To serve as the policyholder of any policies or plans;
6. To approve coverage agreements and the types of coverage, including, the limits of liability on any excess insurance and reinsurance policies, and any tail coverage available to expelled or withdrawn Members;
7. To admit any new Member by majority vote of all Directors serving on the Board, in accordance with Section III;
8. To approve requests for participation in the Authority from non-county, political subdivisions, and other public entities of the State of New Mexico, by a two-thirds (2/3) vote of the entire Board. Non-county participation shall be limited to those non-county political subdivisions, and other public entities of the State of New Mexico that demonstrate compliance with the requirements set out in Section III(B), and participation is allowed only to the extent provided for in the JPA, these Bylaws, and any policies adopted by the Board;
9. To adopt or revise a budget for the Authority by a two-thirds (2/3) vote of Directors present at the meeting;
10. To select insurance brokers;
11. To purchase excess insurance and/or reinsurance to protect against losses when deemed prudent;
12. To select an actuary who shall conduct an annual review of the Fund(s) and make recommendations to the Board based on such review;
13. To select an independent audit firm to conduct an audit of claim handling procedures, payments, and overall operations of the Authority, at such time as the Board may determine appropriate;

14. To approve the policies and procedures for the approval, denial, and handling of claims, as set out in the Authority's claims manual;
15. To approve policies for the investment, management, and control of funds;
16. To establish any policies necessary for the implementation of the JPA;
17. To review financial statements to account for income, expenses, assets, and liabilities of the Authority at each regularly scheduled Board meeting;
18. To provide Members at least one hundred twenty (120) calendar days' notice of the Authority's intent to cancel a Member's coverage on a particular line of coverage (absent extraordinary circumstances warranting a shorter notice period).
19. To provide to Members annually:
  - a. An audit of the Authority in accordance with state law; and
  - b. An annual report of operations;
20. To amend these Bylaws by a two-thirds (2/3) vote of the entire Board of Directors. However, the Board shall not make or change any bylaw which would negate, nullify, or conflict with the definition of a term set forth in the JPA without also amending the JPA to encompass such additions or changes to the Bylaws. Where the addition or change to the Bylaws has no effect on any term of the JPA, there will be no need or requirement to amend the JPA. If there should ever be any conflict between a term or condition as set forth in the JPA and a term or condition as set forth in the bylaws, the term or condition as set forth in the JPA shall be controlling;
21. To delegate, by motion adopted at a meeting by two-thirds (2/3) of Directors present, any of its powers to one or more Directors, the Administrator, or to or any other person; and
22. To implement the dissolution and disbursement of assets of the Authority following the dissolution determination of the General Membership.
23. To perform any task or function necessary to implement the purposes of the JPA or the policies of the Board.

#### **Section V. – Liability of Board and Administrator**

The Authority's Board of Directors, Administrator, and its officers and employees, shall not be personally liable for any acts performed or omitted for the Authority in good faith. The Fund shall be used to defend and indemnify the Members of the Authority's Board, and the Administrator and its officers and employees, against any and all expenses including attorney fees and liability expenses sustained by them or any of them in connection with any suit or suits which may be brought against the Directors, or the Administrator or its officers or employees, involving or pertaining to any of their acts or duties performed or omitted for the Authority, in good faith. The Administrator shall purchase insurance providing similar coverage for the Directors, and for the Administrator and its officers and employees. Nothing in this paragraph shall be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecutions of such litigation.

#### **Section VI. – Procedure for Withdrawal of Members**

- A. Any Member may withdraw from the Authority or a coverage program within the pool at the end of any fiscal year by giving at least one hundred twenty (120) calendar days' notice in writing to the Administrator that it may withdraw. A withdrawn Member shall lose all voting rights and privileges. The withdrawn Member shall not be entitled to any reimbursement of previously paid contributions or any contributions currently due and shall continue to be obligated to make payment for which an obligation arose prior to withdrawal. For the coverage program(s) from which a member has withdrawn, the Member shall forfeit any right to equity, surplus distribution or reimbursement of contributions relating to any coverage period prior to withdrawal, regardless of whether the Member subsequently rejoins the pool. Any claim of title or interest to any asset of the Authority, and any continuing obligation of the Authority to the Member or of the Member to the Authority, after the Member's withdrawal, shall be as determined by these Bylaws and any policy adopted by the Board.

#### **Section VII. – Procedure for Expulsion of Members**

- A. A Member that fails to make any payment due the Authority may be expelled from the Authority or a coverage program within the pool on the sixtieth day following the due date, unless time for payment is extended by the Board or the Administrator and payment is made within any extended period.
- B. A Member may be expelled from the Authority or a coverage program within the pool for failure to carry out any other obligation of the Member, subject to the following:
1. The Member shall receive notice from the Board of the alleged failure and be provided no less than thirty (30) calendar days in which to cure the alleged failure, along with notice that expulsion would result if the failure is not so cured.
  2. The Member may request a hearing before the Board prior to any decision on the expulsion. The request shall be made in writing to the Board at least five (5) days before the end of the period given by the Board to cure the alleged failure. At such hearing, the Member will be afforded an opportunity to present its case against expulsion.
  3. If no request for hearing is received prior to any decision on the expulsion, and if the failure is not cured within the time required by the Board's notice or any extension of such time as the Board may grant, the Board may expel the Member.
  4. The Board shall provide the Member at least ten (10) days prior written notice of the time and place of any requested hearing.
  5. Expulsion shall be in addition to any other remedy which may exist.
- C. An expelled Member shall lose all voting rights and privileges. The expelled Member shall not be entitled to any reimbursement of previously paid contributions or any contributions currently due; to the Authority or a coverage program within the pool and shall continue to be obligated to make payment for which an obligation arose prior to expulsion. An expelled Member shall forfeit any right to equity, surplus distribution, or reimbursement of contributions relating to any coverage period prior to expulsion, regardless of whether the Member subsequently rejoins the pool. This forfeiture shall only apply to the coverage program(s) from which the Member was expelled. Any claim of title or interest to any asset of the Authority, and any continuing obligation of the Authority to the Member or of the Member to the Authority, after the Member's expulsion, shall be as determined by these Bylaws and any policy adopted by the Board.

#### **Section VIII. – Procedure for Readmission of Members**

A Member that withdraws or is expelled from the Authority or a coverage program within the pool shall not be eligible for readmission into the Authority or a coverage program within the pool for a period of three (3) years from the effective date of withdrawal or expulsion. Any readmission shall require compliance with all provisions governing new membership, including approval by a two-thirds (2/3) vote of the Board and payment of any required capital adequacy and cost recovery amounts.

**[ADOPTED, by majority vote of the New Mexico County Insurance Authority Board of Directors, January 19, 2026]**

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

|  |  |
|--|--|
| <b><u>Item Number:</u></b><br><br><p style="text-align: center;"><b>5.C.</b></p>   | <b><u>Item Title:</u></b><br><br>Review Budgetary Impact of Bernalillo County's Withdrawal From MultiLine and Law Enforcement Programs and Approve Updated 2026 ML and LE Budget |
| <b><u>Presenter (s):</u></b><br>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> |  |



## Pass Through Coverages

| Coverage                | Total Coverage Amount With Bernalillo | Total Coverage Amount Without Bernalillo | Delta               | Amount Collected    | Delta              |
|-------------------------|---------------------------------------|--|---------------------|---------------------|--------------------|
| Crime                   | \$65,001.00                           | \$60,432.00                              | \$4,569.00          | \$45,976.60         | (\$14,455.40)      |
| Cyber                   | \$290,468.46                          | \$260,597.59                             | 29,870.87           | \$211,657.18        | (\$48,940.41)      |
| Environmental Liability | \$118,728.47                          | \$78,548.03                              | \$40,180.44         | \$118,728.47        | \$40,180.44        |
| Equipment Breakdown     | \$65,044                              | \$48,071.00                              | \$16,973.00         | \$65,044.00         | \$16,973.00        |
| Flood                   | \$355,360.35                          | \$ 317,249.24                            | \$38,111.11         | \$355,360.35        | \$38,111.11        |
| Storage Tanks           | \$29,408.39                           | \$20,956.99                              | \$8,451.40          | \$29,408.39         | \$8,451.40         |
| <b>Total</b>            | <b>\$924,010.67</b>                   | <b>\$785,854.85</b>                      | <b>\$138,155.82</b> | <b>\$826,174.99</b> | <b>\$40,320.14</b> |

## Adjuster Case Loads

| All Open and Reopen Claims as of 1/6/2026 |                 |            |            |             |
|---|-----------------|------------|------------|-------------|
| Adjuster                                  | Law Enforcement | Multi-line | Property   | Total       |
| Jennifer Ortiz                            | 106             | 22         |            | 128         |
| John Grant                                | 108             | 39         |            | 147         |
| Kayla Montoya                             | 8               | 82         | 47         | 137         |
| Randy Chavez                              | 25              | 51         | 64         | 140         |
| Robin Martinez                            | 3               | 6          |            | 9           |
| Rosa Quintana                             | 55              | 71         | 2          | 128         |
| Tara Veretto                              |                 | 25         | 100        | 125         |
| Valerie Rodrigues                         | 49              | 62         |            | 111         |
| Velma Herrera                             | 105             | 27         |            | 132         |
| <b>Grand Total</b>                        | <b>462</b>      | <b>386</b> | <b>222</b> | <b>1070</b> |

| All Open and Reopen Bernalillo County Claims as of 1/6/2026 |                 |            |            |            |
|---|-----------------|------------|------------|------------|
| Adjuster  | Law Enforcement | Multi-line | Property   | Total      |
| Jennifer Ortiz  | 47              | 9          |            | 56         |
| John Grant  | 51              | 12         |            | 63         |
| Kayla Montoya   | 2               | 22         | 20         | 44         |
| Randy Chavez  | 4               | 10         | 21         | 35         |
| Robin Martinez  |                 | 3          |            | 3          |
| Rosa Quintana   | 12              | 18         |            | 30         |
| Tara Veretto  |                 | 16         | 77         | 93         |
| Valerie Rodrigues   | 15              | 16         |            | 31         |
| Velma Herrera   | 39              | 10         |            | 49         |
| <b>Grand Total</b>  | <b>170</b>      | <b>116</b> | <b>118</b> | <b>404</b> |

- According to data obtained from AGRiP, a manageable caseload for a governmental pool adjuster handling liability claims is around 110 to 125 files per adjuster, with 120 being a preferred upper limit.
- The complexity and severity of claims should be considered to establish a manageable amount.
- Caseloads above 125 per adjuster can negatively impact the quality of investigations and claim defense.

## Types of Claims for Bernalillo County 2015-2025

| Multi-Line                       |            |             |
|----------------------------------|------------|-------------|
| Type of Claim                    | Open       | Closed      |
| AU 3rd Party BI - PD             | 28         | 169         |
| AU 3rd Party Bodily Injury       | 4          | 28          |
| AU 3rd Party Property Damage     | 12         | 201         |
| CR Non-Employment                |            | 2           |
| E&O Errors and Omissions         |            | 13          |
| EPL Constitutional Deprivation   | 4          | 3           |
| EPL Employment Related           | 10         | 25          |
| EPL Sexual Harassment            | 3          | 3           |
| EPL Title VII                    | 9          | 52          |
| EPL Whistleblower Protection Act | 1          | 11          |
| GL Bodily Injury Only            | 13         | 191         |
| GL Both BI and PD                | 11         | 145         |
| GL General Liability             | 2          | 42          |
| GL IPRA                          | 6          | 30          |
| GL Land Use Zoning               |            | 2           |
| GL Premises Medical              |            | 1           |
| GL Property Damage Only          | 8          | 295         |
| IR Injunctive Relief             | 3          | 21          |
| Land Use Civil Rights            | 1          | 0           |
| LU Zoning                        | 1          | 0           |
| <b>Total</b>                     | <b>116</b> | <b>1234</b> |

| Law Enforcement                 |            |             |
|---------------------------------|------------|-------------|
| Type of Claim                   | Open       | Closed      |
| LE Breach of Duty               | 15         | 275         |
| LE Due Process                  | 29         | 166         |
| LE Failure to Protect           | 14         | 55          |
| LE False Arrest                 | 9          | 57          |
| LE False Imprisonment           | 3          | 59          |
| LE Inadequate Medical Treatment | 58         | 194         |
| LE Inadequate Mental Health     | 3          | 7           |
| LE Sexual Misconduct            |            | 37          |
| LE Use of Force                 | 32         | 248         |
| LE Vehicle Pursuit              | 8          | 122         |
| <b>Total</b>                    | <b>171</b> | <b>1220</b> |

| Property                       |            |             |
|--------------------------------|------------|-------------|
| Type of Claim                  | Open       | Closed      |
| APD 1st Party Mobile Equipment | 3          | 61          |
| APD 1st Party Physical Damage  | 80         | 1342        |
| PR All Risk Building           | 11         | 100         |
| PR All Risk Contents           | 3          | 20          |
| PR All Risk Other              | 29         | 371         |
| PR Builders Risk               |            | 1           |
| PR Fire- Building              |            | 1           |
| <b>Total</b>                   | <b>126</b> | <b>1896</b> |

## Bernalillo Average Number of Claims by Year (last ten years)

Multi-Line

123

Law Enforcement

126

Property

183



# NEW MEXICO COUNTY INSURANCE AUTHORITY

Budget without Bernalillo County for Approval on 1/19/2026

## 2026 Budget Update

Original LE/ML Budget Approved by the Board on: 10/25/2025

Approved Budget Included Bernalillo

|  | January 1-December 31, 2026 |                             | January 1-December 31, 2026               |                             | 1/2 APPROVED 6/16/25<br>6 Months<br>Jan 1, 2026-Jun 30, 2026 |               | 6 Months<br>July 1 2026-Dec 31, 2026 |               |
|--|-----------------------------|-----------------------------|---|-----------------------------|--|---------------|--------------------------------------|---------------|
|  | Law Enforcement             | Change from<br>Prior Budget | Multi-Line (6 Months of<br>Property Only) | Change from<br>Prior Budget | Workers' Compensation  | YoY<br>change | Workers' Compensation                | YoY<br>change |
|  |                             |                             |   |                             |  |               |                                      |               |
| <b>INCOME</b>  |                             |                             |   |                             |  |               |                                      |               |
| Member Contributions                                   | 17,280,877                  | 52%                         | 9,799,939                                 | 73%                         | 5,751,919  | 106%          | 6,513,889                            | 113%          |
| Investment Income                                      | 916,499                     | 83%                         | 1,277,075                                 | 116%                        | 629,306  | 135%          | 550,000                              | 87%           |
| <b>TOTAL INCOME:</b>                                   | <b>18,197,376</b>           | <b>53%</b>                  | <b>11,077,014</b>                         | <b>77%</b>                  | <b>6,381,225</b>   | <b>108%</b>   | <b>7,063,889</b>                     | <b>111%</b>   |
| <b>EXPENSES</b>  |                             |                             |   |                             |  |               |                                      |               |
| <b>Claims Expenses</b>                                 |                             |                             |   |                             |  |               |                                      |               |
| PV of Projected Ultimate Limited Losses (LE/ML-8/15/2) | 10,768,306                  | 45%                         | \$3,346,082                               | 95%                         | 4,258,222  | 118%          | 4,896,955                            | 115%          |
| PV of Projected Ultimate Limited Losses (PR-8/15/25)   |                             |                             | \$2,168,780                               |                             |  |               |                                      |               |
| Liability/WC Reinsurance-all members                   | 2,619,971                   | 53%                         | 282,000                                   | 60%                         | 358,207  | 68%           | 411,937                              | 115%          |
| Liability Reinsurance-Class A \$1MM x \$4MM            | 108,180                     | 13%                         |   |                             |  |               |                                      |               |
| Liability Reinsurance-Pool Quota Share (xs \$2MM)      | 147,988                     | 27%                         |   |                             |  |               |                                      |               |
| WC Excess Insurance                                    |                             |                             |   |                             | 151,376  | New           | 174,082                              | 115%          |
| Property Reinsurance-all members (1/1/26-6/30/26)      |                             |                             | 2,180,437                                 | 44%                         |  |               |                                      |               |
| Estimated Property Reinsurance (7/1/26-12/31/26)       |                             |                             |   |                             |  |               |                                      |               |
| Long-term Program Investment (start 2027)              |                             |                             |   |                             |  |               |                                      |               |
| Brokerage Fees   | 35,000                      | 100%                        | 35,000                                    | 100%                        | 15,000   | 100%          | 15,000                               | 100%          |
| <b>Subtotal Claims Expenses:</b>                       | <b>13,679,445</b>           | <b>51%</b>                  | <b>\$8,012,299</b>                        | <b>71%</b>                  | <b>4,782,804</b>   | <b>116%</b>   | <b>5,497,975</b>                     | <b>115%</b>   |
| <b>Risk Mitigation Expenses</b>                        |                             |                             |   |                             |  |               |                                      |               |
| Administrative Fees to NMC                             | 155,704                     | 100%                        | 128,313                                   | 100%                        | 149,882  | 105%          | 149,882                              | 105%          |
| Special Projects                                       | 45,000                      | 100%                        | 45,000                                    | 100%                        |  |               |                                      |               |
| Loss Incentive Program                                 | 15,000                      | 100%                        |   |                             | 17,500   | 100%          | 17,500                               | 100%          |
| EDGE Detention Scholarships                            | 5,000                       | 100%                        |   |                             |  |               |                                      |               |
| Online Training Program                                | 47,500                      | 100%                        | 37,500                                    | 100%                        | 35,000   | 100%          | 35,000                               | 100%          |
| Benchmark  | 22,500                      | 100%                        | 22,500                                    | 100%                        |  |               |                                      |               |
| Legal Consultation Program                             | 30,000                      | 100%                        | 10,000                                    | 100%                        | 5,000  | 100%          | 5,000                                | 100%          |
| Accreditation Programs                                 | 76,000                      | 100%                        |   |                             |  |               |                                      |               |
| Lexipol  | 255,000                     | 100%                        |   |                             |  |               |                                      |               |
| <b>Subtotal Risk Mitigation Expenses:</b>              | <b>651,704</b>              | <b>100%</b>                 | <b>243,313</b>                            | <b>100%</b>                 | <b>207,382</b>   | <b>104%</b>   | <b>207,382</b>                       | <b>100%</b>   |
| <b>Pool Administrative Expenses</b>                    |                             |                             |   |                             |  |               |                                      |               |
| Administrative Fees to NMC                             | 1,823,892                   | 100%                        | 1,399,784                                 | 100%                        | 555,982  | 105%          | 555,982                              | 100%          |
| Contracted Services:                                   |                             |                             |   |                             |  |               |                                      |               |
| Actuarial Studies                                      | 20,000                      | 100%                        | 20,000                                    | 100%                        | 7,000  | 117%          | 7,000                                | 100%          |
| Financial Audit  | 30,000                      | 100%                        | 30,000                                    | 100%                        | 6,000  | 100%          | 6,000                                | 100%          |
| Claims Audit (LE/ML Odd Years)                         |                             |                             |   |                             |  |               |                                      |               |
| Payroll Audit (Members)                                |                             |                             |   |                             | 27,500   | 110%          | 27,500                               | 100%          |
| Property Appraisal Fees                                |                             |                             | 180,000                                   | 100%                        |  |               |                                      |               |
| Legal Expense  | 20,000                      | 100%                        | 20,000                                    | 100%                        | 1,250  | 100%          | 1,250                                | 100%          |
| Software Licensing & Support                           | 145,000                     | 100%                        | 145,000                                   | 100%                        | 75,000   | 100%          | 121,800                              | 162%          |
| AI Software & Training                                 |                             |                             |   |                             | 50,000   | 100%          | 50,000                               | 100%          |
| Board D&O Insurance                                    | 43,000                      | 100%                        | 43,000                                    | 100%                        | 21,500   | 100%          | 21,500                               | 100%          |
| Board Training & Education                             | 7,500                       | 100%                        | 7,500                                     | 100%                        | 7,500  | 100%          | 7,500                                | 100%          |
| Miscellaneous  | 4,000                       | 100%                        | 4,000                                     | 100%                        | 2,500  | 100%          | 2,500                                | 100%          |
| Investment Advisor                                     | 15,000                      | 100%                        | 15,000                                    | 100%                        | 7,500  | 100%          | 7,500                                | 100%          |
| Legal Bureau operations                                |                             |                             |   |                             |  |               |                                      |               |
| <b>Subtotal Pool Administrative Expenses:</b>          | <b>2,108,392</b>            | <b>100%</b>                 | <b>1,864,284</b>                          | <b>100%</b>                 | <b>761,732</b>   | <b>111%</b>   | <b>808,532</b>                       | <b>106%</b>   |
| <b>TOTAL EXPENSES:</b>                                 | <b>16,439,542</b>           | <b>50%</b>                  | <b>10,119,896</b>                         | <b>76%</b>                  | <b>5,751,919</b>   | <b>115%</b>   | <b>6,513,889</b>                     | <b>113%</b>   |
| <b>NET INCOME:</b>                                     | <b>1,757,835</b>            |                             | <b>41 957,119</b>                         |                             | <b>629,306</b>   |               | <b>550,000</b>                       |               |

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

|  |  |
|--|--|
| <b><u>Item Number:</u></b><br><br><p style="text-align: center;"><b>5.D.</b></p>   | <b><u>Item Title:</u></b><br><br>Approve Santa Fe for August 19 Meeting location |
| <b><u>Presenter (s):</u></b><br>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**

|   |  |
|---|--|
| <b><u>Item Number:</u></b><br><br>6.A.                                  | <b><u>Item Title:</u></b><br><br>Capital Adequacy Update |
| <b><u>Presenter (s):</u></b><br>Grace Philips, Risk Management Director |  |
|   |  |
|   |  |

## Memorandum

**Date:** January 19, 2026  
**To:** NMCIA Board  
**From:** Grace Philips, NMCIA Risk Management Director  
**Re:** Capital Adequacy Update

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The appropriate capital adequacy target will change with the departure of Bernalillo County from our liability programs. However, it is premature to attempt to calculate that number because we do not yet have an updated actuarial number for Dec.31,2025 and, even more important, we do not have actuarial calculations for current estimated outstanding losses.

### History

In August 2022, when we received PricewaterhouseCoopers capital adequacy analysis, the Pool's net position was **\$44,601,748**. That figure included our NMCRE shareholder equity.

In seeking to reach appropriate capital adequacy the Board approved a minimum level of \$31 million with a desired risk capital target of \$54 million.

### Today

The total consolidated unaudited net position for the pool as of November 2025 is **\$19,144,291**. That figure does not include our NMCRE shareholder equity (currently **\$13,790,384**). If the combined amount is considered, our total net position would be \$32,934,675.

### Adequacy Payments Still Due

We recently invoiced for the second half of year 2 of our capital adequacy payment schedule. The amount invoiced, **\$2,323,304** is due in March 2026. Invoicing for the 3<sup>rd</sup> and final year will be sent in July 2026 and January 2027 for an approximate total additional amount of **\$4.6million**.

444 Galisteo Street  
Santa Fe, NM 87501

877-983-2101  
505-983-2101  
Fax: 505-983-4396

#### Information Needed

PricewaterhouseCoopers provided a formula that we could use to recalculate our target. That formula (which is now 3 years old and may benefit from updating) considers our investment portfolio balances, our reinsurance equity, the present value of estimated outstanding losses, the present value of projected losses, and the excess insurance premiums for all coverage lines.

We have our investment portfolio balances:

|    |              |
|----|--------------|
| LE | \$24,333,387 |
| ML | \$31,229,585 |
| WC | \$34,456,691 |

We have our reinsurance equity

|              |             |
|--------------|-------------|
| CRL Equity   |             |
| WC           | \$606,753   |
| ML Prop Plus | \$4,971,474 |
| ML Prop      | \$249,714   |

NMCRe Equity as of September 30, 2025  
\$13,790,384

We do not have updated projected expected losses number from our actuary for December 31, 2025.

We also do not have an updated actuarial report reflecting Bernalillo County's departure.

#### Recommendation

Although it is very important for the pool to reach our target capital adequacy level, we recommend waiting to assess the new target range until we have all required information. Particularly since our members are continuing to make payments based on the prior analysis.

444 Galisteo Street  
Santa Fe, NM 87501

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505-983-2101  
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[NMCOUNTIES.ORG](http://NMCOUNTIES.ORG)

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

|   |  |
|---|--|
| <b><u>Item Number:</u></b><br><br>6.B.                                  | <b><u>Item Title:</u></b><br><br>Interest in March Retreat |
| <b><u>Presenter (s):</u></b><br>Grace Philips, Risk Management Director |  |
|   |  |
|   |  |

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

|   |   |
|---|---|
| <b><u>Item Number:</u></b><br><br>6.C.            | <b><u>Item Title:</u></b><br><br>Communication with Members |
| <b><u>Presenter (s):</u></b><br>Lance Pyle, Chair |   |
|   |   |
|   |   |

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

|  |   |
|--|---|
| <p><b><u>Item Number:</u></b></p> <p style="text-align: center; margin-top: 20px;"><b>7.</b></p>   | <p><b><u>Item Title:</u></b></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"> <li>• MDC Appeal of One Occurrence Application – Arbitration Update</li> <li>• Albert Davalos v Santa Fe County</li> <li>• Jesus Hurado-Chavez v Hidalgo County</li> <li>• Channon Franco, et al. v Bernalillo County</li> <li>• Estate of Ray Charles Campolla v Bernalillo County</li> </ul> |
| <p><b><u>Presenter (s):</u></b></p> <p style="text-align: center;">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> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p>Motion In by:</p> <p>Roll Call Vote</p> <p>Motion Out by:</p> <p>Certified by:</p> </div> <div style="width: 45%;"> <p>Seconded by:</p> <p>Seconded by:</p> <p>... that the only thing discussed was pending and threatened litigation</p> </div> </div> |   |
| <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <p>Motion by:</p> </div> <div style="width: 45%;"> <p>Seconded by:</p> </div> </div>  |   |



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

|   |   |
|---|---|
| <b><u>Item Number:</u></b><br><br>8.A.                                  | <b><u>Item Title:</u></b><br><br>CRL Update |
| <b><u>Presenter (s):</u></b><br>Grace Philips, Risk Management Director |   |
|   |   |
|   |   |

## Memorandum

**Date:** January 19, 2026  
**To:** NMCIA Board  
**From:** Grace Philips, NMCIA Risk Management Director  
**Re:** CRL Update

---

The CRL Board met on December 18, 2025 and the report we received showed that the CRL general account and Property Plus net positions have greatly improved following prior year surcharges and implementation of funding targets by line of business.

The property program saw the departure of several members, including one of the largest (Texas) in the last year and is seeing a much improved financial position. The increase in net positions has also resulted in robust investment income for both programs.

The CRL Board approved a budget increase of 7%.

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

|   |   |
|---|---|
| <b><u>Item Number:</u></b><br><br>8.B.                                  | <b><u>Item Title:</u></b><br><br>Risk Management Update |
| <b><u>Presenter (s):</u></b><br>Grace Philips, Risk Management Director |   |
|   |   |
|   |   |

## Memorandum

**Date:** January 19, 2026  
**To:** NMCIA Board  
**From:** Grace Philips, NMCIA Risk Management Director  
**Re:** RM Update

---

- On December 8, 2026 we filed an amicus brief in the case of *Franklin v. Martinez* to address the Supreme Court's proposed consideration of the applicability of the interstitial analysis to NMCRA claims. Attached.
- On December 18, 2025, the Chaves County Commission adopted a resolution that opposed "the recent changes to the New Mexico County Insurance Authority (NMCIA) bylaws. These changes impact and limit county's ability to seek insurance programs and coverages from other providers due to the unnecessarily stringent requirements for rejoining the pool. Additionally, the resolution opposes additional assessments potentially being placed on counties due to inadequate pool contributions and requests a full disclosure of the financial situation to the full membership." See Attached.
- On December 23, 2025, I submitted a plan of action addressing the WCA audit findings (Attached). It is our understanding that this completes the audit and sufficiently addresses the Administrations Findings.
- Joy Esparsen and I presented to the Lincoln County Commission on January 13, providing an update on NMCIA's bylaw changes and review of their claims data.
- Brandon Huss and I will be presenting to Senate Finance on January 27 regarding the NM Civil Rights Act and the effect it has had on our pool
- Please see attached article regarding international liability claim trends.
- AGRiP is hosting their governance training on March 1-4.
- SAAI is hosting their investment forum on March 24-25.
- CRL will host its September 22-24, 2026 board meeting in Santa Fe and I encourage board members to attend.

444 Galisteo Street  
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**IN THE SUPREME COURT OF THE STATE OF NEW  
MEXICO**

**No. S-1-SC-40715**

**BRYCE FRANKLIN,**  
Petitioner,

v.

**RONALD MARTINEZ, Warden,**  
Respondent.

**MOTION FOR LEAVE TO FILE AMICUS CURIAE BRIEF  
OUT OF TIME**

The New Mexico Association of Counties (“NMAC”), pursuant to Rule 12-215 NMRA, respectfully moves this Court for leave to file the accompanying amicus curiae brief out of time. Good cause supports this request.

1. The issue on which NMAC seeks to be heard, whether this Court should reconsider or overrule *State v. Gomez*, 1997-NMSC-006, 122 N.M. 777, was not preserved below and was not raised by either party. The Court identified the issue sua sponte in its Order Setting Forth Issues for Oral Argument filed November 25, 2025.

NMAC therefore had no notice prior to the Court's order that the continued validity of *Gomez* would be at issue in this proceeding.

2. NMAC only learned that this issue was coming before the Court on December 5, 2025, when a copy of the Court's sua sponte order was forwarded to our office by email.

3. NMAC represents all 33 counties in New Mexico and provides risk management, legal support, and training to county officials and employees. Counties are frequently defendants in litigation involving the New Mexico Constitution, including claims arising under the New Mexico Civil Rights Act, NMSA 1978, §§ 41-4A-1 to -12. Because the interpretive methodology governing state constitutional adjudication directly affects the scope of governmental liability, NMAC's institutional perspective will assist the Court in evaluating the systemic consequences of revisiting *Gomez*.

4. No party will be prejudiced by the late filing. NMAC takes no position on the merits of the underlying dispute, and its proposed brief addresses only the methodological and institutional

questions identified by this Court. The brief will not delay the proceedings.

For these reasons, NMAC respectfully requests that this Court grant leave to file the accompanying amicus curiae brief out of time.

Respectfully submitted,

**/s/ Grace Philips**

**NEW MEXICO ASSOCIATION OF COUNTIES**

Counsel for Amicus Curiae

444 Galisteo St

Santa Fe, NM 87505

Telephone: (505) 820-8116

## **CERTIFICATE OF SERVICE**

I certify that on this date a true and correct copy of this Motion for Leave to File Amicus Curiae Brief Out of Time was served through the New Mexico Supreme Court's electronic filing system on all counsel of record.

**/s/ Grace Philips**

Date: December 8, 2025

**IN THE SUPREME COURT OF THE STATE OF NEW  
MEXICO**

**No. S-1-SC-40715**

**BRYCE FRANKLIN,  
Petitioner,**

**v.**

**RONALD MARTINEZ, Warden,  
Respondent.**

**AMICUS CURIAE BRIEF OF THE NEW MEXICO  
ASSOCIATION OF COUNTIES  
In Support of Neither Party**



## Table of Contents

|  |    |
|--|----|
| STATEMENT OF INTEREST OF AMICUS CURIAE .....   | 1  |
| SUMMARY OF THE ARGUMENT .....  | 3  |
| ARGUMENT .....   | 5  |
| I. STARE DECISIS, LEGITIMACY, AND THE RULE OF LAW<br>REQUIRE RETAINING THE GOMEZ FRAMEWORK. ....       | 5  |
| A. Extensive Reliance Interests Counsel Against Overruling<br><i>Gomez</i> . ....                      | 7  |
| II. THE INTERSTITIAL METHOD PROMOTES STRUCTURE,<br>TRANSPARENCY, AND JUDICIAL RESTRAINT. ....          | 8  |
| A. <i>Gomez</i> effectively serves New Mexico, as is. ....   | 9  |
| B. Comparative Constitutional Experience Demonstrates the<br>Necessity of Structured Methodology. .... | 11 |
| III. <i>GOMEZ</i> ENSURES UNIFORMITY AND<br>PREDICTABILITY FOR LOWER COURTS. ....                      | 16 |
| IV. ABANDONING <i>GOMEZ</i> WOULD INCREASE LIABILITY<br>RISKS AND IMPAIR GOVERNMENTAL OPERATIONS. .... | 16 |
| CONCLUSION .....   | 20 |

## Table of Authorities

|  |        |
|--|--------|
| <i>Commonwealth v. Edmunds</i> , 526 Pa. 374 (Pa. 1991) .....                                    | 14     |
| <i>Morris v. Brandenburg</i> , 2016-NMSC-027 .....   | 5      |
| <i>State v. Attaway</i> , 1994-NMSC-011 .....  | 10     |
| <i>State v. Bolt</i> , 689 P.2d 519 (Ariz. 1984).....  | 14     |
| <i>State v. Cardenas-Alvarez</i> , 2001-NMSC-017 .....   | 10     |
| <i>State v. Geisler</i> , 610 A.2d 1225 (Conn. 1992) .....                                       | 14     |
| <i>State v. Gomez</i> , 1997-NMSC-006. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14,<br>15, 16, 17, 20 |        |
| <i>State v. Gunwall</i> , 720 P.2d 808 (Wash. 1986).....   | 11, 12 |
| <i>State v. Gutierrez</i> , 1993-NMSC-062 .....  | 10     |
| <i>State v. Hunt</i> , 450 A.2d 952 (N.J. 1982) .....  | 13     |

## **STATEMENT OF INTEREST OF AMICUS CURIAE**

This brief was authored entirely by attorneys employed by the New Mexico Association of Counties; no party contributed to the brief in any way. All 33 New Mexico counties belong to the New Mexico Association of Counties (NMAC) which serves as a statewide policy, advocacy, and risk-management organization, and administers a self-insurance pool for member counties that provides comprehensive liability, property, and workers compensation coverage. Counties operate detention facilities, provide emergency services, conduct public safety operations, manage elections, maintain infrastructure, and implement a wide range of state-delegated programs. Many of these are high risk functions. As entities routinely defending constitutional litigation, counties and other governmental entities depend on stable standards for interpreting the scope and parameters of constitutional protections. When it was enacted in 2021, the New Mexico Civil Rights Act (CRA) added a statutory cause of action for damages under the New Mexico Constitution, dramatically

heightening the importance of predictable constitutional jurisprudence. Because county governments must allocate scarce public resources, train personnel, draft policies, and manage insurance costs, they require constitutional rules that are predictable, consistent, and allow for principled planning.

NMAC submits this brief not to advocate for either litigant but to address the statewide implications of the Court's order requesting briefing on whether *State v. Gomez*, 1997-NMSC-006, 122 N.M. 777, 932 P.2d 1, remains valid. *Gomez* stands for the proposition that state district courts should apply federal case law when analyzing constitutional questions unless there is a specific reason for deviating from federal precedent such as different language in the constitutional provisions themselves. *Gomez* is not merely a doctrinal choice; it is a structural methodology that governs every constitutional case filed in New Mexico. Its removal or modification would reverberate through every state court, affect every constitutional claim—including CRA suits—and alter the legal environment within which counties make decisions every day. Further, overruling *Gomez* would fly in the face of stare

decisis and the predictable application of law thus depriving the state district courts of more than 100 years of guidance on the issue of civil rights law and thrusting them, and all litigants, into the unknown.

NMAC's interest is institutional: the organization seeks to ensure that state constitutional interpretation remains transparent, disciplined, and principled. Stability in constitutional methodology promotes public confidence in the judiciary, provides predictability for governmental operations, and protects the delicate balance of separation of powers. Abrupt departure from longstanding methodology risks undermining judicial legitimacy and destabilizing governmental operations statewide.

## **SUMMARY OF THE ARGUMENT**

For nearly three decades, the interstitial method announced in *State v. Gomez* has reliably guided state constitutional adjudication in New Mexico. It provides a coherent structure: federal law is examined first, divergence is justified only with principled reasons, and decisions proceed consistently across

cases. This method ensures that state constitutional development occurs through restraint rather than unbounded interpretation.

*Gomez* has generated deep jurisprudential reliance. Counties rely on stable interpretive rules for training staff, budgeting, policies, and legal analysis. Insurance carriers use *Gomez*'s predictability to set premiums. The Legislature presumably relied on *Gomez* when enacting the CRA, making no alteration to state constitutional methodology despite creating a new damages remedy. Lower courts rely on *Gomez*, and the corresponding century of federal jurisprudence to guide their rulings. Overturning *Gomez* would unsettle these well established expectations and create a new wild frontier where every district court judge in New Mexico would be free to craft their rulings from whole cloth and remove what little defenses remain for local governments.

Judicial legitimacy also supports retaining *Gomez*. Courts are perceived as legitimate when they follow neutral principles and consistent methods, including the doctrine of stare decisis. Abruptly altering a foundational interpretive framework in a case

where the issue was not litigated below, and where there has been no briefing by the primary stakeholders who will be affected by a change, would undermine public trust. Comparative experience demonstrates that states lacking structured interpretive frameworks experience doctrinal volatility and diminished confidence in courts.

This Court should reaffirm *Gomez* and preserve the interstitial approach that has long served New Mexico's legal system, governmental entities, and the public.

## ARGUMENT

### I. STARE DECISIS, LEGITIMACY, AND THE RULE OF LAW REQUIRE RETAINING THE GOMEZ FRAMEWORK.

Stare decisis is strongest in constitutional matters, where legislative correction is difficult and the rule of law depends upon continuity. The Court has emphasized that judicial legitimacy flows from consistency, predictability, and principled reasoning. See generally *Morris v. Brandenburg*, 2016-NMSC-027, 376 P.3d 836. Departing from a foundational methodological precedent

requires extraordinary justification—particularly where, as here, the doctrine has proven workable and reliable.

*Gomez* provides clarity, consistency, and restraint. It structures constitutional analysis in a predictable way. It ensures principled development of constitutional jurisprudence, where deviation from federal jurisprudence is for a specific reason. It ensures principled development of constitutional jurisprudence, where deviation from federal jurisprudence is reasoned and deliberate, in cases with particular reasons to do so. This is especially important in light of the CRA. Our courts can benefit from decades of federal jurisprudence when appropriate and deviate when explicitly justified.

Overturing *Gomez* would disturb the architecture of constitutional adjudication. The judiciary's legitimacy depends on the public's belief that courts interpret the law impartially and consistently. Abrupt, departures from precedent can undermine that belief and erode public trust in the judiciary's neutrality. Stability in methodology is therefore essential to maintaining the rule of law.



A. Extensive Reliance Interests Counsel Against Overruling Gomez.

A key aspect of governmental operations is to prevent claims from happening in the first place. Counties rely on *Gomez* to structure training, policies, and responses to constitutional claims. Thousands of county employees are trained based on constitutional standards derived from *Gomez*, and the supporting federal authority. Insurers and risk pools use *Gomez*'s stable interpretive rules to project liability exposure and calculate premiums. A shift away from *Gomez* would destabilize actuarial assumptions and increase insurance costs statewide.

The Legislature's enactment of the CRA further underscores reliance. The Legislature presumably understood *Gomez* to govern constitutional interpretation and created no alternative method. Legislative silence is powerful evidence of acceptance. Moreover, municipalities and counties operate in a budgeting cycle that requires advance knowledge of liability exposure. Without *Gomez*, counties (who are already suffering from the enactment of the CRA) would face uncertainty in constitutional claims, impairing fiscal planning and public services.

Lower courts depend on *Gomez* to structure briefing and determine when constitutional questions must be reached.

Without this framework, trial courts would face inconsistent and unpredictable constitutional arguments, undermining uniformity and the rule of law.

## **II. THE INTERSTITIAL METHOD PROMOTES STRUCTURE, TRANSPARENCY, AND JUDICIAL RESTRAINT.**

The interstitial method ensures that constitutional interpretation proceeds in a disciplined manner. Courts begin with federal law, recognizing its persuasive value while retaining the sovereign authority to diverge where justified. Divergence occurs only when rooted in text, history, structure, policy, or tradition. This balance allows New Mexico to maintain a unique constitutional identity without opening the door to unpredictable expansion.

The interstitial method also promotes transparency by allowing litigants and courts to identify the precise reasons for divergence. Without it, state constitutional interpretation could

devolve into results-driven adjudication, generating unpredictability and undermining judicial legitimacy.

**A. *Gomez* effectively serves New Mexico, as is.**

Although critics might suggest that the *Gomez* framework inhibits the development of independent state constitutional doctrine, New Mexico's own jurisprudence demonstrates the opposite. The interstitial approach does not constrain this Court's authority to articulate distinct state constitutional protections; it ensures that such departures occur only when grounded in the text, history, structure, or policy of the New Mexico Constitution. The method imposes discipline, not deference. By requiring courts to first consider federal precedent and then identify specific reasons for divergence, *Gomez* promotes transparency, predictability, and principled judicial reasoning. Indeed, some of New Mexico's most meaningful expansions of constitutional rights have occurred within the *Gomez* framework precisely because it provides a structured, legitimate pathway for articulating departures from federal law. The Court's own decisions illustrate this success.

New Mexico courts have repeatedly employed *Gomez* to diverge from federal precedent when justified by state constitutional considerations. In *State v. Attaway*, 1994-NMSC-011, the Court held that Article II, Section 10 requires officers to “knock and announce” before executing a search warrant, even though federal doctrine permitted broader exceptions. The Court grounded this divergence in New Mexico’s historical commitment to heightened protection of the home. Likewise, in *State v. Gutierrez*, 1993-NMSC-062, 116 N.M. 431, 863 P.2d 1052, the Court rejected the federal good-faith exception to the exclusionary rule, explaining that Article II, Section 10’s text and history supported a more protective remedy. And in *State v. Cardenas-Alvarez*, 2001-NMSC-017, 130 N.M. 386, 25 P.3d 225, the Court held that the New Mexico Constitution requires reasonable suspicion before officers may question a motorist about immigration status during a traffic stop, diverging from then-existing federal law based on the privacy and anti-profiling values embedded in Article II, Section 10.

These cases confirm that *Gomez* does not freeze New Mexico law in alignment with federal doctrine. Rather, it promotes principled divergence—protective when justified, consistent when appropriate. The framework ensures that departures from federal law arise from reasoned analysis rather than ad hoc preference, thereby preserving judicial legitimacy and providing the clarity on which local governments, courts, litigants, and the public rely.

**B. Comparative Constitutional Experience Demonstrates the Necessity of Structured Methodology.**

The experience of our sister state, Washington, offers a stark warning against abandoning structured constitutional methodology. Prior to its landmark decision in *State v. Gunwall*, 106 Wash. 2d 54, 720 P.2d 808 (1986), Washington’s approach to state constitutional interpretation was standardless and reactive. Without a governing framework like *Gomez*, the state’s appellate courts frequently reached divergent outcomes on similar constitutional questions, leading to a jurisprudence that appeared "result-oriented" where the state constitution was invoked not

based on principle, but merely when a lower court disagreed with a federal result.

This doctrinal instability created confusion for law enforcement, public entities, and lower courts, who could not predict when the state constitution would protect conduct that the federal constitution did not. Recognizing that "recourse to the state constitution... must be more than a device to avoid a binding federal decision," the Washington Supreme Court adopted the *Gunwall* factors to restore "neutral principles" to the process. *See Gunwall*, 720 P.2d at 812-13.

New Mexico currently enjoys the stability that Washington had to struggle to regain. *State v. Gomez* is our *Gunwall*. It ensures that divergence from federal law is not a matter of judicial preference, but of disciplined legal reasoning rooted in distinct state characteristics. To overrule *Gomez* now would be to voluntarily regress into the very "wild frontier" of unpredictability that other states have labored to escape. It would replace a century of guidance with a patchwork of ad hoc rulings, stripping

counties of the clear standards necessary to train officers, manage risk, and uphold the rule of law.

Oregon saw similar instability before adopting interpretive methods grounded in the historical understanding of constitutional texts. New Jersey's *Hunt* test provides another model of structured divergence. *See State v. Hunt*, 91 N.J. 338, 345 450 A.2d 952, 955 (1982) ("Divergent interpretations are unsatisfactory from the public perspective, particularly where the historical roots and purposes of the federal and state provisions are the same."). States with structured methodologies consistently demonstrate greater stability, uniformity, and public confidence.

New Mexico is not alone in requiring a disciplined framework for state constitutional interpretation. The most respected state judiciaries have rejected ad hoc divergence in favor of strict criteria, recognizing that the state constitution "is not a blank check for the expansion of rights" but a distinct legal document requiring distinct legal analysis.

1. Pennsylvania and Connecticut: Structure as a Check on Judicial Fiat.

Like Washington, Pennsylvania and Connecticut realized that without a mandatory framework, state constitutional law becomes unpredictable. In *Commonwealth v. Edmunds*, 526 Pa. 374, 586 A.2d 887 (1991) the Pennsylvania Supreme Court adopted a strict four-factor test that litigants must brief to justify divergence. Similarly, Connecticut requires the analysis of six specific "tools" before its Supreme Court will consider a state constitutional claim. *State v. Geisler*, 222 Conn. 672, 610 A.2d 1225 (1992), abrogated by *State v. Brocuglio*, 264 Conn. 778, 826 A.2d 145 (2003) (Conn. 1992) (on other grounds).

These states, like New Mexico under *Gomez*, understand that "neutral principles" are required to maintain the legitimacy of the judiciary. By demanding that litigants articulate "special reasons" for divergence, whether textual, historical, or structural, *Gomez* aligns New Mexico with this mainstream, disciplined approach to federalism.

2. Arizona: The Practical Wisdom of the Interstitial Approach.



Critics of *Gomez* often attack its "interstitial" (federal-first) nature. Yet, Arizona has long demonstrated the practical wisdom of this method. In *State v. Bolt*, 142 Ariz. 260, 689 P.2d 519 (1984), the Arizona Supreme Court explained that while it retains the sovereign power to diverge, it will not do so purely for the sake of being different.

By addressing federal law first, courts ensure uniformity in law enforcement and avoid the "double work" of creating a shadow constitution where the federal one suffices. However, when the federal rule is "flawed" or inconsistent with state values, as Arizona found with the third-party doctrine in *State v. Mixton*, the interstitial method provides the clear "exit ramp" necessary to protect state citizens. *Gomez* provides this exact balance. Abandoning it would strip New Mexico of the very mechanism that allows for efficient yet independent adjudication.

Here, reaffirming *Gomez* prevents doctrinal swings and reinforces the judiciary's legitimacy by following stare decisis, promoting predictability and uniformity, and not fixing a system that is not broken. Major structures in the law, like *Gomez*, should

not be overruled absent extreme circumstances, which are not present here.

### **III. *GOMEZ* ENSURES UNIFORMITY AND PREDICTABILITY FOR LOWER COURTS.**

Uniformity is essential to public confidence in the judiciary. Lower courts, rely on *Gomez* to structure constitutional adjudication. Without a clear methodology, courts would likely reach inconsistent results in similar constitutional cases, creating a patchwork of interpretations across the state.

*Gomez* ensures consistency and allows trial judges to apply constitutional rules predictably. Removing it risks inconsistent constitutional standards and erodes the appearance of equal justice.

### **IV. ABANDONING *GOMEZ* WOULD INCREASE LIABILITY RISKS AND IMPAIR GOVERNMENTAL OPERATIONS.**

Counties face substantial exposure under the CRA. Without the structure provided by *Gomez*, plaintiffs may pursue expansive constitutional claims, testing new theories of liability whether or not there is a sound textual distinction to justify it. The resulting litigation uncertainty would burden courts, increase costs for

counties and other governmental entities, inflate insurance premiums, and require reallocation of public resources. From an operational perspective, conflicting constitutional requirements would further complicate SOPs in high-risk law enforcement and detention arenas, increasing the likelihood that agencies will fall short.

Liability unpredictability undermines public confidence in governmental institutions and threatens the stability of county operations. Even with the existence of *Gomez*, the CRA has had a profound impact on liability exposure and cost for New Mexico counties and the New Mexico County self-Insurance Authority (NMCIA). Attorneys routinely add civil rights claims to what would have previously been negligence claims under the New Mexico Tort Claims Act in order to take advantage of the attorney fee provisions thus driving up the cost of litigation and encouraging settlement payouts on claims of questionable merit. This end run around the NM Tort Claims Act cap effectively allows plaintiffs to reclassify nearly every case as a constitutional violation. Ironically, small cases that were easy to resolve—

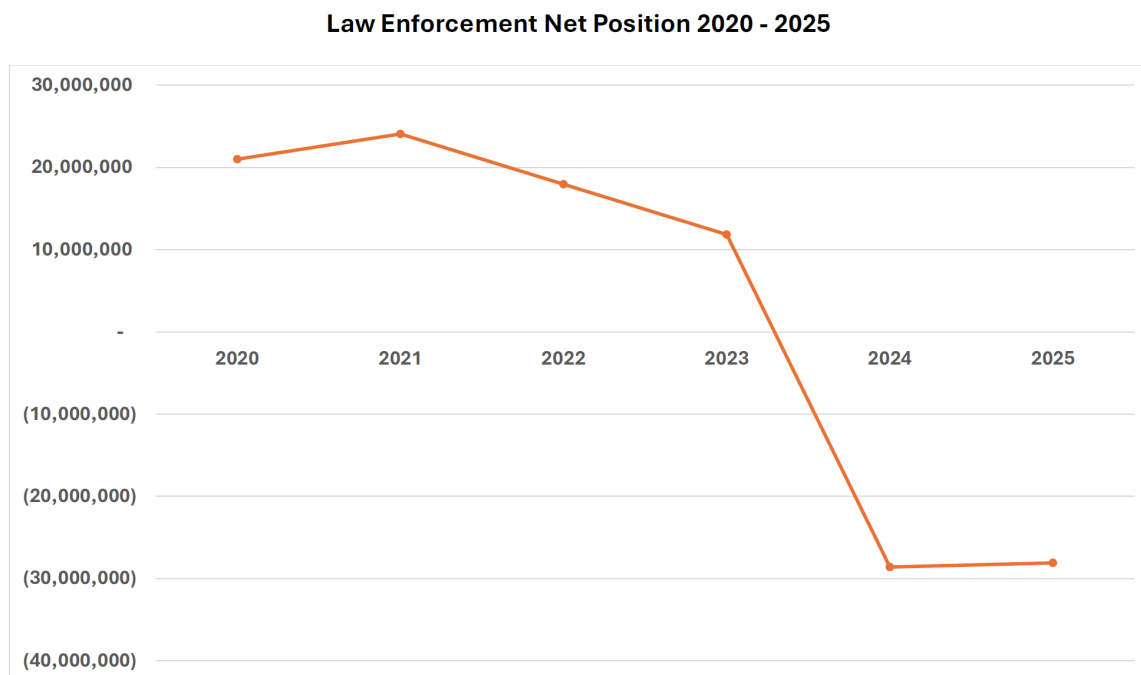
particularly if liability was clear—are much harder to settle because the attorney fee provision incentivizes plaintiff’s counsel to delay resolution to run up their fees.

Because the CRA provides for attorney fees and an escalating cap on damages, the principal effect of the CRA is to increase the value of cases. The total incurred for NMCI pool law enforcement claims doubled between 2020 and 2021 when the CRA took effect (from \$10,049,258 to \$20,765,399). Claims cost has remained high; \$26,463,205 in 2022 and \$27,195,836 in 2023. This is the case even though the number of law enforcement claims has remained fairly steady over the years:

| Policy Year | No. of Claims |
|-------------|---------------|
| 2016        | 404           |
| 2017        | 340           |
| 2018        | 318           |
| 2019        | 300           |
| 2020        | 271           |

|             |            |
|-------------|------------|
| <b>2021</b> | <b>346</b> |
| <b>2022</b> | <b>366</b> |
| <b>2023</b> | <b>334</b> |
| <b>2024</b> | <b>308</b> |
| <b>2025</b> | <b>320</b> |

The NM Civil Rights Act hasn't provided any new protections, but it has greatly increased the cost of defense and the value of settlement. This has had a devastating effect on the NMCIA law enforcement program's net position.



Note 1: Data is as of the end of each calendar year, except for 2021 which is as of 9/30.  
Note 2: Data for 2025 is estimated pending year-end actuarial analysis.

The dollars spent by the NMCIA to defend and settle cases brought against member counties are taxpayer dollars. Commercial insurers declined to provide coverage for NMCRA claims beginning in 2021 when it became law and 2022 was the last year the NMCIA pool had a commercial partner for law enforcement coverage at any level (including federal claims). Umbrella coverage which previously provided class A counties with up to \$10 million in coverage to respond to law enforcement claims was no longer available after 2020. Since 2021 class A counties have only had up to \$5 million in coverage meaning there is half as much coverage to respond to claims alleging serious civil rights violations than there was prior to enactment of the CRA. The uninsured risk increases settlement pressure particularly in the climate of nuclear verdicts for which New Mexico juries have become known.

## **CONCLUSION**

To preserve stare decisis, legitimacy, reliance, comparative jurisprudence, lower-court uniformity, liability stability, and

separation-of-powers principles the Court should reaffirm *State v. Gomez* and retain its interstitial approach.

Respectfully submitted,

/s/ Grace Philips

Counsel for Amicus Curiae  
Grace Philips  
New Mexico Association of Counties  
444 Galisteo St  
Santa Fe, NM 87505

#### CERTIFICATE OF SERVICE

I certify that on this date a true and correct copy of this Motion for Leave to File Amicus Curiae Brief Out of Time was served through the New Mexico Supreme Court's electronic filing system on all counsel of record.

/s/ Grace Philips

Date: December 8, 2025

**AGENDA ITEM:** 6

Resolution R-25-055 Opposing  
NMCIA Changes to Bylaws

**MEETING DATE:** December 18, 2025

**STAFF SUMMARY REPORT**

---

**ACTION REQUESTED BY:** Bill Williams, County Manager

**ACTION REQUESTED:** Approve Resolution

---

**ITEM SUMMARY:**

This Resolution opposes the recent changes to the New Mexico County Insurance Authority (NMCIA) bylaws. These changes impact and limit county's ability to seek insurance programs and coverages from other providers due to the unnecessarily stringent requirements for rejoining the pool. Additionally, the resolution opposes additional assessments potentially being placed on counties due to inadequate pool contributions and requests a full disclosure of the financial situation to the full membership.

Staff recommends approval.

---

**SUPPORT DOCUMENTS:** Resolution R-25-055

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**SUMMARY BY:** William B. Williams

**TITLE:** County Manager



**RESOLUTION R-25-055**  
**OPPOSING THE NEW MEXICO COUNTY**  
**INSURANCE AUTHORITY AMENDMENTS TO BYLAWS**

**WHEREAS**, New Mexico Counties mission statement is to strengthen NM counties' ability to govern their own affairs and improve the well-being and quality of life of their constituents; and

**WHEREAS**, on November 17, 2025, the New Mexico County Insurance Authority Board of Directors, held a special meeting to amend the New Mexico County Insurance Authority (NMCIA) bylaws; and

**WHEREAS**, the Board of Directors approved changes to the bylaws which directly impact and inhibit all New Mexico Counties and their abilities to provide the best value for county taxpayers where insurance programs and providers are concerned; and

**WHEREAS**, NMCIA's bylaw changes have the effect of strong-arming New Mexico Counties by limiting our ability to look for individual alternatives to NMCIA, due to the unnecessarily stringent requirements for rejoining the pool; and

**WHEREAS**, our counties who determine that it is in the best interest of the taxpayers to step away from NMCIA, cannot rejoin for three years, even then, with no guarantee of reinstatement; and

**WHEREAS**, the bylaws that were effective prior to the vote on November 17, 2025, were adopted by a majority vote of the General Membership, yet the amended bylaws were adopted by the NMCIA Board of Directors; and

**WHEREAS**, during the NMCIA board meeting it was discussed that three counties including Bernalillo, and Santa Fe, have given their 120-day notice to NMCIA that they are seeking alternatives to the NMCIA pool and are considering becoming self-insured; and

**WHEREAS**, NMCIA discussed that additional capital adequacy payments, to offset lost premiums from these counties, if they leave, will likely be required from the counties who remain as pool members; and

**WHEREAS**, pool reserves should have been reasonably adequate to cover outstanding costs for claims litigation from anyone leaving the pool, and premiums from enrolled members should be in an amount appropriate to cover themselves and to build the pool adequately to cover their losses; and

**WHEREAS**, the current scenario could indicate that the remaining pool members have been subsidizing the members from larger communities to a significant amount, which requires us to evaluate our membership and look outside of the pool for other options; and

**WHEREAS**, it appears that changes to NMCIA are needed to ensure that the pool remains solvent, however considering how these changes could affect our counties, an accounting of the situation should be openly discussed with the general membership and only then should changes be implemented.

**NOW, THEREFORE, BE IT RESOLVED** that the Chaves County Board of County Commissioners hereby opposes New Mexico Counties' actions which allowed the NMCIA Board to change the bylaws leaving county members in an untenable situation, limiting their ability to fulfill their duty to assure that the taxpayers monies be wisely invested.

**BE IT FURTHER RESOLVED** that the Board of Commissioners of Chaves County request that the changes to the NMCIA bylaws remain unchanged until New Mexico Counties has appropriately discussed the problem, disclosed the financial condition of the pool, and their requested changes with those who will be required to abide by those changes.

**ADOPTED** this 18<sup>th</sup> day of December 2025

**BOARD OF CHAVES COUNTY COMMISSIONERS**

\_\_\_\_\_  
Richard C. Taylor, Chairman

\_\_\_\_\_  
Michael Perry, Vice-Chairman

\_\_\_\_\_  
Dara Dana, Member

\_\_\_\_\_  
Herbert (Hub) Corn, Member

\_\_\_\_\_  
R. Cliff Waide, Member

ATTEST:

\_\_\_\_\_  
Cindy Fuller  
County Clerk



**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL**  
**Administered by New Mexico Counties**

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

**CHAIR**

Lance Pyle

**VICE CHAIR**

Gregory S. Shaffer

**NMC REPRESENTATIVE**

Michael Meek

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NMC President

Tina Dixon

NMC President Elect

Michael Eshleman, Attorney  
Affiliate Representative

December 23, 2025

Heather Jordan, Director  
New Mexico Workers' Compensation Administration  
2410 Centre Avenue SE  
Albuquerque, NM 897108

RE: Audit Findings Plan of Action

Dear Director Jordan,

I am pleased to present this plan of action for the items identified in the Workers' Compensation Authority audit of the New Mexico County Insurance Authority Workers' Compensation program.

1. Claim Handling The auditor's review of NMCIA claims handling identified one claim, (Jordan Jessie Crespín 12/04/2021) for which our adjuster failed to make timely payment of PPD in violation of NMSA 1978 §51-1-30. We acknowledge that the delay between the impairment rating report and the first permanent partial disability payment was unjustified. The error was addressed individually with the adjuster and the importance of making timely payments was discussed with the entire WC department staff to ensure that this mistake is not repeated.
2. WC Fund Net Position We have discussed the administration's desire for our WC program to maintain a net position that is 200% of the amount needed to cover total incurred for all open WC claims. We share that goal and appreciate the Administration's understanding that imposing a requirement that could require us to assess our members would be counter productive to the health of the pool. As an alternative to that requirement, we have agreed to recharacterize our WC fund as "restricted" to ensure that funds from the workers' compensation program cannot be transferred to other pool programs. A new Statement of Net Position reflecting this recharacterization is attached.

It has been a pleasure working with you and your staff on this audit and it is our understanding that this plan of action satisfies the Administration's findings.

Sincerely,

Grace Philips

cc: Amanda Olvera, WCA Accountant and Auditor  
Jor-el Padilla, WCA Auditor  
Joy Esparsen, NMC Executive Director  
Lori Urban, NMC Assistant Risk Management Director

444 Galisteo Street  
Santa Fe, NM 87501

877-983-2101  
505-983-2101  
Fax: 505-982-4396

**NMCOUNTIES.ORG**



**Workers' Compensation Program**  
Administered by New Mexico Counties  
**Statement of Financial Position (Unaudited)**  
11/30/2025

| As of November 30, 2025              |           |                   |             |           | As of November 30, 2024 |                   |             |           |    |           |
|--------------------------------------|-----------|-------------------|-------------|-----------|-------------------------|-------------------|-------------|-----------|----|-----------|
| Assets                               |           |                   |             |           |                         |                   |             |           |    |           |
| Current Assets                       |           |                   |             |           |                         |                   |             |           |    |           |
| Cash and Cash Equivalents            |           | \$                | 2,834,649   |           |                         | \$                | 4,832,739   |           |    |           |
| Accounts Receivable-Members          |           |                   | -           |           |                         |                   | 76,452      |           |    |           |
| Accounts Receivable-Capital Adequacy |           |                   | -           |           |                         |                   | 20,209      |           |    |           |
| Accounts Receivable-Reinsurance      |           |                   | 120,121     |           |                         |                   | 22,621      |           |    |           |
| Accounts Receivable-Hi Ded Counties  |           |                   | 111,006     |           |                         |                   | 90,254      |           |    |           |
| Accounts Receivable-Other            |           |                   | 82,249      |           |                         |                   | 89,744      |           |    |           |
| Prepaid Expenses                     |           |                   | 588,778     |           |                         |                   | 658,499     |           |    |           |
| Total Current Assets                 |           |                   | 3,736,803   |           |                         |                   | 5,790,518   |           |    |           |
| Investments                          |           |                   |             |           |                         |                   |             |           |    |           |
| Exchange Traded Funds                |           | 8,553,249         |             |           |                         | 14,225,493        |             |           |    |           |
| US Government Bonds                  |           | 21,628,263        |             |           |                         | 14,400,368        |             |           |    |           |
| Mutual Funds                         |           | 1,852,640         |             |           |                         | 1,424,563         |             |           |    |           |
| Unrealized Gain/Loss                 |           | 622,941           | 32,657,093  |           |                         | (1,345,879)       | 28,704,545  |           |    |           |
| County Reinsurance Limited Equity    |           |                   | 606,753     |           |                         |                   | 404,542     |           |    |           |
| Total Investments                    |           |                   | 33,263,846  |           |                         |                   | 29,109,087  |           |    |           |
| Total Assets                         |           | \$                | 37,000,649  |           |                         | \$                | 34,899,605  |           |    |           |
| Liabilities and Surplus              |           |                   |             |           |                         |                   |             |           |    |           |
| Current Liabilities                  |           |                   |             |           |                         |                   |             |           |    |           |
| Accounts Payable                     |           | \$                | 81,507      |           |                         | \$                | 29,530      |           |    |           |
| Unearned Capital Adequacy Contrib    |           |                   | 94,108      |           |                         |                   | 208,257     |           |    |           |
| Unearned Member Contributions        |           |                   | 4,753,775   |           |                         |                   | 5,547,839   |           |    |           |
| Total Current Liabilites             |           |                   | 4,929,390   |           |                         |                   | 5,785,626   |           |    |           |
| Long Term Liabilities                |           |                   |             |           |                         |                   |             |           |    |           |
| Reserves for Future Claims:          |           |                   |             |           |                         |                   |             |           |    |           |
| Claims Reserves FY 4 - 1990/91       | \$        | (250)             |             |           | \$                      | -                 |             |           |    |           |
| Claims Reserves FY 5 - 1991/92       |           | 114,395           |             |           |                         | 22,928            |             |           |    |           |
| Claims Reserves FY 6 - 1992/93       |           | 19,839            |             |           |                         | 28,967            |             |           |    |           |
| Claims Reserves FY 8 - 1994/95       |           | 7,720             |             |           |                         | 11,271            |             |           |    |           |
| Claims Reserves FY 9 - 1995/96       |           | 20,511            |             |           |                         | 37,990            |             |           |    |           |
| Claims Reserves FY 11 - 1997/98      |           | 14,307            |             |           |                         | 20,889            |             |           |    |           |
| Claims Reserves FY 12 - 1998/99      |           | (273)             |             |           |                         | (8)               |             |           |    |           |
| Claims Reserves FY 14 - 2000/01      |           | 22,841            |             |           |                         | 24,438            |             |           |    |           |
| Claims Reserves FY 15 - 2001/02      |           | 60,121            |             |           |                         | 65,678            |             |           |    |           |
| Claims Reserves FY 16 - 2002/03      |           | 5,068             |             |           |                         | 9,183             |             |           |    |           |
| Claims Reserves FY 17 - 2003/04      |           | (3,156)           |             |           |                         | (1,375)           |             |           |    |           |
| Claims Reserves FY 18 - 2004/05      |           | 265,224           |             |           |                         | 288,901           |             |           |    |           |
| Claims Reserves FY 19 - 2005/06      |           | 49,188            |             |           |                         | 90,506            |             |           |    |           |
| Claims Reserves FY 20 - 2006/07      |           | 55,108            |             |           |                         | 54,871            |             |           |    |           |
| Claims Reserves FY 21 - 2007/08      | 376,367   | Bernalillo County | Other HDC's |           | 468,970                 | Bernalillo County | Other HDC's |           |    |           |
| Claims Reserves FY 22 - 2008/09      | 254,117   | -                 | -           |           | 256,183                 | -                 | -           |           |    |           |
| Claims Reserves FY 23 - 2009/10      | (333)     | -                 | -           |           | 7,805                   | -                 | -           |           |    |           |
| Claims Reserves FY 24 - 2010/11      | 135,372   | -                 | -           |           | 59,333                  | -                 | -           |           |    |           |
| Claims Reserves FY 25 - 2011/12      | 6,158     | -                 | -           |           | 97,098                  | -                 | -           |           |    |           |
| Claims Reserves FY 26 - 2012/13      | 269,585   | -                 | -           |           | 265,980                 | -                 | -           |           |    |           |
| Claims Reserves FY 27 - 2013/14      | 193,888   | -                 | -           |           | 250,422                 | -                 | -           |           |    |           |
| Claims Reserves FY 28 - 2014/15      | 240,331   | (62,422)          | -           |           | 374,939                 | (92,177)          | -           |           |    |           |
| Claims Reserves FY 29 - 2015/16      | 792,350   | (146,331)         | -           |           | 556,080                 | (32,246)          | -           |           |    |           |
| Claims Reserves FY 30 - 2016/17      | 504,750   | -                 | -           |           | 614,148                 | -                 | -           |           |    |           |
| Claims Reserves FY 31 - 2017/18      | 113,165   | -                 | -           |           | 434,558                 | -                 | (2,836)     |           |    |           |
| Claims Reserves FY 32 - 2018/19      | 448,027   | (7,465)           | -           |           | 673,901                 | (9,105)           | -           |           |    |           |
| Claims Reserves FY 33 - 2019/20      | 763,647   | -                 | -           |           | 692,132                 | -                 | -           |           |    |           |
| Claims Reserves FY 34 - 2020/21      | 1,616,128 | (13,824)          | -           |           | 2,240,650               | (85,530)          | -           |           |    |           |
| Claims Reserves FY 35 - 2021/22      | 732,752   | -                 | (62,642)    |           | 1,404,114               | -                 | (67,137)    |           |    |           |
| Claims Reserves FY 36 - 2022/23      | 1,221,414 | -                 | -           |           | 2,441,624               | -                 | (30,072)    |           |    |           |
| Claims Reserves FY 37 - 2023/24      | 3,273,413 | -                 | (45,933)    |           | 5,056,696               | -                 | (141,977)   |           |    |           |
| Claims Reserves FY 38 - 2024/25      | 3,331,208 | -                 | (443,797)   |           | 2,522,580               | -                 | -           |           |    |           |
| Claims Reserves FY 39 - 2025/26      | 3,240,861 | -                 | -           |           | -                       | -                 | -           |           |    |           |
| Claims Mgmt Fees-Future              | 831,351   | -                 | -           |           | 924,967                 | -                 | -           |           |    |           |
| Total Reserve for Future Claims      | \$        | 18,975,190        | \$          | (230,042) | \$                      | 19,996,419        | \$          | (219,058) | \$ | (242,022) |
| Total Long Term Liabilites           |           |                   | 18,192,776  |           |                         |                   | 19,535,339  |           |    |           |
| Total Liabilities                    |           | \$                | 23,122,167  |           |                         | \$                | 25,320,965  |           |    |           |
| Fund Balance                         |           | 11,006,699        |             |           |                         | 7,319,501         |             |           |    |           |
| Current Year Net Position            |           | 2,871,783         |             |           |                         | 2,259,139         |             |           |    |           |
| Total Restricted Net Position        |           | \$                | 13,878,482  |           |                         | \$                | 9,578,640   |           |    |           |
| Total Liabilities and Net Position   |           | \$                | 37,000,649  |           |                         | \$                | 34,899,605  |           |    |           |

## Navigating the Escalating Risk Trajectory: Expected 2026 Insurance Litigation Trends

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# Litigation trends ramping up and expanding: Swiss Re

By Erin Ayers, Front Page News

The inflationary trends impacting liability insurance losses have stepped up their pace in recent years and could begin affecting Europe as well, according to new research from the Swiss Re Institute.

“U.S. litigation costs keep rising, and we now see similar dynamics beginning to emerge in parts of Europe,” said Urs Baertschi, CEO of property/casualty reinsurance for Swiss Re, in a statement. “The surge in nuclear verdicts and expanded litigation funding are driving up legal expenses and settlement demands in the U.S. These costs ultimately act as a tax on consumers by increasing costs for goods and services, including insurance.”

Defining “liability excess inflation” as the different between claims severity growth and economic inflation, the reinsurer found a 7% increase in LEI in 2024. The phenomenon has also been called legal system abuse and social inflation.

That 7% in 2024 marks an uptick from steady average annual increases of 6% since 2019, Swiss Re noted, exceeding economic inflation in seven of the last 10 years and “underscoring persistent noneconomic claims pressures.”

While the U.S. has the most pronounced elevation in LEI, Swiss Re warned that the impact could be expanding with signs of “volatility” in the United Kingdom and Australia. In Australia, the reinsurer measured LEI at rising to 7%



between 2018 and 2023 accounting for nearly two-thirds of claims growth.

“Litigation funding and class actions in Australia are active and are shifting toward employment and ESG-related cases,” said Swiss Re.

Between 2018 and 2023, LEI in the UK averaged about 4% and represented nearly half of total claims growth, per the report. Swiss Re attributed this rise to a “tenfold rise in litigation funding” in the last decade, along with new laws and regulations.

In the European Union, there has been no “sustained rise” in LEI. However, Swiss Re warned that recent legislative reforms such as the EU’s Product Liability Directive would drive liability costs higher in the future. The directive extends product liability beyond manufacturers to companies throughout the supply chain.

Additionally, Germany has expanded consumers’ ability to sue via a collective redress procedural option. The legal systems in the Netherlands and Portugal also offer easy avenues to class actions, including a unique opt-out requirement for Dutch class members.

Swiss Re also reported an estimated 300 active funders of third-party financing in the European Union.

“The UK, Netherlands, and Portugal are becoming litigation hotspots as class actions broaden in scope,” the reinsurer said. “For consumers globally, the ripple effect is higher premiums as mounting legal costs feed through to pricing.”

Swiss Re added, “Insurers face rising reserve charges worldwide, with no relief in sight unless reforms improve transparency and control over third-party funders.”

*Managing Editor Erin Ayers can be reached at [erin.ayers@zywave.com](mailto:erin.ayers@zywave.com)*

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

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

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

|   |  |
|---|--|
| <b><u>Item Number:</u></b><br><br>9.  | <b><u>Item Title:</u></b><br><br>Adjournment |
| <b><u>Presenter (s):</u></b><br>Lance Pyle, Chair   |  |
| <div style="display: flex; justify-content: space-between;"><div style="width: 45%;">Motion to adjourn by:</div><div style="width: 45%;">Seconded by:</div></div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div style="width: 45%;">Adjournment time:</div><div style="width: 45%;"></div></div> |  |
|   |  |