

New Mexico Counties

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**NEW MEXICO
COUNTIES**

33 STRONG

NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

March 18, 2026, 8:30 a.m.

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

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444 Galisteo Street
Santa Fe, NM 87501
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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

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



NMCIA Board of Directors 2026

Officers

Chair	Vice-Chair	NMC Representative
<p>Lance Pyle <i>Curry County Manager</i></p> <p>417 Gidding, Suite 100 Clovis, NM 88311 Work (575) 763-6016 Cell (575) 799-1405 lpyle@currycounty.org</p>	<p>Gregory S. Shaffer <i>County Manager</i></p> <p>142 Palace Ave., 3rd Floor Santa Fe, NM 87504 Work 505-986-6200 gshaffer@santafecountynm.gov</p>	<p>Michael Meek <i>County Commissioner</i></p> <p>1500 Idalia Rd., Building D Bernalillo, NM 87004 Work (505) 414-6147 Cell (505) 999-7844 mmeek@sandovalcountynm.gov</p>

GROUP I, GEOGRAPHICAL DIRECTORS

Term Expires 1/2027

NORTHWEST	NORTHEAST	SOUTHWEST
<p>Jhonathan Aragon <i>Valencia County Manager</i></p> <p>PO Box 1119 Los Lunas, NM 87031 Home: (505) 916-0538 Cell: (505) 610-0870 jhonathan.aragon@co.valencia.nm.us</p> <p>Cibola, Los Alamos, McKinley, Rio Arriba, Taos, Torrance, Valencia</p>	<p>Lance Pyle <i>Curry County Manager</i></p> <p>417 Gidding, Suite 100 Clovis, NM 88311 Work (575) 763-6016 Cell (575) 799-1405 lpyle@currycounty.org</p> <p>Colfax, Curry, Guadalupe, Harding, Mora, Quay, San Miguel, Union</p>	<p>Charlene Webb <i>Grant County Manager</i></p> <p>PO Box 898 Silver City, NM 88062 Work (575) 574-0008 Cell (575) 574-8675 cwebb@grantcountynm.gov</p> <p>Catron, Grant, Hidalgo, Luna, Sierra, Socorro</p>

SOUTHEAST
<p>Roberta Gonzales <i>Eddy County Finance Director</i></p> <p>101 W. Greene Street Carlsbad, NM 88220 Work: (575) 887-9511 roberta@co.eddy.nm.us</p> <p>Chaves, De Baca, Eddy, Lea, Lincoln, Otero, Roosevelt</p>

GROUP II, CLASS A DIRECTORS

Term Expires 1/2028

BERNALILLO	DOÑA ANA	SANDOVAL
<p>Shirley Ragin <i>Deputy County Manager for Finance</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work (505) 468-7308 Cell (505) 250-4621 sragin@bernco.gov</p>	<p>Deborah Weir <i>Assistant County Manager</i></p> <p>875 N. Motel Blvd. Las Cruces, NM 8807 Work (575) 525-5802 Cell (575) 993-9355 deborahw@donaana.gov</p>	<p>Michael Meek <i>County Commissioner</i></p> <p>1500 Idalia Rd., Building D Bernalillo, NM 87004 Work (505) 414-6147 Cell (505) 999-7844 mmeek@sandovalcountynm.gov</p>

SANTA FE		
<p>Gregory S. Shaffer <i>County Manager</i></p> <p>142 Palace Ave., 3rd Floor Santa Fe, NM 87504 Work (505) 986-6200 gshaffer@santafecountynm.gov</p>		

GROUP III, POPULATION DIRECTORS

Term Expires 1/2028

SMALL COUNTY	MID-LEVEL-LOW COUNTY	MID-LEVEL-HIGH COUNTY
<p>Amber Vaughn <i>Sierra County Manager</i></p> <p>1712 N. Date, Suite D Truth or Consequences, NM 87901 (575) 894-6215 Cell: (575) 740-7105 avaughn@sierraco.org</p> <p>Catron, Colfax, De Baca, Guadalupe, Harding, Hidalgo, Mora, Quay, Sierra, Torrance and Union</p>	<p>Kate Fletcher <i>Cibola County Manager</i></p> <p>700 Roosevelt Ave., Suite 50 Grants, NM 78020 Work (505) 285-2590 Cell (505) 285-8052 kate.fletcher@co.cibola.nm.us</p> <p>Cibola, Grant, Lincoln, Los Alamos, Luna, Roosevelt, San Miguel, Socorro and Taos</p>	<p>Anthony Dimas, Jr. <i>McKinley County Manager</i></p> <p>207 West Hill Ave Gallup NM 87301 Work (505) 863-1400 Cell: (505) 862-4136 anthony.dimas@co.mckinley.nm.us</p> <p>Chaves, Curry, Eddy, Lea, McKinley, Otero, Rio Arriba and Valencia</p>

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
<p>Terri Fortner <i>San Juan County Commissioner</i></p> <p>100 S. Oliver Dr., Ste. 400 Aztec, NM 87401 Cell: (505) 419-6122 terri.fortner@sjcounty.net</p>	<p>Tina Dixon <i>Roosevelt County Commissioner</i></p> <p>109 E. First St. Portales, NM 88130 Work: (575) 356-5307 tdixon@Rooseveltcounty.com</p>	<p>Michael Eshleman <i>Sandoval County Attorney</i></p> <p>1500 Idalia Rd. Bernalillo, NM 87004 Work: (505) 404-5812 meshleman@sandovalcountynm.gov</p>

Sheriffs' Affiliate Representative	Detention Administrators Affiliate Representative
<p>Adan Mendoza <i>Santa Fe County Sheriff</i></p> <p>35 Camino Justicia Santa Fe NM 87508 Work: (505) 986-2455 Cell: (505) 365-3387 amendoza@santafecountynm.gov</p>	<p>Bryan Baker <i>Dona Ana County Detention Administrator</i></p> <p>1850 Copper Loop Las Cruces NM 88005 Work: (575) 647-7600 Cell: (575) 571-0205 bryanb@donaana.gov</p>



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**

March 18, 2026, 8:30 a.m. *

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 March 19, 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.nmcounties.org/services/insurance>).

If the NMCIA Board completes the agenda on March 18, 2026, it will not meet on March 19, 2026.

1. Call to Order / Roll Call / Pledge of Allegiance / Introductions	Lance Pyle	Pg. 2
2. Approval of Agenda	Lance Pyle	Pg. 7
3. Approval of Minutes of January 19, 2026	Lance Pyle	Pg. 10
4. Board Action Items		
A. Ratify Election of Board Members, Class A County Board Appointments, Election of Population Directors and Detention and Sheriff Affiliate Board Nominations	Lance Pyle	Pg. 16
B. Approve 2026 Board Meeting and Retreat Location	Isaiah Rodriguez	Pg. 17
C. Approve Updated 2026 Liability Coverage Agreement	Grace Philips	Pg. 19
D. Presentation Regarding Hannover Three Year Excess of Loss Reinsurance Contract and Approval of Updated NMCRE Premium if Necessary	Grace Philips	Pg. 90
5. Board Presentation and Discussion Items		
A. Bernalillo County Coverage Update	Shirley Ragin	Pg. 101
B. Review Property Program: Softening Property Market's Impact on CRL Margin Clause, Update on Lloyds of London Meeting	Grace Philips	Pg. 102
C. Discuss Property True-up and Billing Members for New Buildings on Renewal Invoices as a Line Item	Grace Philips	Pg. 116
D. Proposed New Budget Format	Grace Philips	Pg. 118
E. Report on Updated Net Position Incorporating Capital Adequacy Targets	Grace Philips	Pg. 120
F. Workers' Compensation Deductibles	Lori Urban	Pg. 122
G. Appoint a Board Member to the RFP Selection Committee	Grace Philips	Pg. 124
H. Lexipol Surcharge Report and Sheriff Progress and RAP Update	Greg Rees	Pg. 125

G. Appoint a Board Member to the RFP Selection Committee	Grace Philips	Pg. 124
H. Lexipol Surcharge Report and Sheriff Progress and RAP Update	Greg Rees	Pg. 125
6. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)	Lance Pyle	Pg. 136
<ul style="list-style-type: none"> • Lonnie Lee / Chaves County • Estate of Alexandria Gerard v Bernalillo County • Estate of April Peterson v Bernalillo County • Estate of Joseph Ramos v Bernalillo County • Estate of Chau v Bernalillo County • Estate of Ernie Vigil v San Miguel County • Estate of Francisco Maestas v San Miguel County • Estate of Thomas Smith v Otero County • Carlos Silva v Grant County • February 9, 2026 IPRA Requestor Complaint to Attorney General • MDC Appeal of One Occurrence Application – Arbitration Update 		
7. Board Presentations		
A. Executive Director and Legislative Update	Joy Esparsen	Pg. 137
B. Financial Reports	Richard Garcia	Pg. 152
C. Risk Management Update	Grace Philips	Pg. 174
D. NMCRE Update	Grace Philips	Pg. 185
9. Other Business	Lance Pyle	Pg.186
10. Adjournment	Lance Pyle	Pg. 187

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

<u>Item Number:</u> 3.	<u>Item Title:</u> Approve Board Meeting Minutes of January 19, 2026
<u>Presenter (s):</u> Lance Pyle, Chair	
Motion by:	Seconded by:

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

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

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

MINUTES

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

Chair Lance Pyle called the meeting to order at 1:00 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present

Jhonathan Aragon, Valencia County Manager (arrived after bylaw amendment item)
Tina Dixon, NMC President Elect, Roosevelt County Commissioner
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
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Brandy Thompson, Union County Manager
Deborah Weir, Dona Ana County Assistant Manager
Charlene Webb, Grant County Manager

Board Members Absent/Unexcused

Anthony Dimas, Jr., McKinley County Manager

Board Members Absent/Excused

Terri Fortner, NMC President, San Juan County Commissioner

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
Jim English, Senior Vice President, Gallagher Re
Meadow Forget, Roosevelt County Manager

Nasreen Kopecky, Account Representative, Gallagher
Vickie Marquardt, Otero County Commissioner
Ian Skelly, Executive Vice President, Gallagher Re
Amber Vaughn, Sierra County Manager

Approval of Agenda

Lance Pyle proposed moving item four after item six. Deborah Weir made a motion to approve the agenda with the proposed change and Roberta Gonzales seconded the motion, which passed unanimously.

Approve NMCRE Shareholder Meeting Minutes of October 22, 2025, NMCA Board Meeting Minutes of October 22, November 12, November 17, and December 22, 2025

Kate Fletcher made a motion to approve the minutes, and Charlene Webb seconded the motion, which passed unanimously.

Board Action Items

Elect NMCA Officers (Chair, Vice Chair, NMC Rep)

Kate Flecher made a motion to re-elect Lance Pyle as Chair and Charlene Webb seconded the motion, which passed unanimously. Brandy Thompson made a motion to re-elect Gregory Shaffer as Vice Chair and Kate Fletcher seconded the motion, which passed unanimously. Brandy Thompson made a motion to re-elect Michael Meek as the NMC Representative and Gregory Shaffer seconded the motion, which passed unanimously.

Approve Proposed Bylaw Language Changes Creating Two Ex-Officio Seats for the Detention and Sheriff Affiliates

Grace Philips presented the proposed bylaw language changes, creating two ex-officio seats. She said law enforcement and detention represent the two largest exposures to the Pool, adding that these representatives' expertise would be valuable to the Board. After some discussion, board members agreed that the sheriff position should be an elected official. Charlene Webb made a motion to approve the proposed language changes with the representative of the New Mexico Association of Counties sheriff affiliate to be an elected sheriff. Brandy Thompson seconded the motion, which passed unanimously.

Review Budgetary Impact of Bernalillo County's Withdrawal from Multi-Line and Law Enforcement Programs and Approve Updated 2026 ML and LE Budget

Grace Philips presented the budget, noting the two largest changes with the departure of Bernalillo County will be the contributions collected and the projected losses the Pool will expect to incur. She said the Law Enforcement contributions represent a 52% reduction from the previously approved budget and the projected ultimate limited losses a 45% reduction (\$6.1 million), which she added could be conservative, depending on the development of claims. She said reinsurance paid to the captive could change but the captive board will vote on that and it will depend in part on the premium charged by its reinsurer Hannover Re. She noted the actuary's December 31, calculations will be provided by March and are not reflected in the budget presented.

Grace described contribution and loss updates for the Multi-Line program with property broken out, as that policy year will change to a fiscal year as of July 1, 2026. She said Bernalillo represented \$1 billion of the \$5 billion in county-owned property. She then

reviewed data regarding pass-through coverage premiums and adjuster caseloads, indicating the number and types of Bernalillo claims handled over a 10-year period.

Ian Skelly and Jim English of Gallagher Re gave an update on the reinsurance purchased by the captive and provided by Hannover Re, discussing what the premium credit might be with the departure of Bernalillo. They noted there is a differing of opinions of actuaries and that both Hannover Re and Gallagher Re will perform updated actuarial analyses based on December 31, 2025, data. They said the county has a disproportionate share of losses compared to contribution and discussed the effect of the Civil Rights Act. They said there are three courses of action the captive could take: renegotiating the current deal based on reduced exposure, renegotiating terms and length of the contract (extension), or commuting the deal. They will present information to the captive board and recommend the best course of action.

Brandy Thompson made a motion to approve the updated 2026 Law Enforcement and Multi-Line budget. Kate Fletcher seconded the motion, which passed unanimously.

Approve Santa Fe for August 19 Meeting Location

Grace Philips reminded the board that the August meeting typically is held in smaller counties around the state which increases cost due to staff travel expenses and asked if the Board would consider holding the meeting in NMC's Santa Fe office. Jhonathan Aragon made a motion for the Board to host its August 19, 2026, meeting in Santa Fe at the NMC office. Charlene Webb seconded the motion, which passed unanimously.

Board Discussions

Capital Adequacy Update

Grace Philips outlined the history of the capital adequacy program, the target range of \$31 million in net position at the low end and \$54 at the mid-range, the program's status including \$2,323,304 invoiced and due in March (accounted for in the budget), with future invoices to be sent in July 2026 and January 2027 totaling \$4.6 million. She noted investment income and reinsurance equity. She said we do not have updated projected expected losses from the actuary as of December 31, 2025, or an updated actuarial report reflecting Bernalillo County's departure. She recommended the Board wait to assess the new target range until we have all the required information to apply the formula, adding the formula likely needs to be updated since it was developed by PricewaterhouseCoopers. The Board asked for an update at the August 19, 2026 meeting.

Interest in March Retreat

Grace Philips reminded the Board that at their October retreat, members expressed interest in holding a March retreat. After brief discussion, board members agreed to cancel the March retreat.

Communication with Members

Lance Pyle reiterated the importance of board members communicating information from each meeting to the counties they represent, noting the Board made several tough and important decisions in 2025, emphasizing the importance of communicating to members to avoid misunderstanding of actions the board takes.

Board Presentation

Bernalillo County Coverage Update

Shirley Ragin stated the county gave notice in April 2025 and immediately worked to get themselves positioned to see what the market looked like and if they could get coverage. The county hired HUB International as a broker. She said there were several closed sessions with commissioners discussing the implications if the county assumed more of the risk itself and opportunities to hold departments more accountable. Shirley said the county went out to RFP in November, and said that with one scheduled commission meeting in November and one in December, they crafted an agenda item the commission approved, giving the county manager the authority to execute well beyond her limits and do everything she needed to do to keep the process moving forward with a December 31 deadline. The county chose Gallagher Bassett as the third-party administrator to handle claims, signing a contract in mid-December. HUB worked to secure all coverage except workers' compensation. The county manager began signing contracts on December 30. Shirley, the legal department and others including sheriff, detention and the clerk's office began searching for any incidents or cases from December that had not been filed as a claim with NMCIA. She said they're crafting policies and procedures and will consider bringing some claims in house but do not have the expertise for it at this time with a small risk management department. She said the county declined tail coverage with NMCIA but did purchase nose coverage through Obsidian. She said HUB is helping the county determine what they need to have in reserves to pay claims, as they did not purchase reinsurance, though their law enforcement liability is with Obsidian. She will provide an update at the board's next meeting with details including deductibles and limits, as she did not have that information.

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

Staff indicated they would not need to present the Jesus Hurado-Chavez v. Hidalgo County claim.

- MDC Appeal of One Occurrence Application – Arbitration Update
- Albert Davalos v Santa Fe County
- Channon Franco, et al. v Bernalillo County
- Estate of Ray Charles Campolla v Bernalillo County

Gregory Shaffer 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. Kate Fletcher seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Brandy Thompson, and Kate Fletcher. Lance Pyle certified that the only things discussed were pending and threatened litigation in accordance with the Open Meeting Act. Gregory Shaffer made a motion to come out of executive session and Michael Meek seconded the motion. Brandy Thompson made a motion to authorize the amounts discussed by the Board in cases 2026-1-1, 2026-1-2, and 2026-1-3. Jhonathan Aragon seconded the motion, which passed unanimously.

Board Reports

CRL Update

Grace Philips said CRL is doing well, though they are still under the supervision of the Vermont regulators. She said things like member surcharges did a lot to turn around the organization. She said her prior memo to the board noted a reimbursement received by NMCIA.

Risk Management Update

Grace Philips said NMC filed an Amicus brief in a criminal case and asked Brandon Huss to provide an update. Brandon said he heard from attorney Michael Dickman that a case was proceeding to the New Mexico Supreme court that had extreme potential to affect county liability. He said the question of what is the standard to evaluate a New Mexico civil rights claim was the issue and the court was considering throwing out the existing standard to create a new one. Both NMC's request to be heard by the court and the ACLU's request were denied. Grace said the outcome had the potential to re-write civil rights law in New Mexico. She said she and Brandon would testify next week at the Senate Finance Committee on the Civil Rights Act.

Grace referred members to the Chaves County resolution in the board packet expressing concerns about the NMCIA bylaw amendment. She said she spoke to the commissioners, and it was a divided vote. She said the WCA audit was completed with one finding after 18 months of audit and that she submitted a plan of action but did not hear back. Regarding the Association of Governmental Risk Pools (AGRiP) and Strategic Asset Alliance (SAA) conferences, she suggested holding off on board training in 2026, suggesting the Board consider the CRL governance conference in 2027. She reminded members CRL would host a board meeting in Santa Fe in September and encouraged members to attend to experience the meeting and meet CRL staff and partners.

Other Business

Board members expressed appreciation to Brandy Thompson for her service to the board and wished her well in retirement.

Adjournment

Brandy Thompson made a motion to adjourn the meeting, and Roberta Gonzales seconded the motion. The meeting adjourned at 4:19 p.m.

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

<u>Item Number:</u> <p style="text-align: center;">4.A.</p>	<u>Item Title:</u> Ratify Election of Board Members, Class A County Board Appointments, Election of Population Directors and Detention and Sheriff Affiliate Board Nominations
<u>Presenter (s):</u> Lance Pyle, Chair	
<p>Class A County Board Appointments Motion by: _____ Seconded by: _____</p> <p>Population Directors Motion by: _____ Seconded by: _____</p> <p>Detention and Sheriff Affiliate Representatives Motion by: _____ Seconded by: _____</p>	

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

<u>Item Number:</u> 4.B.	<u>Item Title:</u> Approve 2026 Board Meeting and Retreat Location
<u>Presenter (s):</u> Isaiah Rodriguez, Conference & Events Manager	
Motion by: _____ Seconded by: _____	

NMCIA Board Retreat November 18-19, 2026

	La Fonda on the Plaza	Santa Ana Casino	Hotel Willa	Sheraton Uptown	Macey Center NM Tech
	Santa Fe	Bernalillo	Taos	Albuquerque	Socorro
Room Rate	\$167.00	\$129.00	\$128.00	\$144.00	\$159 - Holiday Inn Express
Resort Fee	\$0.00	\$0.00	\$30 per room / per night	\$0.00	\$0.00
Room Block	20-25 Rooms	20-25 Rooms	20-25 Rooms	20-25 Rooms	20-25 Rooms
Meeting Space	NM Room or Portal Room available. Meeting room fee waived with Room Block	East/West Sacramento or Tularosa and Sierra Blanca	The Reading Room \$1525 - Both Days if till 5:30 PM \$75 less an hour for unused time	\$250 per room, per day.	Fidel Center - \$1,230.20 for both days that includes AV charges and room setup
Discounted or Per Diem Menu Available	Yes	Meeting Space fee waived if \$3000 F&B is met	Custom budgeted menus available - F&B Minimum \$4150 for All Events	Per diem menus available - \$2800 minimum	In-house catering by Chartwells will be provided - No Minimum
Service Charge	24%	24%	22%	24%	N/A
Parking	\$30 per night	Complimentary	Complimentary	Complimentary	Complimentary
Concessions	Complimentary wifi 24 Hour Business Center Group rate 3 days pre and post available	Complimentary Wifi	Complimentary wifi	Complimentary wifi	Complimentary wifi
Contact	Eli Naranjo Sales Manager 505-995-2368 enaranjo@lafondasantafe.com	Gary Saiz Group Sales Manager 505-584-9576 gary.saiz@santaanastar.com	Siouxzen Kang Sales & Events Manager 233 Paseo del Pueblo Sur 310-663-1540 siouxzen@hotelwilla.com	Sarah Wilson Director of Sales/Marketing 505-830-5786 sarah.wilson@sheratonuptown.com	Gloria Gutierrez-Anaya Director Conference Services 575-835-6543 gloria.gutierrez-anaya@nmt.edu

**** ALL DETAILS OF ALL PROPOSALS ARE NEGOTIABLE ****



**NEW MEXICO
COUNTIES**
33 STRONG

**New Mexico County Insurance Authority
(NM CIA)**

Multi-Line and Law Enforcement Liability Program

COVERAGE AGREEMENT

Effective: January 1, 2026-January 1, 2027

Property coverage described in this agreement is effective January 1 – July 1, 2026 at which time the coverage will move to a July 1 policy year at which time member deductibles will be included in the July 1, 2026 – July 1, 2027 NM CIA Property Coverage Agreement.

New Mexico County Insurance Authority
Multi-Line and Law Enforcement Program

2026 Coverage Agreement

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**New Mexico County Insurance Authority
Multi-Line and Law Enforcement Program**

Member Coverage Agreement

January 1, 2026

Part I

A. General Coverage Declarations

The New Mexico County Insurance Authority (NMCIA) Pool (the "Pool") is a risk sharing arrangement among New Mexico county governments. The **Pool** was formed pursuant to the provisions of the Joint Powers Act, Section 11-1-1 et. seq. NMSA 1978, as amended, and through the Bylaws and Joint Powers Agreement signed by its members. The purposes of the **Pool** is to provide a multi-line program for property and casualty coverages, and a law enforcement program and to assist members in controlling costs by providing specialized governmental risk management services and systems.

The purpose of this Coverage Agreement is to describe the property, liability and law enforcement coverages provided to its **Named Members** through the **Pool**. The coverages, deductibles and limitations are unique to the **Pool** and may not be available elsewhere through private or commercial insurance.

It is the intent of the **Pool** to provide the property, liability and law enforcement coverages outlined in this Coverage Agreement to each **Named Member** and those who work for them or on their behalf in accordance with the laws of the State of New Mexico. This Coverage Agreement was created to eliminate misunderstandings regarding coverage; to avoid coverage disputes; to clarify responsibilities during the claims handling process; and to provide the **Named Members** with a document that easily identifies what is and is not covered.

B. Limits

Property

Deductible: See Endorsement 7

See Attachment 1 for Limits, Terms, Conditions, Coverages, Exclusions

Crime

See Attachment 2 for Limits, Terms, Conditions, Coverages, Exclusions

THE FOLLOWING COVERAGES ARE PROVIDED ON A CLAIMS MADE BASIS

Liability and Automobile Liability

<p>Liability Coverage Section A – General Liability Section B – Employment Practices Liability Section C – Public Officials & Errors and Omissions Section D – Employee Benefits Liability:</p> <p>Automobile Liability</p>	<p>Third-party liability including Bodily Injury, Property Damage, Personal Injury, Wrongful Acts and Errors & Omissions.</p> <p>Third-party liability including Bodily Injury, Property Damage</p>
<p>Form:</p>	<p>Claims-Made</p>

Coverage Parts	Limit	Terms
<p>Covered New Mexico State Statutory Claims</p>	<p>\$2,000,000 per Occurrence (regardless of the number of claimants)</p>	<p>Total Liability per occurrence regardless of the number of claimants except as specifically excluded, sublimited, or addressed by endorsement elsewhere in this coverage agreement or where there is a lower liability limit specified by statute</p>
<p>Out of State, Federal and Sovereign Nations Coverage</p>	<p>\$5,000,000 per Occurrence</p> <p>(NMCIA reinsurance coverage subject to \$4,000,000 annual aggregate per member; and reinsurance liability is limited to a \$8,000,000 all members combined annual aggregate)</p>	
<p>Premises Medical</p>	<p>\$ 10,000 \$ 150,000</p>	<p>Per Person Per Occurrence</p>

Sexual Abuse Defense Civil Defense Costs Only	\$50,000 per perpetrator/\$100,000 per County/annual aggregate, subject to \$500,000 annual aggregate applicable to all members.	
Sexual Abuse Shared Liability	75% Pool / 25% Member split of settlement or judgment payments between Pool and Named Member after the application of the deductible Per Occurrence	
Injunctive Relief Defense	\$10,000 per claim for defense costs ONLY	
Strip Searches	\$250,000 per occurrence/\$1,000,000 pool aggregate for any cost or liability arising from a lawsuit or other proceeding brought on behalf of a class of claimants that alleges unlawful strip searches. This sublimit applies even if the lawsuit alleges negligence or other wrongdoing in the establishment of policies, procedures or guidelines concerning strip searches, or negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of any person.	
IPRA Defense	Sublimit \$75,000	Plaintiff's Attorney's Fees and Costs Per Person/Per Occurrence
Communicable Disease Defense Shared Defense Costs Only	90% Pool / 10% Member split of defense costs between Pool and Named Member. No deductible applies to the Member's share of the split costs. Per Occurrence	
Automobile Medical Payments	\$ 10,000 \$ 150,000	Per Person Per Occurrence
Automobile First Party Deductibles	See Endorsement 7	
Liability and Automobile Liability Coverage Deductibles	See Endorsement 6	Per Occurrence
Whistleblower Protection Act	Sublimit \$100,000	The double back pay portion of a judgment rendered by a court or jury. Per Occurrence

The above Coverages and Limits are subject to the New Mexico Tort Claims Act where applicable.

The above Coverages and Limits are per **Occurrence**, except where otherwise noted.

Law Enforcement Liability

Coverage Law Enforcement Liability	Third-party liability including Bodily Injury, Personal Injury and Property Damage	
Form:	Claims Made	
Coverage Parts	Limit	Terms
Covered New Mexico State Statutory Claims	\$2,000,000 per Occurrence (regardless of the number of claimants)	Total Liability per occurrence regardless of the number of claimants except as specifically excluded, sublimited, or addressed by endorsement (e.g. LE-4, LE-5 and LE-6) elsewhere in this coverage agreement or where there is a lower liability limit specified by statute
Out of State, Federal and Sovereign Nations Coverage for non-Class A Members and Dona Ana County	\$4,000,000 per Occurrence (NMCIA reinsurance coverage subject to \$4,000,000 annual aggregate per member; and reinsurance liability is limited to a \$8,000,000 all members combined annual aggregate)	Except as otherwise limited by Endorsements LE-4, LE-5 and LE-6

Out of State, Federal and Sovereign Nations Coverage for Class A Members (Bernalillo, Sandoval and Santa Fe Counties)	\$5,000,000 per Occurrence (NMCIA reinsurance coverage subject to \$4,000,000 annual aggregate per member; and reinsurance liability is limited to a \$8,000,000 all members combined annual aggregate)	Except as otherwise limited by Endorsements LE-4, LE-5 and LE-6 50%/50% quota share between the Pool and the member for the \$1,000,000 xs \$4,000,000 layer of coverage
Member's Deductible	See Endorsement LE-3	Per Occurrence

Sexual Abuse Defense Civil Defense Costs Only	\$50,000 per perpetrator/\$100,000 per County/annual aggregate, subject to \$500,000 annual aggregate applicable to all Members
Sexual Abuse Shared Liability	75% Pool / 25% Member split of settlement or judgment payments between Pool and Named Member after the application of the deductible Per Occurrence
Strip Searches	\$250,000 per occurrence/\$1,000,000 pool aggregate for any cost or liability arising from a lawsuit or other proceeding brought on behalf of a class of claimants that alleges unlawful strip searches. This sublimit applies even if the lawsuit alleges negligence or other wrongdoing in the establishment of policies, procedures or guidelines concerning strip searches, or negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of any person.
The above Coverages and Limits are subject to the New Mexico Tort Claims Act where applicable.	
The above Coverages and Limits are per Occurrence , except where otherwise noted.	

C. **Named Member:** See Schedule A

Address: See Schedule A

Agreement Period

From: January 1, 2026 **To: January 1, 2027**
at 12:01 a.m. local time at the **Named Member's** address shown above.

D. **Retroactive Date:**
March 21, 2001, unless otherwise endorsed.

Part II – Coverage Conditions

A. **Limits of Liability**

1. The **Pool's** liability for **Money Damages** as the result of any one **Occurrence** is limited as described in the Limits of Coverage of this **Agreement** less the amount of the **Member's** deductible.

For the purpose of determining the limit of liability, all **Money Damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence**.

2. **The Pool Will Pay With Respect to any Claim or Suit It Defends**

- a. All expenses the **Pool** incurs, including all claims expenses as defined in General Definitions, Part IV, "**Claims Expenses**".
- b. The cost of bonds to release attachments and appeal bonds required in any suit the **Pool** defends, but only for bond amounts within the applicable Limit of Insurance. The **Pool** does not have to furnish these bonds.
- c. All reasonable expenses incurred by the **Member** at the **Pool's** request to assist the **Pool** in the investigation or defense of the **claim** or suit. Such expenses do not include salaries of officials or employees of the **Member**.
- d. All costs assessed against the **Member** in the suit, unless otherwise excluded.
- e. Pre-judgment interest awarded against the **Member** on that part of the judgment the **Pool** pays. If the **Pool** makes an offer to pay the applicable Limit of Insurance, the **Pool** will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before the **Pool** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

- g. Expenses incurred by the **Member** for first aid to others at the time of an **occurrence**, for **bodily injury** to which this **Agreement** applies.
3. **Deductible** - at the option and discretion of the **Pool**, the **Pool** may pay all or part of the deductible amounts to effect settlement and upon notification to the **Named Member**. **Named Member** shall promptly reimburse the **Pool** for all such expenditures.
4. **Defense Attorney Fees and Costs** are part of, and not in addition to, the Limits of Liability set forth in the Declarations, and payment by the **Pool** of **Defense Attorney Fees and Costs** shall reduce and may exhaust such Limits of Liability. The **Pool** has the sole authority to choose defense counsel to represent **Member** in the defense of a claim or suit.

B. Contribution Payments

Contributions are determined by the **Pool Board** based upon current underwriting information.

C. Territorial Scope

This coverage applies to **Occurrences** worldwide for which any **Claim** is made or suit is brought and maintained in the United States.

D. Clash Coverage

In the event a **Claim** is brought which could fall under more than one coverage section of this **Agreement**, regardless of the number of claimants or defendants, only one coverage section will apply, and only one occurrence limit shall apply. The coverage section with the highest limit will be the applicable coverage section.

E. Arbitration

In the event of a dispute between a **Member** and NMCIA, the dispute shall be subject to arbitration and all parties shall be bound by the findings and decision of the arbitrator(s), unless the member chooses to resolve the dispute through the NMCIA's Policy on the Denial of Coverage. Otherwise, all such disputes shall be subject to binding arbitration including, but not limited to, disputes relating to this **Agreement** including compliance with its conditions, the interpretation and extension of coverage, the actions or omissions to act of NMCIA and any **Member** in connection with any **Claim** or **Suit**, or potential **Claim**, **Suit**, or **Occurrence**, including prompt notice of a **Claim** or **Suit**, cooperation in the defense or resolution of a **Claim** or **Suit**, and settlement and indemnification of a **Claim** or **Suit**, whether a first party **Claim** or involving a third party **Claim**. NMCIA shall also have the right to determine when a **Claim** or **Suit** should be settled and may proceed to settle a **Claim** or **Suit** within its **Coverage Limit**, and any dispute between NMCIA and any **Member** as to the settlement of a **Claim** or **Suit** shall also be subject to binding arbitration. Either party may issue a written demand for arbitration within 90 days of the event triggering the arbitration request.

Unless NMCIA and the **Member** agree to use three arbitrators, the dispute shall be decided by one arbitrator. The arbitration shall be conducted by JAMS, unless another arbitral agency is agreed in writing between NMCIA and the **Member** and, to the extent not inconsistent with the Bylaws and operative Member agreements,

shall be governed by the JAMS' arbitration rules and procedures, including the rules governing the identification and selection of arbitration panel members (unless another agency is selected by mutual agreement, in which case that agency's rules shall apply unless otherwise agreed to between NMCIA and the **Member**). Regardless of the outcome of the arbitration, NMCIA and the **Member** shall share equally in the costs of the arbitration and in the compensation of the arbitrators, which fees and costs shall not be subject to reallocation based upon whether NMCIA or the **Member** is the prevailing party.

The arbitration shall take place in the County of Santa Fe. The decision of the majority of the arbitrators shall be final and binding upon both parties and not subject to appeal.

A judgment based on the majority decision of the arbitrators may be entered in any court having jurisdiction upon the request of the **Member** or NMCIA.

F. Termination/Suspension of Coverage/Withdrawal

Any **Named Member** may withdraw from the **Pool** at the end of any fiscal year (January 1 to December 31 each year) by giving at least 120 days prior written notice to the **Pool Board**. The withdrawn **Named Member** is not entitled to any reimbursement of contributions that are paid or become payable in the future, and shall continue to be obligated to make payment for which an obligation arose prior to withdrawal. In addition, the withdrawn **Named Member** shall forfeit all rights to any future distribution of equity.

A **Named Member** may be expelled in accordance with the **Pool's** Bylaws and Joint Powers Agreement.

The **Pool Board** may decline to offer renewal coverage on a particular line of coverage, or a portion of a line of coverage, at the end of any fiscal year upon 120 days notice to the affected member.

The **Pool Board** may suspend coverage of a **Named Member** for failure to make any payments due to the **Pool** or for other failings outlined in the **Pool's** Bylaws and Joint Powers Agreement. The **Named Member** shall be given a reasonable opportunity, of not less than 30 days to remedy the alleged failure.

G. Claims Process

1) Members shall immediately notify the **Pool's** claims administrator in writing, but in no event not later than ten (10) business days from the date of knowledge of an **Occurrence**, which may result or is likely to result in a **Claim**. Notice shall include how, when and where the **Occurrence** took place; the names, addresses and telephone numbers of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the **Occurrence**. Notice of an **Occurrence** is not notice of a **Claim**.

- 2) If a **Claim** is received by any **Member**, the **Member** shall immediately record the specifics of the **Claim** and the date received and shall immediately notify the **Pool's** claims administrator in writing, but in no event not later than ten (10) business days.
- 3) The **Member** shall:
 - a. Immediately send the **Pool's** claims administrator copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or suit; and
 - b. Authorize the claims administrator to obtain records and other information; and
 - c. Assist the **Pool**, upon its request, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this **Agreement** may also apply.
 - d. **Named Member** shall pay deductibles to NMCIA within 30 days of receipt of invoice.
- 4) No **Member** shall voluntarily make a payment, assume any obligation or incur any expense, other than for first aid or other bona fide emergency, without the **Pool's** written consent or in any way bind or obligate **NMCIA**.
- 5) The **Member** shall promptly take at its own expense, except as otherwise provided in this **Agreement**, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any such expense shall not be recoverable under this **Agreement**.
- 6) A **Member** shall also fully cooperate with the **Pool's** investigation, settlement or defense including if asked to enforce any right against anyone or any organization that may be liable to a **Member** because of a covered injury or damage.
- 7) **Named Member** acknowledges and agrees that **NMCIA** has the sole authority to make representations, voluntarily make payments, assume obligations, or incur expenses.
- 8) **Members** shall not discuss any **Claim** with anyone other than **NMCIA**, defense counsel, anyone **NMCIA** deems necessary to the proper administration or defense of a **Claim**, or as required by law or contract.
- 9) Failure to comply with any of the above 1 through 8 shall constitute a breach of this **Agreement** and may result in sanctions being taken against the **Member** including without limitation a **Claim** denial and no further obligation for the **Pool** to defend or indemnify the **Member** for this **Claim**.

H. Due Diligence

The **Member** shall use due diligence and take all reasonable and practical steps to avoid or diminish any loss of or damage to the property insured.

I. Inspections, Audits and Verification of Values

The **Pool** or its authorized representatives may inspect the premises used by the **Members** and audit **Member's** books or records at any time during the term of this **Agreement** or within three (3) years after its expiration or termination. There is no time limit for auditing the **Member's** books or records with respect to **Claims** under this **Agreement**.

J. Other Insurance

If **Member** has other insurance, or is named as an additional insured on another policy against loss or damage covered under this **Agreement**, the **Pool** is liable under the terms of this **Agreement** only as excess of coverage provided by another insurance policy. However, this clause does not apply to the purchase of excess insurance or reinsurance above the excess limits of insurance stated in this **Agreement**.

K. Subrogation, Salvage and Recovery

The **Pool** shall be subrogated to all rights which the **Member** may have against any person or other entity in respect to any **Claim** or payment made under this **Agreement** and the **Member** shall execute all papers required by the **Pool** and shall cooperate with the **Pool** to secure the **Pool's** rights. If any reimbursement is obtained, or salvage or recovery made by the **Member** or the **Pool** on account of any loss covered by the **Pool**, the net amount of such reimbursement, salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be first applied to the following order:

1. To the amount of loss which has been paid by the excess insurer or reinsurer and which exceeds the applicable excess limits;
2. To reduce the **Pool's** loss until the **Pool** is fully reimbursed;
3. To reduce the **Named Member's** loss because of the application of the deductible.

L. Waiver of Subrogation

This coverage shall not be invalidated if the **Member**, by written agreement, has waived or shall waive its right of recovery from any party for loss or damage covered hereunder; provided that any such waiver is made prior to the **Occurrence** of the loss or damage and with the prior written approval of the **Pool**.

M. Fraudulent Claims

If a **Member** makes a **Claim** knowing the **Claim** to be false or fraudulent, coverage shall become void and the **Claim** shall be denied.

N. Optional Extended Reporting Period

In the event of expulsion, withdrawal or non-renewal of this **Agreement** by the **Pool** or the **Member**, the **Member**, upon payment of an additional contribution to be determined by the **Pool**, shall have the right to extend the period in which a **Claim** which arose during the **Agreement** period, may be reported by the **Named Member** against the **Pool**. Such extended reporting period shall be for a period to be determined by the **Pool** after the expiration date of this **Agreement**, and is only for reporting claims that occurred during the **Agreement** period. The rights contained in this paragraph shall terminate, however, unless written notice of such election, together with the additional contribution due is received by the **Pool** within thirty (30)

days after the effective date of cancellation or non-renewal. The additional contribution for the optional extended reporting period shall be fully earned at the inception of the optional extended reporting period. The optional extended reporting period is not cancelable. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of contribution.

The extended reporting period does not apply to **Claims** that are covered under any subsequent coverage which a **Member** purchases or that would have been covered but for exhaustion of the amount of coverage applicable to those **Claims**.

The optional extended reporting period does not reinstate or increase the Limits of Coverage.

O. Multiple Claims or Claimants

The making of more than one **Claim** or the bringing of suits by more than one person or organization shall not operate to increase Limits of Coverage. Two or more **Claims** arising out of a single **Wrongful Act** or series of related **Wrongful Acts** shall be considered first made during the coverage period, or extended reporting period if purchased, in which the earliest **Notice of Claim** arising out of such **Wrongful Act** or related **Wrongful Acts** was first made and all such **Claims** shall be subject to the same Limits of Coverage.

P. Non-Waiver Of Rights

Failure by the New Mexico County Insurance Authority **Pool** to enforce any provision of this **Agreement** shall not be interpreted as a waiver of such provision or any other provision or any existing or future rights or privileges under this **Agreement**. The terms and conditions of this **Agreement** may be strictly enforced at any time despite any past or subsequent failure to do so by the **Pool**.

Part III – General Coverage Exclusions

The following exclusions apply to all coverages described in this **Agreement**. This **Agreement** does not provide coverage for:

1. Loss, damage or any type of **Claim**, including mysterious disappearance, caused by or resulting from fraudulent or dishonest acts committed by the **Member**, whether working alone or with others, except as provided in Section VI - Crime;
2. Expenses from any cost, civil fine, penalty, sanctions or expense against any **Member** for any compliance or enforcement action from any federal, state or local governmental regulatory agency, court or any alternative dispute resolution process;
3. Any **Claim** for front pay, back pay or other incidents of compensation or benefits due no matter how characterized to a **Named Member's** employees unless provided otherwise by sublimit or endorsement;
4. Any **Claim** arising from **Law Enforcement Activities**, except as provided in Part IX -- Law Enforcement Coverage;
5. Any **Claim** arising out of hospital, nursing home or clinic malpractice, malpractice by a physician, medical doctor, osteopath, nurse practitioner,

clinical nurse specialist, physician assistant, chiropractor, resident, extern, intern, psychiatrist, pharmacist, dentist, orthodontist, periodontist, or psychologist, or contract medical service providers and their employees and contractors, except as otherwise provided by endorsement.

6. Any obligation for which the **Member** may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers' liability or under any similar law or to bodily injuries to any employee or to any liability for indemnity or contribution brought by any party for bodily injuries to any employee.
7. Any **Claim** arising from administrative proceedings, declaratory and/or injunctive relief, except as otherwise provided by endorsement.
8. Any **Claim or Suit** arising from any criminal penalties imposed, or provided for, pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized.
9. Except as otherwise provided by endorsement, any **Claim** arising out of the operation of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation proceedings or claims, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into, by or on behalf of the **Member**. Claims alleging civil rights violations arising out of any of the listed proceedings are also excluded. However, liability coverage under this **Agreement** is provided for monetary damages arising from a decision by the **Member** or its officers, agents or employees to issue or not issue building or construction permits, certificates of occupancy, business licenses, alcoholic beverage licenses or other permits and licenses that the **Member** is authorized by law to issue.
10. **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever to the property of the **Member** due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
11. **Bodily Injury, Personal Injury, Property Damage.** Except as otherwise provided by endorsement, any **Claim** arising out of **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields (EMFs), hazardous substances, hazardous materials, waste materials, "low-level radioactive waste", "mixed waste" and medical, red bag, infectious or pathological wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.
12. **Bodily Injury, Personal Injury, Property Damage** or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead

in any form. This exclusion applies to **Claims** alleging wrongful acts or public officials' errors or omissions resulting in the presence of asbestos or lead.

13. **Intentional Acts.** Any **Claim** or **Suit** for:
 - a. **Bodily Injury** or **Property Damage** that is intended or expected from the standpoint of the **Member**, even if the **Bodily Injury** or **Property Damage** is of a different kind or degree, or is sustained by a different person, than intended. This exclusion shall not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property, including excessive force claims under **Law Enforcement Liability**. However, if any law enforcement **Member** is found or adjudicated to have, or admits to, or pleads no contest to, committing a criminal act, the **Pool** will have no obligation to provide a defense or pay **Money Damages** on behalf of such **Member**; or
 - b. **Personal Injury** caused by or at the direction of a **Member** with the knowledge that the act would violate the rights of another; or
 - c. **Wrongful Acts**, errors or omissions that are dishonest, fraudulent, criminal or malicious.
14. Any **Claim** or **Suit** for criminal proceedings and criminal defense costs, except as specifically provided in this **Agreement**, including but not limited to those:
 - a. Arising from any criminal charges or proceedings against any **Member**;
 - b. Arising out of any malfeasance of office or willful and deliberate violation of any statute, regulation or ordinance;
 - c. Arising from any other dishonest or fraudulent acts committed by any **Member**, whether working alone or with others.
15. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, evaporation, contamination, rust, wet or dry rot, mold, **Fungi, Organic Pathogen**, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation, floor or ceiling.
16. Any **Claim** arising out of **Cyber Liability**, except as provided in Part X – Cyber Liability Coverage;
17. Any **Claim** arising out of the ownership, maintenance, loading or unloading, entrustment to others, use or operation of any aircraft, airfields, runways, hangars, buildings or other properties in connection with aviation activities, and any liability arising out of the maintenance, operation or use of watercraft over 26 feet in length or watercraft used to carry persons or property for a charge. This exclusion applies even if the **Claims** against any **Member** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by the **Member**.
18. Any **Claim** or **Claims** for **Bodily Injury** or **Personal Injury** relating to:
 - a. Human Immune Deficiency Virus (HIV);
 - b. Acquired Immune Deficiency Syndrome Related Complex (ARC);

- c. Acquired Immune Deficiency Syndrome (AIDS);
- d. Any virus, complex or syndrome that is related to the foregoing;

EXCEPT this exclusion does not apply to any actual or alleged discrimination based on the actual or alleged contraction of any of the foregoing as covered under Part VII (B) – Public Officials Errors and Omissions.

- 19. Any **Claim** based upon the **Member's** failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations;
- 20. Any **Claim** arising out of investment activities or the administration of self-insurance funds, except as covered in Part VI – Crime or Part VII, Item C., Employee Benefits Liability;
- 21. **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever resulting directly or indirectly from atomic or nuclear incidents, the hazardous properties of nuclear material, the preparation or operation of any site or location used in the storage of or disposal of nuclear material or nuclear waste, atomic or nuclear reaction, radiation, or radioactive contamination, however caused or characterized, including any loss or damage by fire resulting therefrom.
- 22. Any investigatory, disciplinary or criminal proceedings against an individual **Member or Named Member**, except that the **Pool** may at its own option assign counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should the **Pool** elect to assign counsel that shall not constitute a waiver or estoppel of any rights the **Pool** may have pursuant to the terms, conditions, exclusions, and limitations of this **Agreement**.
- 23. Any **Claim** arising out of a breach of contract other than an employment contract. Employment contracts do not include collective bargaining agreements.
- 24. Any **Claim** seeking relief or redress, in any form other than **Money Damages**, and for fees or expenses relating to **Claims**, demands or actions seeking relief in any form other than **Money Damages**, unless otherwise provided by endorsement. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to **Claims** for monetary damages under the Americans with Disabilities Act.
- 25. Medical or hospital expenses or costs incurred by the **Named Member** in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the **Named Member's** statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody.
- 26. Any **Claim** for which the **Member** is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any agreement or agreements the term of which has commenced prior to the inception date of this **Agreement**.
- 27. **Sexual Abuse**. Any act or the participation in any act, whether alleged criminally or civilly of **Sexual Abuse** of any person by any **Member**; except as otherwise provided by Endorsement 8. This exclusion does not apply to

Claims against any **Member** alleging negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Member**.

28. Punitive Damages.
29. Any **Claim**, including, but not limited to, a counter-claim or cross-claim by a **Member** against any other **Member**, whether or not the **Members** are related to the same **Named Member**, for anything other than Property Damage and Employment Practices Liability.
30. Any **Claim** related to the operation or administration of a detention center when said detention center is operated or administered by anyone other than a **Named Member** is excluded from **Law Enforcement Liability** coverage (Part IX, supra) under this **Agreement**. This exclusion does not apply when a **Named Member** participates in the operation or administration of the detention center through a Joint Powers Agreement with other local governments **and** the detention center's employees are employees of the **Named Member**.
31. Any cost, **Money Damages**, civil fine or penalty against any **Member** for any compliance or enforcement action regarding any tax, including allegations of over-assessment of taxes;
32. **Money Damages** assessed under the Inspection of Public Records Act that are required by statute to be paid from funds of the public body.
33. All loss, cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, cost or expense.
 - a. "Terrorist Activity" shall mean any deliberate, unlawful act that:
 - i. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
 - ii. includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to
 1. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
 2. influence, disrupt or interfere with any government related operations, activities or policies; or
 3. intimidate, coerce or frighten the general public or any segment of the general public; or
 4. disrupt or interfere with a national economy or any segment of the national economy; or
 - iii. includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:

1. hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;
 2. hostage taking or kidnapping;
 3. the use or threatened use of, or release or threatened release of any nuclear, biological, chemical or radioactive agent, material, device or weapon;
 4. the use of any bomb, incendiary device, explosive or firearm;
 5. the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;
 6. the injuring or assassination of any elected or appointed government official or any government employee;
 7. the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or
 8. the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.
- b. Any of the activities listed in section a. (iii) above shall be considered "Terrorist Activity" except where the **Named Member** can demonstrate to the **Pool** that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to
- i. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
 - ii. influence, disrupt or interfere with any government related operations, activities or policies; or
 - iii. intimidate, coerce or frighten the general public or any segment of the general public; or
 - iv. disrupt or interfere with a national economy or any segment of a national economy.
34. Any **Claim** arising out of the igniting or discharging of fireworks in conjunction with any display, demonstration or show on privately owned property. Fireworks include but are not limited to firecrackers and all aerial or ground displays.
35. Communicable Disease Exclusion. Notwithstanding any other provision of this **Agreement**, this coverage does not apply to any actual or alleged liability, injury, loss, damages, claim, cost, expense, fee or any other payment of any kind, directly or indirectly based upon, in whole or in part, arising out of:
- a. a **Communicable Disease**; or
 - b. the fear or threat (whether actual or perceived) of a **Communicable Disease**; or
 - c. any requirement or recommendation of any **Governmental Authority** regarding a **Communicable Disease**;

- d. the actual or alleged transmission, spread or failure to prevent, suppress or remove a **Communicable Disease**; or
- e. the reporting of, monitoring of, disclosure of, testing for, or failure to report, monitor, disclose or test for, a **Communicable Disease**.

This Exclusion applies regardless of whether:

- a. any other cause, event, material, product or incident of whatever kind or nature contributed, concurrently or in any sequence, to the actual or alleged liability, injury, loss, damage, claim, cost, expense or any other payment of any kind; or
- b. such actual or alleged liability, injury, loss, damage, claim, cost, expense or any other payment of any kind is based upon, caused by, resulting from, arising from, related to, or attributable, in whole or in part, to any persons (including, without limitation, any insured or other person or entity).

We will have no duty or obligation to defend, indemnify, or pay to or on behalf of any person (including, without limitation, any insured or other person or entity), with respect to any claim, suit or proceeding that alleges or is, directly or indirectly, in whole or in part, arising out of any of the above, except as otherwise provided by endorsement.

Part IV – General Definitions

“Accident” means an event or **Occurrence**, including continuous and repeated exposure to the same general harmful conditions, which occurs on or after the retroactive dates attached to this **Agreement** and which results in **Bodily Injury, Personal Injury or Property Damage**. If the **Bodily Injury, Personal Injury** or and **Property Damage** result from the same **Occurrence**, it shall be treated as resulting from one **Accident**.

“Agreement” or **“Coverage Agreement”** means the **Coverage Agreement** created to describe the property, liability and law enforcement coverages provided to the **Named Members** of the **Pool**.

“Automobile” means any motor vehicle intended or designed for travel on public roads, and trailers or semi-trailers, including their equipment and any other equipment permanently attached to it, but **Automobile** does not include **Mobile Equipment**. However, self-propelled vehicles with the following types of permanently attached equipment are considered **Automobiles**: equipment designed primarily for snow removal; equipment designed primarily for road maintenance, but not construction or resurfacing; equipment designed primarily for street cleaning; cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and air compressors, pumps, and generators, including spraying, welding building cleaning, geophysical exploration, lighting, and well servicing equipment.

“Bodily Injury” means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury. **Bodily Injury** also includes battery.

“Claim” is a demand for **Money Damages** resulting from an **Occurrence** for which a **Member** seeks coverage under this **Agreement**.

“Claims Expense” includes hospital, medical and funeral charges and all sums paid as fees, charges and legal costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses and investigators, and for litigation, settlement, adjustment and investigation of **Claims** and lawsuits which are paid as a consequence of any **Occurrence** covered by this **Agreement**. **This Agreement does not cover any claim for front pay, back pay or other incidents of compensation or benefits due to a Named Member’s employees.**

“Communicable Disease” means a disease, illness or condition directly or indirectly based upon, caused by, arising out of, relating or attributable to, in whole or in part, any actual, alleged, direct or indirect contact with or exposure to any **Infectious Agent**.

“Cyber Liability” means any liability resulting from the unauthorized access, unauthorized use, receipt or transmission of a malicious code or denial of service attack, arising out of a **Member’s** business operations which:

1. Alters, copies, misappropriates, corrupts, destroys, disrupts, deletes, damages or prevents, restricts or hinders access to, a Computer System, including data stored on a third party’s Computer System;
2. Results in the disclosure of private or confidential information stored on a Computer System;
3. Results in identity theft

Whether any of the foregoing is intentional or unintentional, malicious or accidental, fraudulent or innocent, and regardless of whether the perpetrator is motivated by profit.

As used herein, Computer System shall mean computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

1. operated by and either owned by or leased to the **Member**; or
2. systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the **Member** or for processing, maintaining, hosting or storing the **Member’s** electronic data, pursuant to a written agreement or contract with the **Member** for such services.

“Deductible” means the amount the **Named Member** is legally obligated to reimburse the Pool before the Pool incurs liability. The deductible applies to all costs, fees and expenses incurred by the Pool for any claim.

“Employee Benefit Programs” means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers’ compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

“Employment Practices Liability Wrongful Act” means an allegation of improper:

1. Refusal to employ;
2. Termination of employment;
3. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, supervision, reassignment, discipline, humiliation, libel, slander, defamation of character, harassment (however characterized), including violations of civil rights including discrimination by the **Member**, which are employment related;
4. Selection, supervision or dismissal of any **Member**.
5. Retaliation

“Fungi” shall mean any form of fungus including, but not limited to, yeast, mold, mildew, rust, smut, mushroom, spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of **Fungi**.

“Governmental Authority” means any foreign, international, federal, state or local government, regulatory entity, administrative body, judicial body, quasi-governmental entity or, in each case, any subdivision or instrumentality thereof, and includes, without limitation, any statute, regulation, law, ordinance, order, directive or guidance issued by any of them.

“Infectious Agent” means one or more of any bacteria, viruses, markers, microbial agents, microorganisms, biological organisms, parasites, insects, protozoa, or any other source, combination, variant or mutation thereof, capable of transmission or spreading by any means from any source.

“Law Enforcement Activities” means the activities of any **Member** while acting as a law enforcement official, officer, reserve officer, detention officer, employee, or volunteer of a law enforcement agency or department or detention facility of the **Named Member**. **Law Enforcement Activities** also includes any activities of any **Member** in the hiring, training, supervising, or in any way related to a **Claim** or **Suit** involving **Law Enforcement Activities** whether or not the claimed offender is a law enforcement official, officer, reserve officer, detention officer, employee, or volunteer of a law enforcement agency or department or detention facility of the **Named Member**. **Law Enforcement Activities** do not include employment practice violations even if they involve law enforcement personnel. **Law Enforcement Activities** include the rendering or failure to render medical care to inmates or detainees at a county detention facility. With regard to **Claims** involving **Automobiles**, the cause of action or nature of the **Claim** will determine whether Law Enforcement, **Automobile** Liability or General Liability coverage applies.

“Law Enforcement Liability” means liability incurred due to law enforcement activities, specifically for actions for which immunity is waived under the New Mexico Tort Claims Act, and or for civil rights violations.

“Member” means not only the **Named Member** County but also any official, trustee, director, officer, partner or employee of the **Named Member** while acting within the scope of his or her duties as such; any volunteer acting for or on behalf of the **Named Member**,

provided that individual has been authorized to act on behalf of the **Named Member** by an official, director or supervisory officer of the **Named Member**; and any person or organization, to whom the **Named Member** is obligated by virtue of written contract or agreement to provide coverage such as is offered by this **Agreement**, but only in respect to operations by or on behalf of the **Named Member**. Also, for **Automobile** Liability, see Part VIII, **Definitions**.

"Member" shall not include any individual who has received a written denial of coverage under the Pool's *Policy on Denial of Coverage to Named Employees and Elected Officials*, as adopted and amended by the Board of Directors so long as the denial of coverage has not been reversed. No defense, indemnity, payment of claims, or other benefits shall be available under this Coverage Agreement to any such excluded individual, or to any Member for any claim, demand, or cause of action arising out of, resulting from, or in any way related to the acts, errors, or omissions of the excluded individual after the effective date of exclusion.

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises the **Named Member** owns or rents;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers;
6. Vehicles not described above which are maintained primarily for purposes other than the transportation of persons or cargo.

"Money" means currency, coins, and bank notes in current use and having a face value; and Travelers checks, register checks and money orders held for sale to the public, but **Money** does not include **Securities**.

"Money Damages" means all sums recoverable by law from any liability covered under this **Agreement** excluding punitive damages if awarded, but not including any sums awarded for plaintiff's attorney fees under 42 U.S.C., Section 1988 in any case in which monetary damages are not sought or not awarded. **"Money Damages"** include jury awards, settlements, attorneys' fees and costs, but do not include front or back pay, overtime pay or other benefits that are routinely paid by a **Named Member** to its employees.

"Named Member" means the County named on Endorsement #1 of this **Coverage Agreement**.

"Notice of Claim" means the following:

1. The **Member** receives or is served with any demands, notices, lawsuits, summonses, or legal papers in connection with a **Claim**, or the **Member** is aware of a first party claim; and
2. The **Member** provides written notice of the claim to the **Pool** in accordance with the Claims Process contained in Part II, Coverage Conditions.

"Occurrence" means an **Accident, Wrongful Act** or a happening or event or a continuous and repeated exposure to conditions, including but not limited to, those which result in **Bodily Injury, Property Damage** or **Personal Injury**. All **Bodily Injury, Personal Injury** or **Property Damage** attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one **Occurrence**, irrespective of the period of time or area over which such losses occur. There may be multiple **Claims** or claimants involved in one **Occurrence**; however only one deductible applies per **Occurrence**.

"Organic Pathogen" means any bacterium, virus, fungus, mold, mildew, mycota, myco-toxins, spore, or any biogenic aerosols, or any by-product or infestation produced by such pathogen.

"Personal Injury" means mental anguish, shock, sickness, disease, disability or wrongful eviction arising out of malicious prosecution, humiliation, invasion of rights of privacy, (except those arising out of **Cyber Liability** as defined in this coverage document), libel, slander or defamation of character; also piracy and any infringement of copyright or of intellectual property, and erroneous service of civil papers. **Personal Injury** also means false arrest, false imprisonment and/or detention and violation of civil rights, which means discrimination based on age, sex, race, ethnic background, national origin, religion, handicap or disability, and deprivation of rights, privileges, or immunities secured by the Constitution of the United States or of New Mexico.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, solids, gases, thermal pollutants, sounds, waste and all other irritants or contaminants. "Waste" includes materials to be recycled, reconditioned or reclaimed.

"Pool" means the New Mexico County Insurance Authority Self-Insurance Pool.

"Pool Annual Aggregate" means the **Pool's** total liability for **Money Damages** resulting from all **Claims** first made against the **Named Members** during the **Agreement** period and shall not exceed the amount stated in the Declarations as aggregate regardless of the time when such **Claim** is paid. In the event the **Named Member** exercises the right to purchase the Optional Extended Reporting Period, Part II, Section N the aggregate limit for the Optional Extended Reporting Period, Part II, Section N shall be no more than that which remains of the aggregate limit from the immediately preceding **Agreement** period.

"Premises" means the entirety of the **Named Member's** property which is owned or occupied by the **Named Member** in conducting its business operations.

"Premises Medical Payments/Automobile Medical Payments" means reasonable expenses for first aid at the time of an **Accident**, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services. **Premises**

Medical Payments does not apply to expenses incurred in treating inmates while in the care and/or custody of a **Named Member**.

“Property Damage” means direct damage to or destruction or loss of tangible property, including all resulting loss of use of property. This definition applies to Parts VII and VIII of this **Agreement**. **Property Damage** excludes damage to the property owned by the **Named Member** but includes damage to property of others in the care, custody or control of the **Named Member** or property purchased by the **Named Member** under a contract which provides that the title remain with the sellers until payments are completed, in which case the **Pool's** liability is limited to the amount of payments outstanding.

“Retaliation” means any actual or alleged response of a **Member** to:

1. The disclosure or threat of disclosure by a **Member** to a superior or to any governmental agency of any act of the **Named Member** where such act is alleged to be in violation of any federal, state, local or foreign law, whether common or statutory, or any rule or regulation promulgated thereunder;
2. The actual or attempted exercise by a **Member** of any right that such **Member** has under law, including rights under any workers' compensation law, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
3. The filing of any claim under the Federal False Claims Act or any similar federal, state, local or foreign whistleblower or whistleblower provision of any law; or
4. Any legally protected employee work stoppage or slowdown

“Scope of Duty” means performing any duties a public employee is requested, required or authorized by the **Named Member**, regardless of the time and place of performance.

“Securities” means all negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include **Money**.

“Sexual Abuse” means any actual, attempted or alleged criminal sexual conduct, verbal or written conduct using visual images, including such conduct by electronic means, towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. **Sexual Abuse** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse** does not include **Sexual Harassment**.

“Sexual Harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature towards a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** includes:

1. The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
2. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Sexual Harassment does not include **Sexual Abuse**.

“Strip Search” means the visual or physical examination of an individual's naked body, anus or vagina for weapons, drugs or other contraband and includes any search that requires the subject to remove or arrange some of all of their clothing to permit inspection of the breasts (women only), buttocks, genitalia, anus or vagina.”

“Wrongful Act” means any actual or alleged error or mis-statement, omission, act or neglect or breach of duty due to misfeasance, malfeasance, and non-feasance, including any **Employment Practice Liability Wrongful Act**, or **Law Enforcement Liability Wrongful Act**, Discrimination, and Violation of Civil Rights by the **Member**, resulting in **Bodily Injury, Personal Injury** or **Property Damage**. All **Claims** based on or arising out of the same **Wrongful Act** or a series of related **Wrongful Acts** by one or more **Member** shall be deemed one **Occurrence**. Only one **Coverage Agreement**, one **Deductible**, and one limit of coverage is applicable to any one **Wrongful Act**.

Part V – Property

Property coverage is set forth in the 2026 NMCIA Property Coverage Agreement.

For purposes of this Part V, Property, the following definitions and conditions shall apply:

A. DEFINITIONS.

“Property” or **“Property of the Named Member”** means all real and personal property, including leasehold improvements or betterments which the **Named Member** owns, property which the **Named Member** holds on consignment or agrees to cover by any contractual agreement normal to its operations, and the **Named Member's** own property in the course of construction, repair or renovation

Part VI – Crime

Crime coverage is set forth in the crime policy provided by National Union Fire Insurance Company of Pittsburgh, PA, policy number 01-335-26-42.

Part VII – Liability

SECTION A – GENERAL LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. What the Pool Will Pay

CLAIMS MADE COVERAGE AGREEMENT: PAYMENT AND DEFENSE

In consideration of the **Named Member's** contribution and subject to the terms, exclusions and definitions in this **Agreement**, the **Pool** agrees to pay on behalf of the **Member** all sums which the **Member** shall become legally obligated to pay as a result of **Money Damages** by reason of the negligent act(s) committed by the **Member** stated in a **Claim**, to which this coverage applies, which results in **Personal Injury, Bodily Injury** or **Property Damage** arising out of an **Occurrence**.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The negligent act for which **Claim** is first made happened on or after the applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any negligent act was likely to result in a **Claim** being made against any **Member**.

B. Defense

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** arising out of the categories of conduct enumerated above brought against the **Member**, alleging a negligent act and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the **Member**. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.

2. (a). Upon written request to the **Pool** by a **Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the **Member** where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.
3. The **Pool** shall have the right, but not the duty, to monitor and participate in the defense of any investigatory, administrative or disciplinary proceeding relating to any **Member**. Should the **Pool** elect to defend, monitor or participate under this provision, such election shall not constitute a waiver of any rights the **Pool** may have pursuant to any of the provisions of the **Coverage Agreement**.

II. EXCLUSIONS APPLICABLE TO SECTION A – GENERAL LIABILITY

In addition to the general exclusions of this **Agreement**, this part does not apply to:

- A. Any **Claim** for **Money Damages**, whether direct or consequential, or for any cause of action which is covered under any other section of this **Agreement**.
- B. Damage or destruction of property owned by the **Named Member**.
- C. The withdrawal, inspection, repair, replacement, or loss of use of the **Named Member's** products or work completed by or on behalf of the **Named Member** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
- D. **Bodily Injury, Property Damage, Personal Injury** or any other damages whatsoever caused by the maintenance, operation, use, loading or unloading, or entrustment of an **Automobile**. This exclusion applies even if the **Claims** against and **Member** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Member**.

SECTION B – EMPLOYMENT PRACTICES LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. What the Pool Will Pay

The **Pool** agrees, subject to the limitations, terms and conditions of this **Agreement**, to provide a defense and pay on behalf of the **Member** all **Money Damages** that the **Member** shall become legally obligated to pay by reason of any **Employment Practices Liability Wrongful Act** arising out of any **Claim** first made during the period of this **Agreement**.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The **Employment Practices Liability Wrongful Act** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any **Employment Practices Liability Wrongful Act** was likely to result in a **Claim** being made against any **Member**.

The **Pool** will pay on behalf of the **Member Money Damages** and expenses incurred by the **Pool**, the cost of attachment or similar bonds (but without any obligation on the part of the **Pool** to apply for or furnish such bonds), and costs, charges and expenses incurred in connection with any governmental investigation provided that a **Claim** is brought against the **Member** for an **Employment Practices Liability Wrongful Act** that is or was a subject of a governmental investigation, and that **Claim** is otherwise covered by this **Agreement**.

B. Defense

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** brought against the **Member** alleging an **Employment Practices Liability Wrongful Act** and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the **Member**. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.
2. (a) Upon written request to the **Pool** by a **Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the **Member** where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the

Pool has the right, but not the duty, to employ such persons as a **Pool** operational expense.

3. The **Pool** shall have the right, but not the duty, to monitor and participate in the defense of any investigatory, administrative or disciplinary proceeding relating to any **Member**. Should the **Pool** elect to defend, monitor or participate under this provision, such election shall not constitute a waiver of any rights the **Pool** may have pursuant to any of the provisions of the **Agreement**.

II. EXCLUSIONS APPLICABLE TO EMPLOYMENT PRACTICES LIABILITY

In addition to the general exclusions of this **Agreement**, this section shall not apply to any **Claim** made against the **Member**:

- A. For actual or alleged **Bodily Injury**, sickness, disease or death of any person, or damage or destruction of any tangible or intangible property including loss of use thereof, whether or not such property is physically injured; provided, however, that this exclusion shall not apply to mental anguish, emotional distress or humiliation;
- B. For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the New Mexico Public Employee Bargaining Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, all as amended, or any rules or regulations promulgated thereunder, or similar provisions of any common or statutory federal, state or local law; provided, however, this exclusion does not apply to any such **Claim** alleging violations of the Equal Pay Act or **Retaliation**;
- C. For any actual or alleged **Sexual Abuse**. However, with respect to civil defense only, the **Pool** will provide defense and indemnification to any **Member** alleged to have committed an act of **Sexual Abuse**; provided that, in no event shall further defense or indemnity be provided where a judgment or other final adjudication should establish, or it is otherwise determined, that the **Member** committed or participated in any act of **Sexual Abuse**
- D. Alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving any dishonest, deliberately fraudulent or criminal act; provided, however, that with respect to civil proceedings only, this exclusion shall not apply unless and until there is a final judgment against such **Member** as to such conduct. If such excluded conduct is established through a final judgment, the **Member** shall reimburse the **Pool** for any costs, charges and expenses;

- E. Alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, any actual or alleged responsibility, obligation or duty of any **Member** pursuant to any workers compensation, unemployment insurance, social security, disability benefits or pension benefits or similar law; provided, however, this exclusion shall not apply to any such **Claim** alleging **Retaliation**; or
- F. For that portion of any **Money Damages** covered under any other coverage section of this **Agreement**.

III. SPECIFIC CONDITIONS – PART VII – LIABILITY

A. Employment Practices Liability Deductible

The **Pool's** liability for **Money Damages** as the result of any one **Employment Practices liability Occurrence** is limited as described in the Limits of Coverage of this **Agreement** less the amount of the **Named Member's Employment Practices Liability** deductible as set forth in the Endorsements.

For the purpose of determining the limit of liability, all **Money Damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence**.

SECTION C – PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. What the Pool Will Pay

The **Pool** agrees, subject to the limitations, terms and conditions of this **Agreement**, to provide a defense and pay on behalf of the **Member** all **Money Damages** that the **Member** shall become legally obligated to pay by reason of any Public Officials Errors and Omissions Liability **Wrongful Act** arising out of any **Claim** first made during the period of this **Agreement**.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The Public Officials Errors and Omissions Liability **Wrongful Act** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement**; and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any Public Officials Errors and Omission Liability **Wrongful Act** was likely to result in a **Claim** being made against any **Member**.

The **Pool** will pay on behalf of the **Member Money Damages** and expenses incurred by the **Pool**, the cost of attachment or similar bonds (but without any obligation on the part of the **Pool** to apply for or furnish such bonds), and costs, charges and expenses incurred in connection with any governmental

investigation provided that a **Claim** is brought against the **Member** for a Public Officials Errors and Omissions Liability **Wrongful Act** that is or was a subject of a governmental investigation, and that **Claim** is otherwise covered by this **Agreement**.

B. Defense

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** brought against the **Member** alleging a Public Officials Errors and Omissions Liability **Wrongful Act** and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the **Member**. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.
2. (a) Upon written request to the **Pool** by a **Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the **Member** where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.
3. The **Pool** shall have the right, but not the duty, to monitor and participate in the defense of any investigatory, administrative or disciplinary proceeding relating to any **Member**. Should the **Pool** elect to defend, monitor or participate under this provision, such election shall not constitute a waiver of any rights the **Pool** may have pursuant to any of the provisions of the **Agreement**.

II. EXCLUSIONS APPLICABLE TO PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY

In addition to the general exclusions of this **Agreement**, this section shall not apply to any **Claim** made against the **Member**:

- A. Based upon or attributable to their gaining in fact any personal profit or advantage to which they were not legally entitled including remuneration paid in violation of law as determined by the courts.
- B. Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the **Member** was

engaged in any activity for which they received compensation from any source other than the **Named Member**.

- C. Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible Property (including Money) or the loss of use thereof.
- D. Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.
- E. Arising out of or in any way involving any employee benefit plan of the **Named Member**.
- F. For any **Claim** covered under Section A, General Liability or Section B, Employment Practices Liability.
- G. Damage or destruction of property owned by the **Named Member**.
 - 1. Arising from:
 - a. Procurement of goods or services;
 - b. Construction contracts;
 - c. Architectural or engineering contracts; or
 - d. The process of bidding or awarding contracts.
- H. For any **Claim** regarding any sanction or fine from the State Ethics Commission against any county elected official of the **Named Member**.

SECTION D – EMPLOYEE BENEFITS LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. What the Pool Will Pay

In consideration of the **Named Member's** contribution and subject to the terms, exclusions and definitions in this **Agreement**, the **Pool** agrees to pay on behalf of the **Named Member** all sums which the **Member** shall become legally obligated to pay as a result of **Money Damages** sustained by an employee, prospective employee, former employee or the beneficiaries or legal representatives thereof in the **Administration** of the **Named Member's Employee Benefit Programs** as defined in this section and caused by any negligent act, error or omission by the **Named Member** or any other person for whose acts the **Named Member** is legally liable, for **Claims** first made during the **Agreement** Period.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The error, omission or negligent act for which **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any error, omission or negligent act was likely to result in a **Claim** being made against any **Member**.

B. Defense

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** arising out of the categories of conduct enumerated above brought against the **Member**, alleging an error, omission or negligent act and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the **Member**. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.
2. (a) Upon written request to the **Pool** by a **Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the **Member** where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.
3. The **Pool** shall have the right, but not the duty, to monitor and participate in the defense of any investigatory, administrative or disciplinary proceeding relating to any **Member**. Should the **Pool** elect to defend, monitor or participate under this provision, such election shall not constitute a waiver of any rights the **Pool** may have pursuant to any of the provisions of the **Agreement**.

II. EXCLUSIONS APPLICABLE TO EMPLOYEE BENEFITS LIABILITY

In addition to the general exclusions of this **Agreement**, this section shall not apply to any **Claim** made against the **Member** for:

- A. **Bodily Injury** to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof.
- B. **Personal Injury** or **Property Damage**.
- C. Any **Claim** for failure of performance of contract by any insurer, including failure of any **Employee Benefit Program**.
- D. Any **Claim** based upon the **Member's** failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits.
- E. Any **Claim** based upon:
 - 1. Failure of investment to perform as represented by any **Member**;
 - 2. Advice given by a **Member** to a employee to participate or not to participate in stock subscription plans;
 - 3. The investment or non-investment of funds; or
 - 4. Errors in providing information on the past performance of investment vehicles.
- F. Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state law;
- G. **Money Damages** arising out of employment, employment discrimination, or other employment-related practices;
- H. Any **Claim** arising out of the **Member's** failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

III. DEFINITIONS

The unqualified word "**Administration**" wherever used means:

- A. Giving counsel to employees with respect to the **Employee Benefits Programs**;
- B. Interpreting the **Employee Benefit Programs**;
- C. Handling records in connection with the **Employee Benefits Programs**; and
- D. Effecting the enrollment, termination or cancellation of employees under the **Employee Benefits Programs**; provided all such acts are authorized by the **Named Member**.

Part VIII – Auto Liability

I. CLAIMS MADE COVERAGE AGREEMENT

A. What the Pool Will Pay

The **Pool** agrees to pay for those sums which the **Member** becomes legally obligated to pay as **Money Damages** because of **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance or use of any **Automobile**, subject to the limitations, terms and conditions of this **Agreement**.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The **Accident** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any Accident was likely to result in a **Claim** being made against any **Member**.

B. Defense

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** arising out of the categories of conduct enumerated above brought against the **Member** alleging an **Accident** and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the **Member**. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.
2. (a) Upon written request to the **Pool** by a **Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the **Member** where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur

expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

II. DEFINITIONS – PART VIII – AUTO LIABILITY

“Hired Autos” means only those “autos” a **Named Member** leases, hires, rents or borrows. This does not include any “auto” a **Named Member** leases, hires, rents or borrows from any of the **Named Member’s** employees or partners or members of their households.

“Member”, wherever used in this **Agreement**, includes not only the **Named Member** but also:

1. Under Part VIII, any person while using an **Automobile** owned by the **Named Member** or a hired **Automobile**, and any person or organization legally responsible for the use thereof, provided the actual use of the **Automobile** is by the **Named Member** or with the **Named Member’s** permission and any official of the **Named Member** with respect to the use of non-owned **Automobiles** in the business of the **Named Member**. This coverage, with respect to any person or organization other than the **Named Member**, *does not apply*:
 - a. to any person or organization or to any or their agents or employees operating an **Automobile** sales agency, repair shop, service station, storage garage or public parking place, with respect to any **Accident** arising out of those operations;
 - b. with respect to any **Hired Autos**, to the owner or lessee, other than the **Named Member**, nor to any agent or employee of that owner or lessee.

“Non-Owned Autos” means only those “autos” a **Named Member** does not own, lease, hire, rent or borrow that are used in connection with the **Named Member’s** business. This includes “autos” owned by a **Named Member’s** employees or members of their households but only while used in the **Named Member’s** business.

III. EXCLUSIONS THAT APPLY TO PART VIII – AUTO LIABILITY

In addition to the general exclusions of this **Agreement**, this **Agreement** does not cover:

- A. Any **Claim** for **Money Damages** or for any cause of action which is covered under any other section of this **Agreement**.
- B. Uninsured and/or Underinsured Motorists Liability
- C. Any **Claim** for **Money Damages** arising out of the use of a covered **Automobile** by any third party where such use is not related to the operations of the **Named Member’s** business or not authorized for such use by the **Named Member**.

Part IX – Law Enforcement Liability

CLAIMS MADE COVERAGE AGREEMENT: PAYMENT AND DEFENSE

In consideration of the **Named Member's** contribution to the **Pool** and in reliance upon representations made by the **Named Member** in the Application and any Renewal Application for this coverage, and subject to all provisions contained in this **Agreement**, including any endorsements hereto, the **Pool** agrees as follows:

A. **What The Pool Will Pay**

The **Pool** agrees, subject to the limitations, terms and conditions of this **Agreement**, to provide a defense and pay on behalf of the **Member** all **Money Damages** that the **Member** shall become legally obligated to pay by reason of any Law Enforcement Liability **Wrongful Act** arising out of an **Occurrence** due to the **Law Enforcement Activities** of a **Member** during the period of this **Agreement**.

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and
2. The error, omission or negligent act for which **Claim** is first made happened on or after the retroactive date set forth in the in this **Agreement** and before the end of the **Agreement** period; and
3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any error, omission or negligent act was likely to result in a **Claim** being made against any **Member**.

B. **Defense**

1. Subject to all of the provisions contained in this **Agreement**, the **Pool** has the right and duty to defend any **Claim** arising out of the categories of conduct enumerated above brought against the **Member**, alleging an error, omission or negligent act and seeking **Money Damages** on account thereof, even if a **Claim** is groundless, false or fraudulent. The **Pool** shall have the right to incur **Claims Expenses** and to make such investigation and settlement of any **Claim** or suit as may be deemed expedient by the **Pool** and the **Pool** may settle any **Claim** at its sole discretion and without the consent of the **Member**, although the **Pool** will endeavor to seek the input of the Member. The determination by the **Pool** as to any settlement and as to the reasonableness of settlements and **Claims Expenses** shall be conclusive on the **Member**. The **Pool** shall have the right, but not the obligation, to appeal any judgment adverse to the **Member**.

2. (a). Upon written request to the **Pool** by a **Named Member** for pre-**Claim** involvement of the **Pool** prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to designate attorneys, investigators, or other persons to perform work and incur expenses on behalf of the Named Member where the **Pool** anticipates a **Claim**.

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.
3. The **Pool** shall have the right, but not the duty, to monitor and participate in the defense of any investigatory, administrative or disciplinary proceeding relating to any **Law Enforcement Activity** of the **Member**. Should the **Pool** elect to defend, monitor or participate under this provision, such election shall not constitute a waiver of any rights the **Pool** may have pursuant to any of the provisions of the **Coverage Agreement**.

Part X – Cyber Liability

Cyber liability coverage is set forth in the cyber liability policy provided by XL Group, policy number MTP 0039694 13.

Part XI – Equipment Breakdown

(Boiler and Machinery)

Equipment Breakdown coverage, also known as “boiler and machinery”, is set forth in the equipment breakdown policy provided by Liberty Mutual Insurance, policy number YB2-L9L-481689-016.

Part XII – Environmental Liability

(Pollution)

Environmental Liability coverage, also known as "pollution", is set forth in the environmental liability policy provided by Illinois Union Insurance Company, policy number PPL G4685049A 007.

Part XIII – Storage Tank Liability

(Fuel Tank Pollution)

Storage tank liability coverage, also known as “fuel tank pollution”, is set forth in the storage tank liability policy provided by Illinois Union Insurance Company, policy number UST G71771945 007.

Law Enforcement Liability Program Endorsements

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 1

Membership and Retroactive Dates

It is understood and agreed that the following Membership and Retroactive Dates shall apply in respect of the participating **members** as follows:

A. Law Enforcement Liability Program

March 21, 2001

Catron County
Chaves County
Cibola County
Colfax County
Curry County
Dona Ana County
Eddy County
Harding County
Lincoln County
McKinley County
McKinley County Juvenile Detention Center
Mora County
Otero County
Quay County
Roosevelt County
San Miguel County Sheriff's Department
Sandoval County
Santa Fe County
Sierra County
Socorro County
Taos County
Torrance County
Union County
Valencia County

September 1, 2003

Luna County

January 1, 2004

Guadalupe County
Santa Fe Juvenile Detention Center

January 19, 2004

Cibola County Detention Center

February 1, 2004

Grant County

July 1, 2004

San Miguel County Detention Center

December 1, 2004

De Baca County Dispatch/Communications Center
De Baca County Detention Center

January 1, 2005

Valencia County Detention Center

October 11, 2005

Santa Fe County Detention Center

January 1, 2006

McKinley County Detention Center

July 1, 2006

De Baca Sherriff's Department

July 1, 2008

Hidalgo County

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 2

THIS ENDORSEMENT INTENTIONALLY LEFT BLANK

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 3

It is hereby agreed that the following deductibles apply:

CATRON	\$50,000
CHAVES	\$100,000
CIBOLA	\$50,000
COLFAX	\$50,000
CURRY	\$75,000
DE BACA	\$50,000
DONA ANA	\$50,000
EDDY	\$50,000
GRANT	\$50,000
GUADALUPE	\$50,000
HARDING	\$50,000
HIDALGO	\$50,000
LINCOLN	\$50,000
LUNA	\$50,000
MCKINLEY	\$50,000
MORA	\$50,000
OTERO	\$100,000
QUAY	\$50,000
ROOSEVELT	\$50,000
SAN MIGUEL	\$50,000
SANDOVAL	\$75,000
SANTA FE	\$500,000
SIERRA	\$50,000
SOCORRO	\$50,000
TAOS	\$50,000
TORRANCE	\$50,000
UNION	\$50,000
VALENCIA	\$50,000

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 4

No Coverage for Detention Center Operation

This **Agreement** does not provide coverage (including the obligation to defend a **Member**) for any claim related to the operation of the Detention Center of the following **Named Members** for the period beginning at the time specified:

Beginning January 1, 2019 at 12:01 a.m.

1. Cibola
2. Guadalupe
3. Harding
4. Lincoln
5. Mora
6. Otero
7. Torrance
8. Union

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 5

No coverage for whole or partial allegations of failure to provide adequate healthcare or mental healthcare to inmates or detainees – Counties with No Medical / Mental Health Detention Center Contracts

This coverage is based on the underwriting information at the time this coverage agreement was updated, and if it is found a contract was in place when a claim occurred, then it is possible coverage exists for that claim.

This **Agreement** does not provide coverage (including the obligation to defend a Member) for any claim with whole or partial allegations of failure to provide adequate healthcare or mental healthcare to inmates or detainees of the following **Named Members**:

1. Catron
2. Sierra

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

AMENDED Endorsement No. LE - 6

Limited per-occurrence coverage for whole or partial allegations of failure to provide adequate healthcare or mental healthcare to inmates or detainees.

This coverage is based on the underwriting information at the time this coverage agreement was updated, and if it is found that no contract was in place at the time of a claim, then the member will not have the coverage available under endorsement 6.

This **Agreement** provides only a \$2,000,000 sublimit per occurrence coverage (including defense costs), for any claim with whole or partial allegations of failure to provide adequate healthcare or mental healthcare to inmates or detainees of the following

Named Members:

1. Chaves
2. Colfax
3. De Baca
4. Eddy
5. Grant
6. Hidalgo
7. Luna
8. McKinley
9. Quay
10. San Miguel
11. Socorro
12. Taos

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

Multi-Line Program Endorsements

New Mexico County Insurance Authority
Multi Line Program
Member Coverage Agreement

Endorsement No. 1

Named Members and Retroactive Dates

It is understood and agreed that the following **Named Members** comprise the Multi-Line Program and have a Retroactive Date of March 21, 2001:

Catron County
Chaves County
Cibola County
Colfax County
Curry County
De Baca County
Dona Ana County
Eddy County
Harding County
Lincoln County
McKinley County
Mora County
Otero County
Quay County
Roosevelt County
San Miguel County
Sandoval County
Santa Fe County
Sierra County
Socorro County
Taos County
Torrance County
Union County
Valencia County

The following **Named Members** have the following retroactive dates:

September 1, 2003

Luna County

January 1, 2004

Guadalupe

January 1, 2005

Grant County

July 1, 2008

Hidalgo County

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 2

Coverage for Injunctive Relief

It is hereby understood and agreed that coverage is provided for injunctive relief claims to a limit of \$10,000 for the county's costs and attorneys' fees.

Subject otherwise to all terms, clauses and conditions of this policy.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 3

Limited Coverage for Land Use Matters

It is hereby agreed and understood this **Agreement** does not provide coverage for any liability arising out of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation or claims, and regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into, by or on behalf of the **Member**. Claims alleging civil rights violations arising out of any of the listed proceedings are also excluded.

However a defense will be provided, up to a maximum set forth below per **Named Member** for claims in inverse condemnation, land use actions, zoning, rezoning or failure to zone. The sub-limited amount applies to defense costs of the County only and cannot be applied to pay a settlement, plaintiff's costs or legal fees.

The following counties have this coverage in the amounts set forth below:

Catron*	\$20,000/\$20,000
Chaves	\$20,000/\$20,000
Cibola	\$20,000/\$20,000
Dona Ana*	\$40,000/\$100,000
Grant	\$20,000/\$20,000
Lincoln*	\$20,000/\$20,000
Luna	\$40,000/\$100,000
McKinley	\$20,000/\$20,000
Mora	\$40,000/\$100,000
Otero*	\$20,000/\$20,000
Roosevelt	\$20,000/\$20,000
San Miguel*	\$20,000/\$20,000
Sandoval	\$20,000/\$60,000
Santa Fe*	\$40,000/\$100,000
Socorro*	\$20,000/\$20,000
Taos	\$40,000/\$100,000
Torrance	\$20,000/\$60,000
Valencia*	\$20,000/\$20,000

*In addition, these members have coverage in accordance with Endorsement #9.

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 4

THIS ENDORSEMENT INTENTIONALLY LEFT BLANK

Member Coverage Agreement

Endorsement No. 5

EXCLUSION OF LOSS TO AND LOSS OF USE OF DATA, COMPUTER HARDWARE AND SYSTEMS

Random Attack – Hacking Event or Computer Virus

We will not pay for direct physical loss or damage caused by a random attack, a hacking event or computer virus. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Random Attack means the widespread attack, by a hacking event or computer virus, directed against the computer systems, software, data, or telecommunications systems of multiple organizations or persons who are not part of you, rather than solely at your computer systems, software, data, or telecommunications systems. Such attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

Hacking Event means an attack that allows unauthorized access or use of a computer or telecommunications system by electronically circumventing a security or procedure.

Computer Virus means a piece of code that is maliciously or fraudulently introduced into a computer or telecommunications system. Once introduced, the virus may destroy, alter, contaminate, or degrade the integrity, quality, or performance of data or any computer application software, computer network, or computer operating system and related software.

This exclusion does not apply to any specific attack to your computer equipment otherwise covered in Part V, Property.

Specific Attack means the intentional attack, by a hacking event or computer virus, directed solely at your computer system, software, data or telecommunications system. Such attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

Denial of Services

We do not cover any loss of earnings or extra expense caused by or resulting from denial of services.

Denial of Services means an intentional specific or random attack on your computer system or telecommunications system for the purposes of nuisance, sabotage, malicious tampering which has the effect of:

1. Depleting system resources available through the Internet to authorized external users of your computer system or telecommunications systems; or
2. Impeding Internet access of authorized external users to your computer system or telecommunications system.

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 6

It is hereby agreed that the following deductibles apply to General Liability, Employment Liability and 3rd Party Automobile Liability:

CATRON	\$5,000
CHAVES	\$50,000
CIBOLA	\$5,000
COLFAX	\$5,000
CURRY	\$5,000
DE BACA	\$5,000
DONA ANA	\$10,000
EDDY	\$5,000
GRANT	\$5,000
GUADALUPE	\$5,000
HARDING	\$10,000
HIDALGO	\$5,000
LINCOLN	\$5,000
LUNA	\$10,000
MCKINLEY	\$25,000
MORA	\$5,000
OTERO	\$5,000
QUAY	\$5,000
ROOSEVELT	\$10,000
SAN MIGUEL	\$5,000
SANDOVAL	\$50,000
SANTA FE	\$100,000
SIERRA	\$5,000
SOCORRO	\$5,000
TAOS	\$5,000
TORRANCE	\$5,000
UNION	\$5,000
VALENCIA	\$5,000

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 7

Property coverage described in this agreement is effective January 1 – July 1, 2026 at which time the coverage will move to a July 1 policy year at which time member deductibles will be included in the July 1, 2026 – July 1, 2027 NM CIA Property Coverage Agreement.

It is hereby agreed that the following deductibles apply to First Party Automobile and Property:

	First Party Automobile	Property
CATRON	\$5,000	\$5,000
CHAVES	\$25,000	\$25,000
CIBOLA	\$5,000	\$5,000
COLFAX	\$5,000	\$5,000
CURRY	\$10,000	\$10,000
DE BACA	\$5,000	\$5,000
DONA ANA	\$10,000	\$50,000
EDDY	\$5,000	\$5,000
GRANT	\$5,000	\$5,000
GUADALUPE	\$5,000	\$5,000
HARDING	\$5,000	\$5,000
HIDALGO	\$5,000	\$5,000
LINCOLN	\$5,000	\$5,000
LUNA	\$5,000	\$5,000
MCKINLEY	\$5,000	\$5,000
MORA	\$5,000	\$5,000
OTERO	\$5,000	\$5,000
QUAY	\$5,000	\$5,000
ROOSEVELT	\$5,000	\$5,000
SAN MIGUEL	\$5,000	\$5,000
SANDOVAL	\$10,000	\$50,000
SANTA FE	\$50,000	\$100,000
SIERRA	\$5,000	\$5,000
SOCORRO	\$5,000	\$5,000
TAOS	\$5,000	\$5,000
TORRANCE	\$5,000	\$5,000
UNION	\$5,000	\$5,000
VALENCIA	\$5,000	\$5,000

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

Member Coverage Agreement

Endorsement No. 8

This endorsement modifies insurance coverage provided under the **Agreement**:

SEXUAL ABUSE ENDORSEMENT

To the extent insurance coverage is provided by this endorsement, paragraph 27. of Part III – General Coverage Exclusions does not apply.

SCHEDULE

Sexual Abuse Retroactive Date: April 18, 2008

IMPORTANT NOTICE

THIS **SEXUAL ABUSE** LIABILITY ENDORSEMENT PROVIDES COVERAGE ON A **CLAIMS-MADE** BASIS. THE COVERAGE PROVIDED BY THIS ENDORSEMENT IS LIMITED TO ONLY AN **OCCURRENCE** OF **SEXUAL ABUSE** TAKING PLACE ON OR AFTER THE **SEXUAL ABUSE** RETROACTIVE DATE STATED IN THE SCHEDULE AND THEN ONLY FOR THOSE CLAIMS FOR WHICH A **NOTICE OF CLAIM** OCCURS DURING THE AGREEMENT PERIOD OR DURING THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE.

THIS ENDORSEMENT IS SUBJECT TO THE TERMS, EXCLUSIONS, DEFINITIONS AND CONDITIONS OF THE **AGREEMENT**, EXCEPT AS OTHERWISE MODIFIED BY THIS ENDORSEMENT. PLEASE REVIEW THE ENDORSEMENT CAREFULLY. ALL WORDS OR PHRASES THAT ARE PRINTED IN BOLD FACE ARE DEFINED IN THE ENDORSEMENT OR ELSEWHERE IN THE **AGREEMENT**.

PART VII – LIABILITY IS AMENDED TO INCLUDE THE FOLLOWING:

I. COVERAGE AGREEMENT – SEXUAL ABUSE

- A. In consideration of the **Named Member's** contribution, the **Pool** will pay all sums that the **Named Member** or a **Named Member's** Manager becomes legally obligated to pay as **Money Damages** because of a settlement or a court judgment findings the **Named Member** or a **Named Member's** Manager vicariously liable, due to the actions of another **Member(s)**, for **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, an **Occurrence** of **Sexual Abuse**, or a series of related **Occurrences** of **Sexual Abuse**.

The **Pool's** payment obligation will not exceed the Per **Occurrence** Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Section A – General Coverage Declarations** subject to the Pool Aggregate Limit of Coverage

shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability**.

All **Claims Expenses** incurred by the **Pool** in investigating or settling any **Claim**, or in defending any suit, against a **Named Member** or a **Named Member's** Manager that is covered by this endorsement's insurance serve to erode, individually or together with any **Money Damages** paid by the **Pool**, the Per **Occurrence** Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability**.

- B. This endorsement's insurance coverage applies to **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, an **Occurrence** of **Sexual Abuse** only if:
1. Such **Bodily Injury Occurrence** of **Sexual Abuse** takes place in the coverage territory stated in paragraph C. Territorial Scope of Part II – General Conditions;
 2. Such **Bodily Injury Occurrence** of **Sexual Abuse** takes place on or after the **Sexual Abuse** Retroactive Date shown in the Schedule and before the end of the **Agreement** Period; and
 3. **Notice of Claim** resulting from an **Occurrence** of **Sexual Abuse** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable.
- C. No other obligation or liability to pay any sum or perform any act or service under this endorsement is covered unless explicitly provided for in this endorsement or elsewhere in the **Agreement**.
- D. Any continuation, change or resumption of an **Occurrence** of **Sexual Abuse** on or after the effective date of this endorsement will be deemed to have been known prior to the effective date of this endorsement. In such case, the limit of liability is sub-limited to \$2,000,000.
- E. All **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, any **Occurrence** of **Sexual Abuse** shall be deemed to be a single **Claim**:
1. Whether committed by the same person or two or more persons acting in concert with each other and all breaches of duty giving rise to such acts, and without regard to the number of:
 - a. Persons sexually abused or incidents of **Sexual Abuse**;
 - b. Locations where **Sexual Abuse** took place;
 - c. **Agreement** periods covered by the Pool over which the **Sexual Abuse** took place;

- d. **Occurrences of Sexual Abuse** taking place after the first **Occurrence of Sexual Abuse** covered by the **Pool**; provided such subsequent **Occurrences of Sexual Abuse** take place during the **Agreement** Period where such **Sexual Abuse** coverage is provided by the **Pool**.
 2. With respect to all **Money Damages** and/or **Claims Expenses** related to such **Bodily Injury**, including any subsequent related **Bodily Injury**.
- F. For each single **Claim**, only a single Per **Occurrence** Limit of Coverage that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** will apply. The **Agreement** Period in which the first **Occurrence of Sexual Abuse** insured by the **Pool** takes place will determine the applicable Per **Occurrence** Limit of Coverage.

II. EXCLUSIONS

The following exclusions apply to this endorsement and are in addition to those exclusions stated in Part III – General Coverage Exclusions and **Part VII, Section A, General Liability, Sub-Section II, Exclusions; and Part VII, Section B, Employment Practices Liability, Sub-Section II, Exclusions**. Exclusions Applicable To Part VII, Section A, General Liability; **Part VII, Section B, Employment Practices Liability, and Part IX Law Enforcement Liability**

This endorsement does not provide coverage:

- A. To any **Member** or other person(s) who:
 1. Committed, participated in, directed or was aware of and allowed an **Occurrence of Sexual Abuse**.

However, in civil proceedings only, the **Pool** will provide a defense and pay associated **Claims Expenses** of a **Member** who is, or **Members** who are, alleged in a **Claim** or suit to have committed or participated in an **Occurrence of Sexual Abuse**. The **Pool's** payment obligation will not exceed limits of \$50,000 per **Occurrence** (includes one or more **Members**) and \$100,000 annual aggregate per **Named Member** (hereinafter referred to as "Defense **Claims Expenses – Allegation of Sexual Abuse Limits**"). The **Pool's** defense ends for an accused **Member** when:

- a. The **Member** is found by a court of law to be innocent or guilty or not guilty of the charges;
- b. The **Member** pleads 'nolo contendere' to the charges;
- c. The **Member** is found to be civilly liable or reaches a civil settlement; or
- d. The Defense **Claims Expenses – Allegation of Sexual Abuse Limits** are exhausted, whichever occurs first.

2. Failed to follow established written **Named Member** policy in taking action to prevent an initial **Occurrence** of **Sexual Abuse** or to prevent a recurrence of any **Occurrence** of **Sexual Abuse**.
- B. For punitive or exemplary damages, treble damages, any sum awarded in excess of compensatory damages, any multiple of compensatory damages, or that part of any award not attributable to compensatory damages.
 - C. To any **Member** for liability arising out of, resulting from, caused or contributed to or by, or in connection with, an **Occurrence** of **Sexual Abuse**, or a series of related **Occurrences** of **Sexual Abuse**, because of **Law Enforcement Activities** or **Strip Searches**, or arising out of the ownership, maintenance or use of any **Automobile**.
 - D. For any **Claim** made by any **Member** against any other **Member**. This exclusion does not apply to **Claims** brought by a **Member** against a **Named Member** or a **Named Member's** Manager (so long as the **Named Member's** Manager is not the alleged perpetrator).
 - E. For an **Occurrence** of **Sexual Abuse** which, prior to the inception date of this endorsement, the **Named Member** or its authorized person or any other **Member** had knowledge of or otherwise had knowledge of facts and circumstances which could reasonably give rise to anticipate a **Claim** or suit might result.

III. LIMITS OF COVERAGE

- A. With respect to insurance coverage provided by this endorsement, the Per **Occurrence** Limit of Coverage shown in **Part I, section B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** is the most the **Pool** will pay for the sum of **Money Damages** and/or **Claims Expenses** because of **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, any single covered **Occurrence** of **Sexual Abuse**.
- B. Subject to paragraph A. above, the Pool Aggregate Limit of Coverage shown in **Part I, section B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** is the most the **Pool** will pay for the sum of all **Money Damages** and **Claims Expenses** during the **Agreement** Period because of **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, all covered **Occurrences** of **Sexual Abuse**.
- C. The Defense **Claims Expenses** – Allegation of **Sexual Abuse** Limits stated in subparagraph A of section **II. EXCLUSIONS** of this endorsement are separate from and in addition to the Per **Occurrence** Limit of Coverage shown in **Part I, section B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** and the Pool Aggregate Limit of Coverage shown in **Part I, section B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability**.

IV. EXTENDED REPORTING PERIOD(S)

With respect to the insurance coverage provided by this endorsement, any optional extended reporting period made available by the **Pool** will coincide with that stated in paragraph N. of Part II – Coverage Conditions.

V. DEFINITIONS

The following definition applies to this endorsement only and is in addition to those definitions stated in Part IV – General Definitions or as may be amended by endorsement to the **Agreement**:

- A. **Named Member's** Manager means a person who is employed by a **Named Member** in a management capacity to provide executive, administrative and supervisory direction. **Named Member** also includes **Named Member's** elected or appointed officials.

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 9

Expanded Land Use Coverage for Civil Rights Violations for Member Counties

It is hereby understood and agreed that expanded land use coverage described in Endorsement No. 3 is offered to **Member Counties** for land use claims for an additional charge. For all other **Members** of the Pool, purchase of Land Use coverage as described in Endorsement 3 is mandatory for a period of not less than two (2) years in order to participate in coverage provided by this Endorsement 9. Coverage afforded is as follows:

- A. Claims for **civil rights violations** arising out of the operation of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation proceedings or claims, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into by or on behalf of the **Member**;
- B. Coverage applies to a limit of \$1,000,000 per occurrence with a 10% co-insurance and \$25,000 deductible payable by the **Member** for each occurrence;

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

Member counties that have selected this coverage:

- 1. Catron
- 2. Dona Ana
- 3. Lincoln
- 4. Otero
- 5. Roosevelt
- 6. San Miguel
- 7. Santa Fe
- 8. Socorro
- 9. Taos
- 10. Valencia

New Mexico Counties
Multi Line Program

Member Coverage Agreement

Endorsement No. 10

Additional Insured Liability Coverage for Certain Members

It is hereby understood and agreed that additional insured liability coverage is provided for certain **Members** as outlined below. Subject otherwise to all terms, clauses and conditions of this policy.

1. New Mexico State Land Office through Member Santa Fe County effective June 12, 2020 specific to business lease agreement BL-1660 executed June 12, 2020 with the Commissioner of Public Lands State of New Mexico for property located at the address listed below for the sole and exclusive purpose of Behavioral Health Facility. No other uses.

Township	Range	Section	Aliquot	Acreage	County
10N	07 E	16	NE/4 NE/4	2.96	Santa Fe

New Mexico Counties
Law Enforcement & Multi-Line Liability Program

Member Coverage Agreement

Endorsement A

Communicable Disease Endorsement

Limited per-occurrence indemnification coverage for **Communicable Disease** claims

It is hereby understood and agreed that defense coverage is provided for any liability claim alleging exposure, bodily injury, or property damage, directly or indirectly based upon, in whole or in part, arising out of any allegation related to any **Communicable Disease**. This defense coverage is provided on a 90% Pool / 10% Member split of defense costs between Pool and Named Member basis. No deductible applies to the Member's share of the split costs.

It is further understood and agreed that indemnification coverage is provided for any liability claim alleging exposure, bodily injury, or property damage, directly or indirectly based upon, in whole or in part, arising out of any allegation related to any **Communicable Disease**, up to a per-occurrence sublimit of \$50,000.

It is further understood and agreed that the annual member aggregate for the defense coverage and indemnification portions of any such liability claims as outlined above is \$1,000,000.

It is further understood and agreed that the annual pool aggregate for the defense coverage and indemnification portions of any such liability claims as outlined above is \$3,000,000.

Subject otherwise to all terms, clauses and conditions of this **Agreement**.

This endorsement is retroactive to January 1, 2020.

New Mexico Counties
Law Enforcement & Multi-Line Liability Program

Member Coverage Agreement

**Endorsement B
Professional Liability**

It is hereby understood and agreed that the **Members** listed below have identified **Employees** who are **licensed medical professionals** and have paid an additional contribution to the **Pool** to expand coverage to those **licensed medical professionals** for claims alleging negligence by the **licensed medical professionals** in the provision of services within their practice area while in the course and scope of their employment for the **Members**. For purposes of this coverage, **licensed medical professionals** include only the following: physician, medical doctor, osteopath, nurse practitioner, clinical nurse specialist, physician assistant, chiropractor, resident, extern, intern, psychiatrist, pharmacist, dentist, orthodontist, periodontist, or psychologist.

Member

1. Colfax County
2. De Baca County
3. Eddy County
4. Luna County
5. Quay County
6. Santa Fe County

The coverage afforded under this Endorsement is subject to all terms, clauses and conditions of this **Agreement**.

SCHEDULE A

Catron	County Manager	PO Box 507	Reserve, NM 87830
Chaves	County Manager	#1 St. Mary's Place	Roswell, NM 88203
Cibola	County Manager	515 W High St.	Grants, NM 87020
Colfax	County Manager	230 N Third St.	Raton, NM 87740
Curry	County Manager	417 Gidding Street, Suite #100	Clovis, NM 88101
De Baca	County Manager	248 E. Avenue C/PO Box 347	Fort Sumner, NM 88119
Dona Ana	County Manager	845 N. Motel Blvd.	Las Cruces, NM 88007
Eddy	County Manager	101 W Greene St., Suite 110	Carlsbad, NM 88220
Grant	County Manager	PO Box 898	Silver City, NM 88062
Guadalupe	County Manager	130 S 4th Street	Santa Rosa, NM 88435
Harding	County Manager	35 Pine St.	Mosquero, NM 87733
Hidalgo	County Manager	305 Pyramid St.	Lordsburg, NM 88045
Lincoln	County Manager	PO Box 711	Carrizozo , NM 88301
Luna	County Manager	PO Drawer 551	Deming, NM 88030
McKinley	County Manager	PO Box 70	Gallup, NM 87301
Mora	County Manager	PO Box 580	Mora, NM 87732
Otero	County Manager	1101 New York Ave.	Alamogordo, NM 88310
Quay	County Manager	PO Box 1246	Tucumcari, NM 87401
Roosevelt	County Manager	109 W First St.	Portales, NM 88130
San Miguel	County Manager	500 W National Ave., Ste. 200	Las Vegas, NM 87701
Sandoval	County Manager	PO Box 40	Bernalillo, NM 87004
Santa Fe	County Manager	102 Grant Ave.	Santa Fe, NM 87501
Sierra	County Manager	855 Van Patten	T or C, NM 87901
Socorro	County Manager	PO Box I	Socorro, NM 87801
Taos	County Manager	105 Albright St., Ste. G	Taos, NM 87571
Torrance	County Manager	PO Box 48	Estancia, NM 87016
Union	County Manager	PO Box 430	Clayton, NM 88415
Valencia	County Manager	PO Box 1119	Los Lunas, NM 87031

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

<u>Item Number:</u> 4.D.	<u>Item Title:</u> Presentation Regarding Hannover Three Year Excess of Loss Reinsurance Contract and Approval of Updated NMCRE Premium if Necessary
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
Motion by: _____ Seconded by: _____	

NMCR_e BoD Meeting

March 17, 2026

Executive Summary

- NMCR reinsurance structure provides up to \$8m of annual limit, \$16m of term limit across 3 years
- 2 of 3 years exposed to Bernalillo County, which could erode entire term limit
- Loss costs have increased drastically between 2024 GRE actuarial analysis and 2026 analysis
- Several claims originally filed in state court shifted to federal, which were not included in original actuarial
- In recent years, Bernalillo county loss costs as a % of total have been on a decline, especially in reinsurance layer (xs \$2m FGU)
- Hannover Re has offered concessions to address county's departure, but limited technical arguments exist for reducing premium

Reinsurance pricing is largely driven by loss experience, probability of future loss, and jurisdiction

- 10-year loss history (10 x last) is typically used as lookback starting point
 - 5-year history (5 x last) becoming more common in dynamic / changing claims environment
- Loss Costs are established by trending and developing losses
 - Industry, client data, or blended development patterns used
 - Industry’s view of trend (bringing older claims to today’s dollars)
- “Load” added to Ultimate Loss Costs for reinsurer profit & expense
- Modelling 3-year contracts adds additional complexities

Sample Reinsurer Actuarial View

Program Year (1)	ADA (2)	On-Level Factor (3)	On-Level ADA (4) = (2) * (3)	Incurred Loss & ALAE (5)	Trended Inc Loss & ALAE (6)	LDL (7)	% Rept (8)	SB Ultimate Loss & ALAE (9)	SB Ultimate Loss per ADA (10) = (9) / (4)
2014-2015	522,350	1.00	522,350	14,356,484	20,770,214	1.081	92.5%	21,792,850	41.72
2015-2016	527,479	1.00	527,479	4,327,178	10,177,901	1.103	90.7%	11,469,839	21.74
2016-2017	533,831	1.00	533,831	-	-	1.128	88.7%	1,586,493	2.97
2017-2018	549,188	1.00	549,188	12,440,452	16,500,818	1.165	85.8%	18,542,247	33.76
2018-2019	557,920	1.00	557,920	14,610,469	20,147,270	1.235	81.0%	22,934,797	41.11
2019-2020	559,639	1.00	559,639	11,643,455	16,851,072	1.346	74.3%	20,630,120	36.86
2020-2021	558,667	1.00	558,667	416,318	1,636,089	1.546	64.7%	6,817,594	12.20
2021-2022	562,950	1.00	562,950	7,322,233	10,192,175	1.970	50.8%	17,467,429	31.03
2022-2023	538,641	1.00	538,641	195,000	540,817	2.968	33.7%	9,916,004	18.41
2023-2024	539,552	1.00	539,552	-	-	6.288	15.9%	11,910,637	22.08
2024-2025	541,439	1.00	541,439	-	-	47.056	2.1%	13,910,731	25.69
10 Year x Last	5,450,216		5,450,216	65,311,590	96,816,356			143,068,010	26.25

Reinsurance Estimated Pricing = (Loss Cost + reinsurer expense and margin) x Exposure

Looking back to 2024, GRE NMCR analysis indicated little reinsurance margin baked into reinsurance pricing

- Reinsurance Contract Pricing Calculations
 - WLE per NMCR Actuarial = 2,941
 - Rate per Reinsurance Contract = \$1,360
 - Total = \$2,941 x \$1,360 = \$3,999,760
 - 8% implied margin based on GRE actuarial analysis

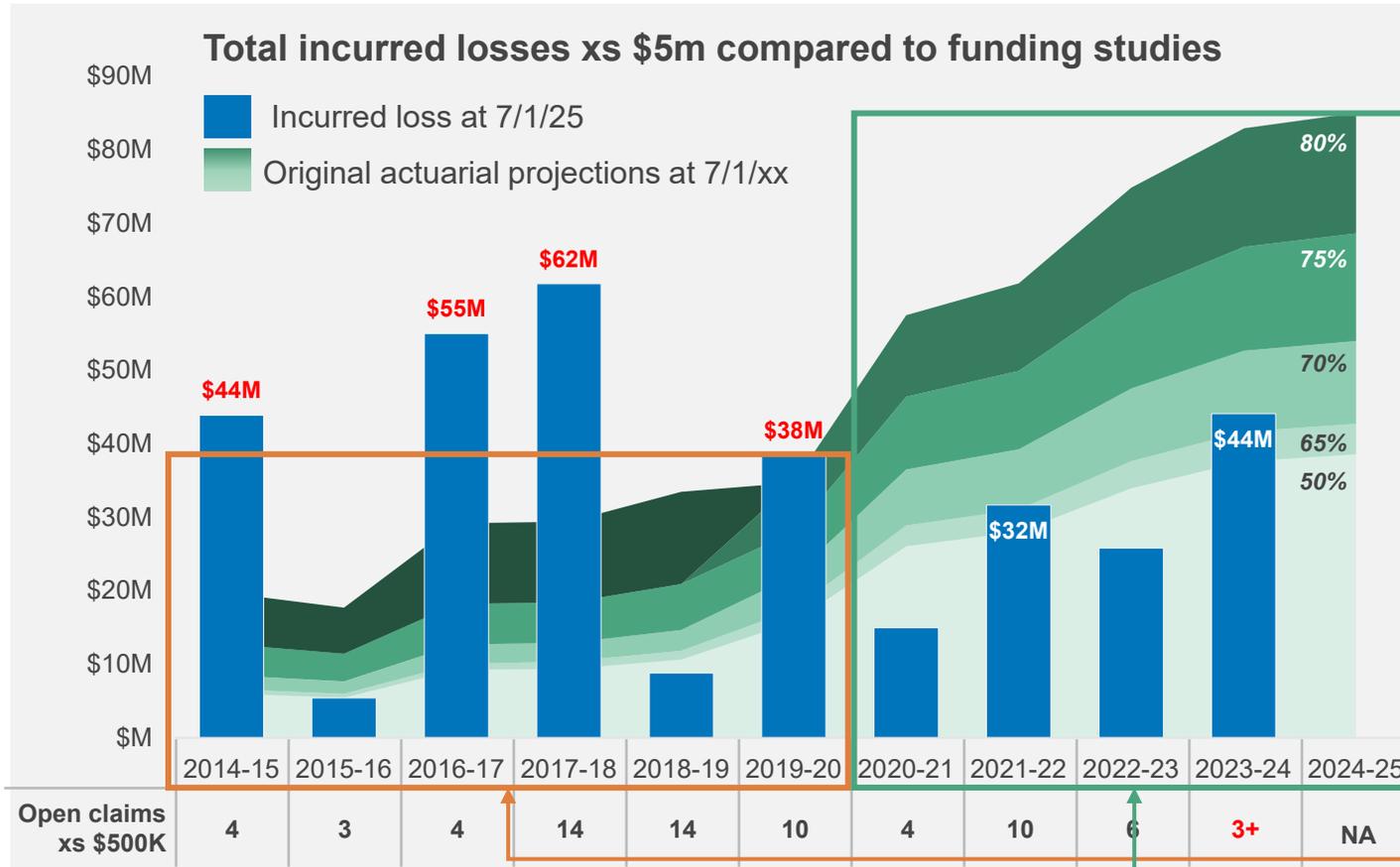
2024 GRE Actuarial Analysis (Rate per WLE – 1 yr view)		
Lookback	Rate per WLE	Ultimate Expected
5 x Last	1,832	\$5.4m
10 x Last	1,251	\$3.7m

- Gallagher Re (GRE) and reinsurer completes actuarial work independent of Glicksman Consulting
- Differences in Ultimate / Expected Loss largely driven by trend, lookback (# of years), trend and supplemented industry / client data

Sample Reinsurer Actuarial View

Program Year	ADA (2)	On-Level Factor (3)	On-Level ADA (4) = (2) * (3)	Incurred Loss & ALAE (5)	Trended Inc Loss & ALAE (6)	LDL (7)	% Rept	SB Ultimate Loss & ALAE (8)	SB Ultimate Loss per ADA (9) = (8) / (4)
2014-2015	522,350	1.00	522,350	14,356,484	20,770,214	1.081	92.5%	21,792,850	41.72
2015-2016	527,479	1.00	527,479	4,327,178	10,177,901	1.103	90.7%	11,469,839	21.74
2016-2017	533,831	1.00	533,831	-	-	1.128	88.7%	1,586,493	2.97
2017-2018	549,188	1.00	549,188	12,440,452	16,500,818	1.165	85.8%	18,542,247	33.76
2018-2019	557,920	1.00	557,920	14,610,469	20,147,270	1.235	81.0%	22,934,797	41.11
2019-2020	559,639	1.00	559,639	11,643,455	16,851,072	1.346	74.3%	20,630,120	36.86
2020-2021	558,667	1.00	558,667	416,318	1,636,089	1.546	64.7%	6,817,594	12.20
2021-2022	562,950	1.00	562,950	7,322,233	10,192,175	1.970	50.8%	17,467,429	31.03
2022-2023	538,641	1.00	538,641	195,000	540,817	2.968	33.7%	9,916,004	18.41
2023-2024	539,552	1.00	539,552	-	-	6.288	15.9%	11,910,637	22.08
2024-2025	541,439	1.00	541,439	-	-	47.056	2.1%	13,910,731	25.69
10 Year xLast	5,450,216		5,450,216	65,311,590	96,816,356			143,068,010	26.25

Case Study: Reinsurance actuaries are beginning to using conservative assumptions because of accelerating claims environment



- Client’s actuary has held trend flat at 5% for prior 10 years
- Client data (10-year lookback) was considered “credible” for deriving trend and projecting premiums
- 6 of last 10 years losses exceeded original mean projection
- Surplus dropped to negative position in 2019/2020, resulting in multiple assessments

Rates set using less conservative assumptions such as 10 x last lookback

Rates set using more conservative assumptions such as 5 x last lookback, increased IBNR, etc.

2026 GRE Actuarial Analysis (inclusive of Bern. Co)

Loss costs increased greatly in 3x2 and 2x2 analysis

NMCIA 2x2 Experience Rating Summary

AY	Weighted Exposure	Reported Loss	Trended Loss	Trended Loss per exposure	% Rept	SB Ult Trended Loss	SB Ult Trended Loss per exposure
2014	3,452	0	1,985,534	575	84.8%	2,819,141	817
2015	3,518	912,735	2,818,160	801	82.4%	3,805,011	1,082
2016	3,264	0	0	0	80.0%	1,041,049	319
2017	3,280	1,676,890	2,000,000	610	76.6%	3,221,956	982
2018	3,267	2,000,000	2,000,000	612	74.6%	3,322,602	1,017
2019	3,406	4,000,000	4,000,000	1,174	70.8%	5,582,017	1,639
2020	3,334	702,538	1,621,418	486	64.6%	3,502,998	1,051
2021	3,284	2,126,328	3,266,004	994	54.7%	5,635,805	1,716
2022	3,232	6,000,000	6,604,809	2,043	41.5%	9,615,988	2,975
2023	2,946	6,027,500	6,349,485	2,155	27.7%	9,742,361	3,307
2024	2,833	2,000,000	2,204,853	778	14.3%	6,070,322	2,143
2025	2,709	0	52,613	19	3.7%	4,207,744	1,553
All Year	38,524	25,445,991	32,902,874	854			1,468
10 xLast	32,363	25,445,991	30,864,728	954			1,593
5 xLast	15,629	16,856,366	20,046,568	1,283			3,079

NMCIA 3x2 Experience Rating Summary

10 x last increased 45%
5 x last increased 88%

NMCIA 2x2 Experience Rating Summary

2015 -2019 (prior 5-yr) Ultimate Loss average \$3.3m per year

2020 -2024 (5 x last) Ultimate Loss average \$6.9m per year

Delta between “prior 5-yr” and “5 x last” views indicate reinsurer likely to increase weight in more recent years

2026 GRE Actuarial Analysis (excluding Bern. Co)

Delta between 5 x last and 10 x last increased, with 5 x last Ultimate raising above 2024 projections

NMCIA 2x2 Experience Rating Summary

AY	Weighted Exposure	Reported Loss	Trended Loss	Trended Loss per exposure	% Rept	SB Ult Trended Loss	SB Ult Trended Loss per exposure
2014	2,335	0	1,985,534	850	84.8%	2,303,977	987
2015	2,375	0	0	0	82.4%	376,239	158
2016	2,306	0	0	0	80.0%	415,346	180
2017	2,314	0	0	0	76.6%	486,800	210
2018	2,329	2,000,000	2,000,000	859	74.6%	2,532,519	1,087
2019	2,386	0	0	0	70.8%	625,612	262
2020	2,295	0	0	0	64.6%	731,539	319
2021	2,246	126,328	1,266,004	564	54.7%	2,181,076	971
2022	2,235	2,000,000	2,292,403	1,026	41.5%	3,468,096	1,552
2023	1,981	4,027,500	4,346,928	2,194	27.7%	5,635,267	2,845
2024	1,958	2,000,000	2,204,853	1,126	14.3%	3,713,402	1,897
2025	1,879	0	52,613	28	3.7%	1,680,001	894
All Year	26,639	10,153,828	14,148,334	531			912
10 xLast	22,425	10,153,828	12,110,188	540			899
5 xLast	10,715	8,153,828	10,110,188	944			2,264

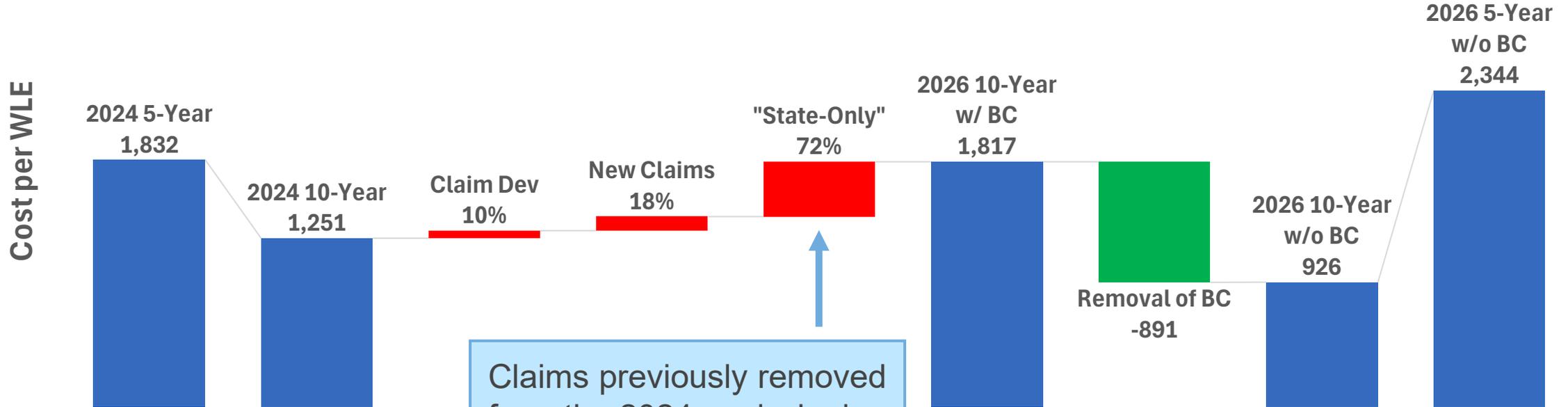
2024 GRE Actuarial Analysis (Rate per WLE – 1 yr view)		
Lookback	Rate per WLE	Ultimate
5 x Last	1,832	\$5.4m
10 x Last	1,251	\$3.7m

2026 GRE Actuarial Analysis W/ BC (Rate per WLE – 1 yr view)		
Lookback	Rate per WLE	Ultimate
5 x Last	3,441	\$10.2m
10 x Last	1,817	\$5.4m

2026 GRE Actuarial Analysis ex. / BC (Rate per WLE – 1 yr view)		
Lookback	Rate per WLE	Ultimate
5 x Last	2,344	\$4.6m
10 x Last	926	\$1.8m

Drivers of Change in Actuarial Analyses

How loss cost has evolved from inception of the treaty to now



Contract uses a base of 2,941 WLE, for an annual EL of $1,251 \times 2,941 = \$3.7m$

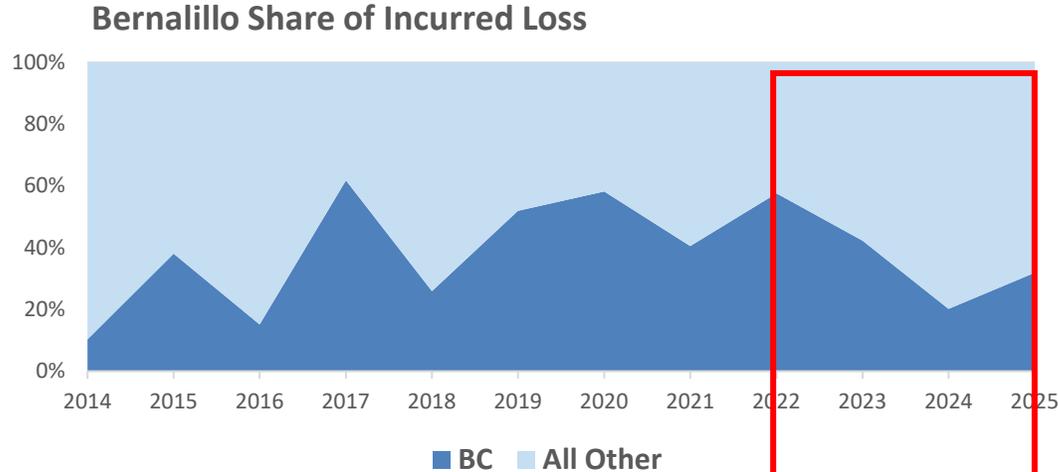
Claims previously removed from the 2024 analysis due to "State-Only" allegations no longer able to be removed due to re-filing in Federal Court.

Ex-Bernalillo estimate of 1,960 WLE in 2026, for an annual EL of $2,344 \times 1,960 = \$4.6m$

Bernalillo County as a Percentage of Loss

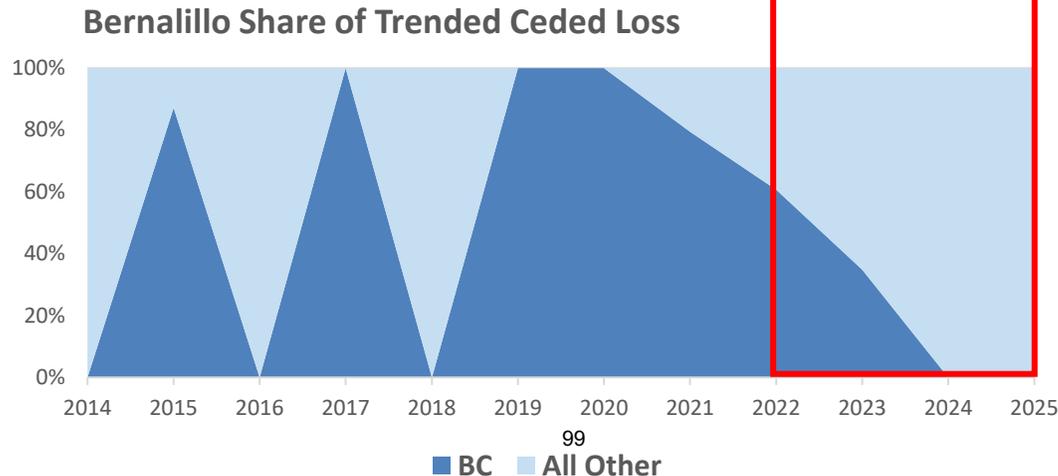
Bernalillo's share of ceded loss has decreased in recent years

Impact of Bern. Co. to incurred loss has decreased dramatically since 2023



Incurred Loss as % of total		
Period	BC	All Other
2014-2022	41%	59%
2023-2025	33%	67%

Impact of 9 reported claims trending into the xs \$2m layer since 2023, only 2 are Bern. Co.



Trended Ceded Loss as % of total		
Period	BC	All Other
2014-2022	71%	23%
2023-2025	25%	75%

Current Options

Discussions with Hannover Re are ongoing, with three options currently on the table

Decrease Margin to 20%

- Pros – simple, helps with cash flow concerns, improves NMCR_e outcome if losses come in low
- Cons – does not address the imbalance in collected and ceded premium

Decrease Margin, Decrease Premium, Introduce Deductible

- Pros – same dollar margin as above, annual premium decreased to \$2.8m to reestablish positive net premium
- Cons – deductible equal to difference between original and new premium introduced (\$1.8m for final 6 quarters), decreases accrued interest credit, convoluted

Commute

- Pros – would allow for broader renegotiation of current deal, recoup funds withheld account balance
- Cons – coverage lost for any claim subject to the treaty

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

<u>Item Number:</u> 5.A.	<u>Item Title:</u> Bernalillo County Coverage Update
<u>Presenter (s):</u> Shirley Ragin, Bernalillo Deputy County Manager for Finance	

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

<u>Item Number:</u> 5.B.	<u>Item Title:</u> Review Property Program: Softening Property Market's Impact on CRL Margin Clause, Update on Lloyds of London Meeting
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Memorandum

Date: March 11, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: CRL Property Renewal

February 4-5, 2026, I attended the CRL Property Plus meeting in Atlanta where we discussed the structure and governance of the Property Plus program and how to modify bylaws to avoid members from departing and leaving the program with large losses.

March 3-5, 2026 I participated in meetings with underwriters for the 20 London based carriers that participate in the CRL reinsurance panel.

This renewal will see an increase in our SIR to \$500,000. The CRL general account provides coverage for the first \$5 million above our SIR, and Property Plus (of which we are an owner) provides coverage for the \$25 million layer above that. A panel of carriers from London, Bermuda, and the United States combine to provide coverage for stop loss protection for Property Plus and losses above \$30 million up to \$1,005,000,000. (See attached property panel exhibit and NMCIA member report.)

The CRL Property Program insures more than \$68 billion in member property (down from a high of \$120 billion in total insured value (TIV) in 2023 when there were 19 member states). The London panel participates up to \$350 million. Properties valued at less than \$5 million account for 84.1% of the insured portfolio. 98% of the insured properties have values of less than \$25 million. NMCIA represents 5% of the CRL Property Program.

After a particularly brutal and hard market in 2023 the international property market is softening. Feedback from the reinsurers was consistent. They are managing a softening cycle, still dealing with losses from recent years, and committed to fair pricing and stability for long-term partners such as CRL.

During softer markets there is a temptation to chase rates; however, in hard markets only established partners can obtain coverage at all. In 2024 the London market only quoted 25% of the coverage requests that they received.

Bottom line, we expect some reduction in premium but nothing drastic. There may also be improvement in terms, depending upon what the CRL

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Board approves in May. Potential improvements include funding to a 1,000 year event instead of 250 year event, a reduction in the hail deductible from 2% to 1%, a \$5 million reduction in the Property Plus layer and an increase in the stop loss protection, an increase in per county flood protection, and elimination of the margin clause.

Some of the members who have left CRL in recent years have left the pool with significant losses. One reason stability is so important is for both the pool and its reinsurers to feel confident that members will be with the pool over the long term and not chase rate reductions during a soft market. In return the reinsurers will stick with the pool during a hard market which everyone expects to return with the next large storm.

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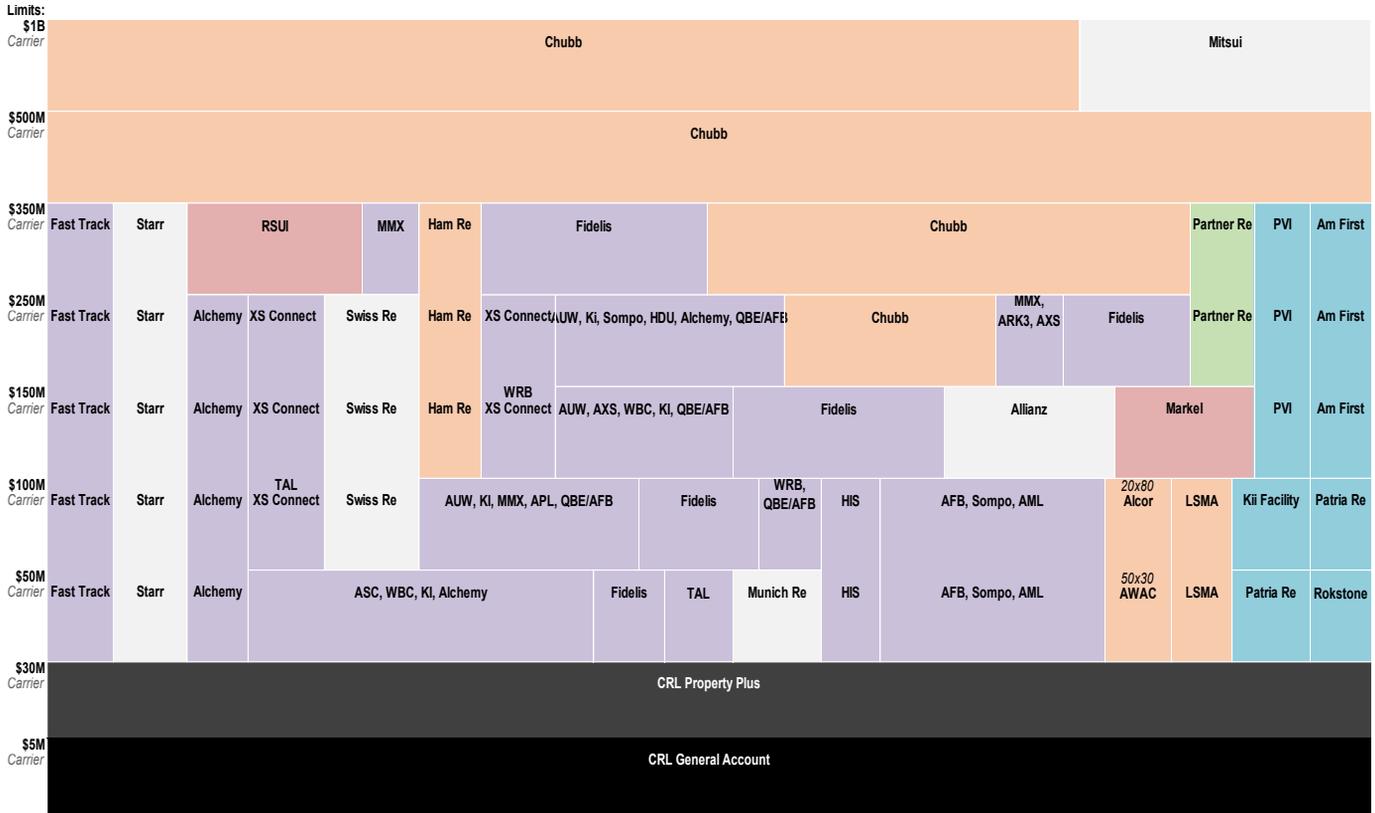
Property Program Summary

July 1, 2025 - 2026 Property Insurance Program



Program Schematic

July 1, 2025 – July 1, 2026



- Portfolio program with a shared and layered (i.e. multiple Insurers) structure.
- 12 participating CRL Member Pools as of July 1, 2025. 12 CRL Member Pools are the Reinsured. CRL and the various panel participants are the Reinsurers.
- Property added, deleted, and/or valuation adjustments by Reinsured will be collected by County Reinsurance Limited (CRL) and reported to the Reinsurers on a quarterly basis (10/1, 1/1, 4/1, 7/1) or as CRL deems necessary.
- Member Pools are underwritten individually, with results overlaid with collective portfolio underwriting which leverages the spread of risk and value / premium volume (i.e. credits provided).
- Member Pools share in the coverage limits provided in the Excess of Loss Reinsurance Agreement.
- Includes \$1B Occurrence Limit for Terrorism (Damage to the Insured Property directly related to or caused by an Act or series of Acts of Terrorism and/or Sabotage).
- *Note: Schematic not drawn to scale and for summary purposes only.*

Exposure - CRL

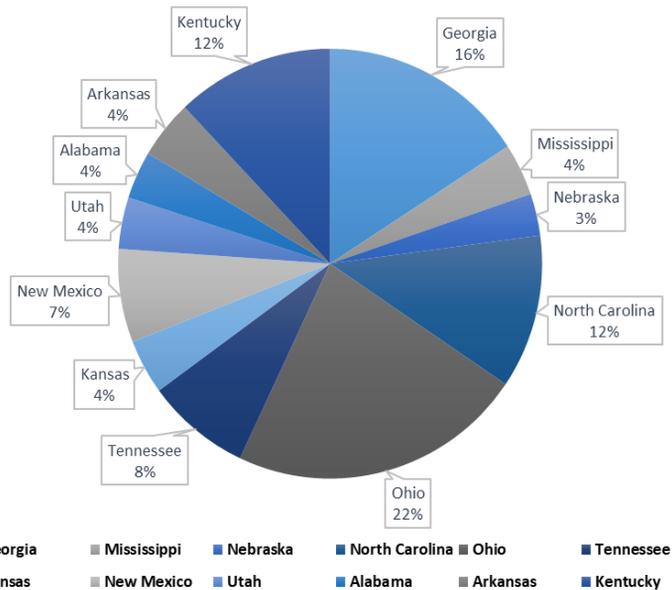
By State/Unit of Insurance

Includes locations >\$450,000 Total Insurable Values (TIV) as of 7/1/2025

State	Buildings	Vehicles	Mobile Equipment	Other	Total	% of Total
Georgia	\$9,357,289,013	\$431,962,871	\$516,372,124	\$625,115,783	\$10,930,739,791	16%
Mississippi	\$2,776,953,627	\$450,425,785	\$300,628,727	\$105,788,362	\$3,633,796,502	5%
Nebraska	\$1,817,456,163	\$145,950,000	\$366,281,379	\$40,620,068	\$2,370,307,610	3%
North Carolina	\$7,413,215,260	\$260,547,169	\$96,022,048	\$224,963,080	\$7,994,747,557	11%
Ohio	\$14,385,445,351	\$677,630,742	\$377,893,401	\$851,579,000	\$16,292,548,494	23%
Tennessee	\$3,237,722,165	\$403,817,412	\$238,622,609	\$92,059,612	\$3,972,221,799	6%
Kansas	\$2,293,086,549	\$325,177,744	\$412,548,256	\$30,418,739	\$3,061,231,288	4%
New Mexico	\$3,321,357,000	\$344,507,069	\$74,791,157	\$516,106,018	\$4,256,761,244	6%
Utah	\$2,480,515,669	\$174,500,078	\$136,749,005	\$29,670,995	\$2,821,435,747	4%
Alabama	\$2,007,065,691	\$287,511,533	\$198,248,566	\$87,146,950	\$2,579,972,740	4%
Arkansas	\$2,333,236,713	\$0	\$328,611,554	\$50,294,450	\$2,712,142,717	4%
Kentucky	\$8,422,158,269	\$485,703,234	\$435,951,854	\$159,661,707	\$9,503,475,064	14%
Total	\$59,845,501,470	\$3,987,733,637	\$3,482,720,681	\$2,813,424,764	\$70,129,380,552	100%

Largest Locations by Value

Location	Address	State	Building TIV
BC Metropolitan Detention Center	5800 SHELLY ROAD SW, ALBUQUERQUE	NM	\$206,143,000
Courthouse	120 MARKET ST, YOUNGSTOWN	OH	\$179,074,400
Sort F Building	1113 AIRPORT RD, WILMINGTON	OH	\$154,143,695
Jail Sheriff Offices	119 LEE ST, DECATUR	AL	\$123,811,550
Jail	110 FIFTH AVE, YOUNGSTOWN	OH	\$118,808,900
Alvarado Building	415 SILVER AVENUE SW, ALBUQUERQUE	NM	\$109,701,000
Offices Courtrooms	315 HIGH ST, HAMILTON	OH	\$102,494,732
Sheriffs Complex	721 W 12TH ST, OGDEN	UT	\$96,931,285
Jail Sheriffs Dept	717 COURT STREET, JACKSONVILLE	NC	\$93,040,900
Jail	705 HANOVER ST, HAMILTON	OH	\$92,356,634



Exposure - NMAC

By CAT Exposure (Buildings)

Wind Tier 1:	\$0
Wind Tier 2:	\$0
Wind Tier 3:	\$0
Wind Tier 4:	\$0
Earthquake:	\$0
Non-CAT:	\$3,321,357,000
Total:	\$3,321,357,000

By Asset Class

Largest Location	\$206,143,000
Building / Contents	\$3,321,357,000
Vehicles	\$344,507,069
Mobile Equipment	\$74,791,157
Piers/Bridges/Dams	\$504,809,737
Fine Arts	\$10,685,395
Watercraft	\$140,291
Drones	\$470,595
Misc. Property	\$0
Total Values	\$4,256,761,244



By Flood Zone (Buildings)

Flood Zone	FEMA Description	# of Locs	Aggregate Value
A / V	High Hazard	66	\$315,201,000
B / X Shade	Moderate	61	\$199,379,000
C / X	Minimal	511	\$2,552,959,000
D	Undetermined	16	\$20,778,000
Unknown	Not Reported	316	\$233,040,000

Catastrophe (CAT) Modeling

How is CAT Modeling Utilized?

- **Underwriters** utilize CAT Modeling to determine how a specific portfolio of assets impact their overall exposure. They allocate capacity (how much of an account they will write) and how to price it based on CAT Modeling results.
- **CRL** utilizes CAT Modeling for the purpose of establishing limits purchased, allocating premium, and managing overall exposure to the program.
- The following results provide directional guidance only and should be utilized in conjunction with additional underwriting information.

Model Assumptions and Limitations

- **Only locations >\$250,000 Total Insurable Values (TIV) are included in the modeling due to portfolio size limitations.**
- The accuracy of predictions depends largely on the accuracy and quality of the data provided by the reinsured.
- AIR Touchstone version 9.0 and RMS Risklink version 23.0 utilized.
- All loss projections include demand surge where available.
- Named Storm Model includes Storm Surge.

Model Outputs

Ground Up Losses - The total estimated damage from a catastrophic event before any insurance policy terms, such as deductibles and limits, are applied.

250 Year Return Period* - Usual measurement or guide of the amount of capacity available on individual account or minimum attachment point for an insurer.

1,000 Year Return Period* - Measurement utilized by insurers to factor how individual accounts effect the insurer's overall catastrophic portfolio of risk.

Average Annual Loss (AAL) - The cost needed annually to cover the loss amount for specific perils being modeled. Premium charged is typically a function of AAL.

* What does Return Period mean?: in any given year, there is a 1 in 250 or 1,000 chance that you will experience a gross loss that exceeds the specified dollar amount from a single event.

Catastrophe (CAT) Modeling

CRL Modeling

Ground Up including buildings >\$250,000 total insurable value

Return Period	All Earthquake	New Madrid Earthquake	Hurricane	Severe Convective Storm	Inland flood	Wildfire
	RMS 23.0	RMS 23.0	RMS 23.0	RMS 23.0	AIR 9.0	AIR 9.0
AAL	\$3,436,547	\$2,513,949	\$6,030,643	\$11,084,934	\$14,807,878	\$299,111
100	\$78,113,494	\$36,553,609	\$89,973,021	\$56,927,335	\$78,278,460	\$4,836,561
250	\$239,394,027	\$220,944,820	\$147,176,377	\$77,125,521	\$102,418,402	\$14,548,124
500	\$374,622,514	\$368,440,889	\$201,977,409	\$94,894,585	\$134,167,191	\$27,306,372
1000	\$494,319,865	\$490,355,906	\$265,691,804	\$115,071,319	\$179,409,349	\$32,523,107

NMAC Modeling

Ground Up including buildings >\$250,000 total insurable value

Return Period	Earthquake	Hurricane	Severe Convective Storm	Inland flood	Wildfire
	RMS 23.0	RMS 23.0	RMS 23.0	AIR 9.0	AIR 9.0
AAL	\$164,022	N/A	\$367,947	\$706,996	\$212,907
100	\$1,742,746	N/A	\$3,034,651	\$11,860,170	\$3,301,061
250	\$8,398,899	N/A	\$4,618,199	\$17,825,176	\$11,792,335
500	\$19,267,760	N/A	\$6,273,949	\$20,323,676	\$25,610,643
1000	\$35,437,619	N/A	\$8,405,014	\$22,934,200	\$30,885,159

NMAC Data Quality Drivers

Opportunities identified to improve data quality and modeling accuracy

- 2 Locations Missing Latitude/Longitude
- 2 Locations Missing Construction Code
- 5 Locations Missing Year Built
- 2 Locations Missing # of Stories

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Property Engineering

Property Engineering Surveys are conducted in-person by a structural engineer to identify the construction, occupancy, risk protection measures & management standards present at a certain location. Any special hazards present will be noted (i.e. Fire Risk, Sprinkler System Adequacy, Housekeeping Issues, & Human Element documentation like Hot Work Permits / Impairment tags). This survey report is then utilized during the property insurance renewal process to assist property underwriters in identifying and measuring the risk involved at the site.

Surveys conducted by The Hartford Steam Boiler Inspection and Insurance Company.

No Surveys scheduled for the July 1 2025-26 term.

Any loss control recommendations made during the survey can be reviewed with the Marsh team for clarity. Recommendations to be completed by either the Member Pool's internal staff or qualified vendors. All feedback on recommendations should be issued to CRL & Marsh.

Jurisdictional Inspections

The Hartford Steam Boiler Inspection and Insurance Company does not conduct Jurisdictional Inspections for the state of New Mexico.

Team Chart



PROPERTY

Skyler Gordon

SENIOR PROPERTY BROKER
Atlanta, GA

Grace Perry

PROPERTY BROKER
Washington, DC

Greg Mann

SENIOR PROPERTY STRATEGIST
Atlanta, GA

Coby Auslander

PROPERTY REPRESENTATIVE
Washington, DC

RISK CONSULTING

Ken Botes

RISK ENGINEERING ADVISOR
Atlanta, GA

Patrice Collingwood

FLOOD PRACTICE LEADER
Kalispell, MT

Rich Wall

CATASTROPHIC RISK ADVISOR
Atlanta, GA

Steve Wallace

CONSULTING DIRECTOR
Atlanta, GA



County Reinsurance Ltd.

Micheon L. Hollier

CRL EXECUTIVE DIRECTOR
Clemmons, NC

Lauren Navarro

CRL UNDERWRITING MANAGER
Clemmons, NC

Zack Dickson

CRL PROPERTY CLAIMS MANAGER
Clemmons, NC

Tim Kelley

CRL DATA ANALYST
Clemmons, NC

Claims Handling

When should a property claim be reported?

1. When the potential damage exceeds 50% of the reinsurance policy retention.
2. Any Natural Catastrophe Claim
3. Please provide updated reporting whenever there is new or “material” information. (updates to reserves/coverage concerns/damage assessments/reimbursement requests/supplements/extension requests/etc).

In the Event of a Loss

1. Give written notice to the CRL of any loss as soon as practicable at CRL.claims@countyre.org.
2. Furnish CRL with all information known in respect of claims or possible claims for which notice is given and keep CRL fully informed as regards all developments relating thereto as soon as reasonably practicable.
3. Cooperate with CRL and any other person(s) designated by CRL in the investigation, adjustment and settlement of such claims.
4. Use approved supervising adjuster for the adjustment of any claim (Refer to Page 9 for assignment)

NOTE: Original Insured/Member Pool covered entity reporting requirements can be found as outlined within the CRL Master Policy Form.

Assigned Loss Adjuster

As noted within in the 2025 CRL Reinsurance Agreement, the State Pool Member agrees to use the approved supervising adjuster for the adjustment of any claim. This assignment may only be changed by consent of the State Pool Member and CRL with respect to a particular claim.

New Mexico – Sedgwick

Appraisal Requirements

Program Requirements

1. Utilize approved appraisal firm (Centurisk, HCA, Kroll, and CBIZ)
2. Appraisal frequency no less than every 4 years
3. Index values for off-year locations
 - Utilize industry standard index based on geography and type of building
4. Ensure all new members implement Pool Member's appraisal protocol in year 1
 - This should be a pre-requisite to binding coverage
 - All locations, regardless of value, to be appraised in year 1
 - Locations under Pool threshold for appraisals should be indexed annually
 - Begin on-site appraisals once indexed value exceeds Pool threshold

Historical Locations

1. Ensure appraisal firm has the expertise to capture historical reproduction cost (NOT replacement cost)
2. Appraisal report should include details of historical reproduction cost basis
3. Ensure "Historical Valuation" is marked on the SOV

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

<u>Item Number:</u> 5.C.	<u>Item Title:</u> Discuss Property True-up and Billing Members for New Buildings on Renewal Invoices as a Line Item
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Memorandum

Date: March 18, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: CRL Property Renewal

Each year we receive a true up from CRL that reflects all property that is added and removed from our property program including recently appraised properties, and desk top appraisals for those buildings not appraised in person. At renewal, the Total Insured Value (TIV) was reported at \$4,702,576,311. The updated TIV of \$5,093,234,309 representing an increase of \$390,657,998. This resulted in a premium increase of \$352,925. Although we had some property deletions, the increase was in part due to 9 new buildings added at a TIV of \$37,835,877.

Approximately \$127,740,900 of the premium increase is related to Bernalillo County buildings. CRL will be calculating our refund related to Bernalillo County's withdrawal from the program after July 1.

True ups can include reductions as well as increases and historically the pool has absorbed these mid year changes. I propose that we consider charging members for the increased cost of new buildings only if their value is more than \$3 million. The amount to cover new property can be significant and it is a straightforward charge to explain. In addition we are required to inform CRL and obtain approval for coverage of new properties valued at over \$10 million.

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

<u>Item Number:</u> 5.D.	<u>Item Title:</u> Proposed New Budget Format
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

NEW MEXICO COUNTY INSURANCE AUTHORITY

2026-2027 Budget

WC and Property Budget for Approval on x/xx/2026

SAMPLE Document

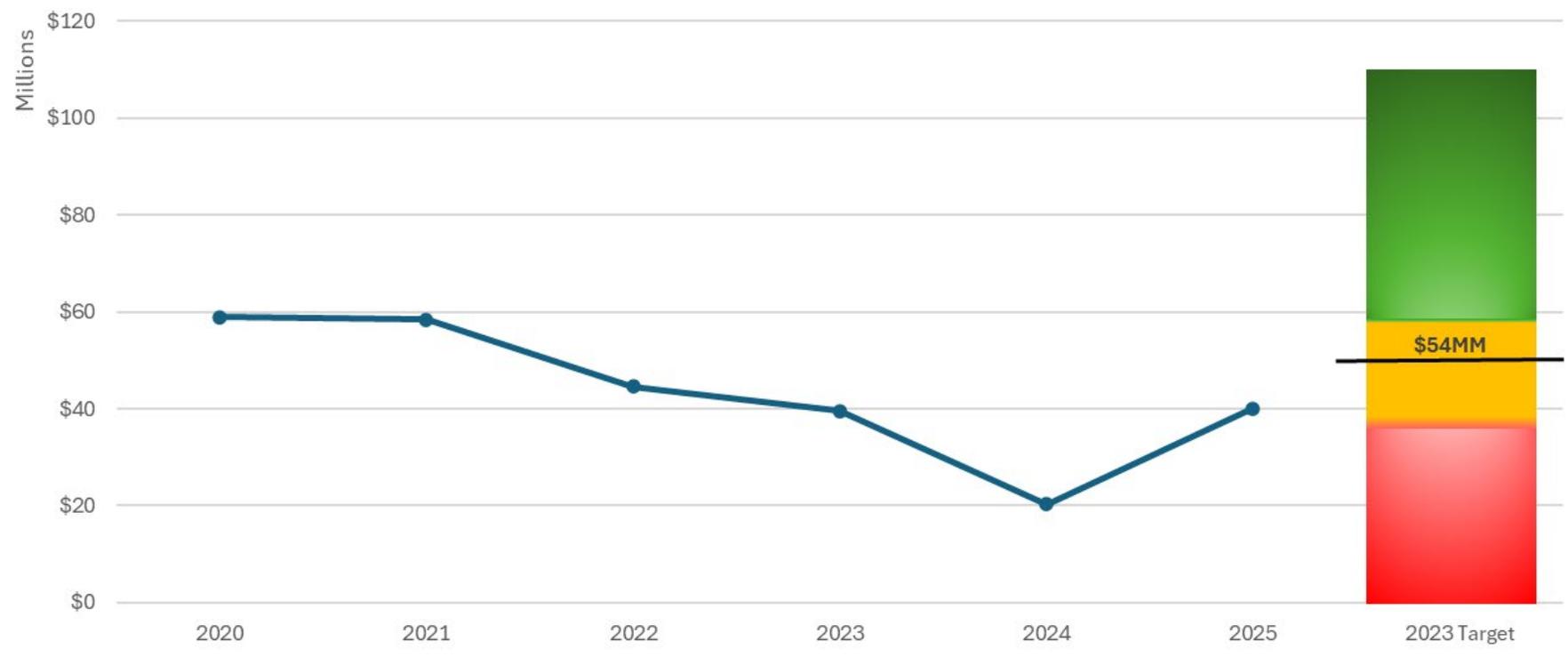


	Approved by Board 1/19/2026		Approved by Board 1/19/2026		July 1 2026-June 30, 2027		July 1 2026-June 30, 2027		PY 2026 & 2026/27	
	January 1-December 31, 2026		January 1-December 31, 2026		Property		Workers' Compensation		Total	YoY change
	Law Enforcement	Change from Prior Budget	Multi-Line (includes 6 months property)	Change from Prior Budget		YoY change		YoY change		
INCOME										
Member Contributions	17,280,877	52%	9,799,939	73%	-		13,027,778	106%	40,108,594	74%
Investment Income	916,499	83%	1,277,075	116%	-		1,100,000	93%	3,293,574	94%
TOTAL INCOME:	18,197,376	53%	11,077,014	77%	-		14,127,778	105%	43,402,168	75%
EXPENSES										
Claims Expenses										
PV of Projected Ultimate Limited Losses	10,768,306	45%	5,514,862	95%	-		9,793,910	107%	26,077,078	72%
Reinsurance (All)	2,619,971	53%	282,000	60%	-		823,874	107%	3,725,845	64%
LE Reinsurance-Class A (\$1MM x \$4MM)	108,180	13%	-		-		-		108,180	17%
LE Reinsurance-Pool Quota Share (xs \$2MM)	147,988	27%	-		-		-		147,988	22%
WC Excess Insurance	-		-		-		348,164	107%	348,164	230%
Property Reinsurance	-		2,180,437	44%	-		-		2,180,437	100%
Long-term Program Investment (start 2027)	-		-		-		-		-	
Brokerage Fees	35,000	100%	35,000	100%	-		30,000	100%	100,000	100%
Subtotal Claims Expenses:	13,679,445	45%	8,012,299	71%	-		10,995,948	107%	32,687,692	69%
Risk Mitigation Expenses										
Administrative Fees to NMC	155,704	100%	128,313	100%	-		299,764	100%	583,781	104%
Special Projects	45,000	100%	45,000	100%	-		-		90,000	100%
Loss Incentive Program	15,000	100%	-		-		35,000	100%	50,000	100%
EDGE Detention Scholarships	5,000	100%	-		-		-		5,000	33%
Online Training Program	47,500	100%	37,500	100%	-		70,000	100%	155,000	82%
Benchmark	22,500	100%	22,500	100%	-		-		45,000	
Legal Consultation Program	30,000	100%	10,000	100%	-		10,000	100%	50,000	100%
Accreditation Programs	76,000	100%	-		-		-		76,000	100%
Lexipol	255,000	100%	-		-		-		255,000	100%
Subtotal Risk Mitigation Expenses:	651,704	100%	243,313	100%	-		414,764	100%	1,309,781	102%
Pool Administrative Expenses										
Administrative Fees to NMC	1,823,892	100%	1,399,784	100%	-		1,111,964	100%	4,335,640	104%
Actuarial Studies	20,000	100%	20,000	100%	-		14,000	100%	54,000	113%
Financial Audit	30,000	100%	30,000	100%	-		12,000	100%	72,000	100%
Claims Audit (LE/ML Odd Years)	-		-		-		-		-	0%
Payroll Audit	-		-		-		55,000	100%	55,000	105%
Property Appraisal Fees	-		180,000	100%	-		-		180,000	100%
Legal Expense	20,000	100%	20,000	100%	-		2,500	100%	42,500	100%
Software Licensing & Support	145,000	100%	145,000	100%	-		196,800	100%	486,800	119%
AI Software & Training	-		-		-		100,000	100%	100,000	200%
Board D&O Insurance	43,000	100%	43,000	100%	-		43,000	100%	129,000	100%
Board Training & Education	7,500	100%	7,500	100%	-		15,000	100%	30,000	100%
Miscellaneous	4,000	100%	4,000	100%	-		5,000	100%	13,000	100%
Investment Advisor	15,000	100%	15,000	100%	-		15,000	100%	45,000	120%
Legal Bureau operations	-		-		-		-		-	0%
Subtotal Pool Administrative Expenses:	2,108,392	100%	1,864,284	100%	-		1,570,264	100%	5,542,940	105%
TOTAL EXPENSES:	16,439,542	100%	10,119,896	76%	-		12,980,976	106%	39,540,413	73%
NET INCOME	1,757,835		957,119		-		1,146,802		3,861,755	

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

<u>Item Number:</u> 5.E.	<u>Item Title:</u> Report on Updated Net Position Incorporating Capital Adequacy Targets
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

Actual Net Position Compared to Target Range as of December 31, 2025



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

<u>Item Number:</u> 5.F.	<u>Item Title:</u> Workers' Compensation Deductibles
<u>Presenter (s):</u> Lori Urban, Assistant Risk Management Director	



Workers' Compensation Deductibles

Loss Distribution Tables

10 Year Loss Data as of 12/31/2025 (2015/16 – 2024/25)

Claim Size	Upper Limit	# of Claims	Total Loss	% of Claims	% of Loss
\$0-\$1k	1000	4,013	1,626,395	52%	2%
\$1k-\$5k	5000	2,263	4,925,307	29%	5%
\$5k-\$10k	10000	409	2,900,459	5%	3%
\$10k-\$25k	25000	388	6,188,183	5%	6%
\$25k-\$50k	50000	234	8,247,275	3%	9%
\$50k-\$75k	75000	117	7,232,684	2%	7%
\$75k-100k	100000	92	7,858,855	1%	8%
\$100k-\$200k	200000	139	18,406,960	2%	19%
\$200k-\$500k	500000	59	16,910,597	1%	18%
\$500k-\$750k	750000	8	4,347,339	0%	5%
\$750k+		12	17,883,857	0%	19%
Total		7,734	96,527,911	100%	100%

5 Year Loss Data as of 12/31/2025 (2020/21 – 2024/25)

Claim Size	Upper Limit	# of Claims	Total Loss	% of Claims	% of Loss
\$0-\$1k	1000	1,974	746,694	55%	2%
\$1k-\$5k	5000	927	2,057,567	26%	4%
\$5k-\$10k	10000	178	1,278,048	5%	3%
\$10k-\$25k	25000	202	3,175,653	6%	7%
\$25k-\$50k	50000	108	3,771,877	3%	8%
\$50k-\$75k	75000	57	3,513,773	2%	7%
\$75k-100k	100000	45	3,809,675	1%	8%
\$100k-\$200k	200000	73	9,711,207	2%	20%
\$200k-\$500k	500000	30	8,664,023	1%	18%
\$500k-\$750k	750000	1	532,193	0%	1%
\$750k+		6	10,650,179	0%	22%
Total		3,601	47,910,889	100%	100%

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

<u>Item Number:</u> 5.G.	<u>Item Title:</u> Appoint a Board Member to the RFP Selection Committee
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

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

<u>Item Number:</u> 5.H.	<u>Item Title:</u> Lexipol Surcharge Report and Sheriff Progress and RAP Update
<u>Presenter (s):</u> Greg Rees, Loss Prevention Manager	

Memorandum

Date: March 9, 2026
To: NMCIA Board
From: Greg Rees, Loss Prevention Manager
Re: Loss Prevention Program Updates

Dear Board Members,

This memorandum provides an update on two major Loss Prevention initiatives currently underway: the launch of the new Risk Awareness Program (RAP) training platform and the continued implementation of Lexipol Policy Solutions for sheriff offices participating in the law enforcement pool. The RAP program modernizes county safety training through an online learning system designed to improve participation and reduce workplace incidents. At the same time, the Lexipol project continues to move participating sheriff offices toward standardized, legally sound policy manuals maintained through the Lexipol Knowledge Management System. Both initiatives support improved risk management, operational safety, and policy compliance across member counties.

Risk Awareness Program (RAP)

On February 1, 2026, New Mexico Counties Loss Prevention launched a new format of the Risk Awareness Program utilizing a Learning Management System (LMS) provided by the Health & Safety Institute (HSI). This system replaces the previous paper-based format with an interactive online training platform designed to make safety training more accessible and engaging for county employees. The objective of this transition is to improve participation and promote the reduction of injuries, incidents, and losses across member counties.

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The program is currently in its first month of implementation. As expected during the rollout of the new system, several minor technical issues were encountered, primarily related to password access, and automated training notifications. These issues have largely been resolved, and password reset requests are typically addressed by the Loss Prevention office within minutes of notification.

Program Snapshot

- Participating Counties – 24 of 33
- Registered Users – 1,564 employees
- Department Teams – 240

User Login Metrics

- All Users – 64% logged in
- Members – 65% logged in
- Administrators – 48% logged in

Participation continues to increase as counties become familiar with the new platform and as additional safety training modules are distributed throughout the year. The HSI system also provides improved reporting capabilities that allow the Loss Prevention team to monitor training completion and identify opportunities to support counties with lower participation levels.

Lexipol Policy Solutions Implementation – Sheriff Offices

The Lexipol Policy Solutions project continues to progress across participating sheriff offices in the New Mexico Counties law enforcement pool. The project establishes constitutionally sound law enforcement policy manuals delivered through the Lexipol Knowledge Management System (KMS), providing agencies with regularly updated policies aligned with current legal standards and best practices.

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Implementation of the Lexipol program occurs in three primary stages.

Pre-Implementation Setup

This stage prepares the agency for the policy review process.

- Discovery meeting – The Lexipol project specialist meets with the agency project manager to complete the agency questionnaire, establish system credentials, identify project participants, review the existing policy manual, and prepare for project kickoff.
- Kick-off meeting – Executive staff and project stakeholders review the implementation plan, timeline, and expectations before beginning policy review.

Policy Review and Editing

During this stage the agency's Primary Work Group (PWG) meets regularly with the Lexipol project specialist to review and edit policies to ensure they are operationally appropriate for the agency.

- Policies are reviewed in small groups and compared with existing agency practices.
- Subject matter experts participate when specialized policies require technical review.
- Draft policies move through the agency's internal review process and are finalized by command staff before being approved in the Lexipol KMS platform.

Final Release and Go-Live

Once policies are finalized, agencies transition from their previous policy manual to the Lexipol platform.

- Final review of policies and procedures within the system.
- Policy release to staff for review and acknowledgement.
- Establishment of a "cut over" date when the Lexipol manual becomes the official policy manual.
- Introduction of ongoing maintenance, reporting tools, and policy update procedures.

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Seven counties were previously advised that a surcharge would be assessed on their law enforcement pool contribution if they did not complete the Policy Review and Edit phase of the project by a designated deadline. Two of those counties have already completed the Policy Review and Edit process, while the remaining agencies continue to make progress toward meeting their deadlines.

21 counties – Implementation completed
6 counties – Active implementation projects
2 counties – Participation discontinued (Dona Ana County SO and Bernalillo County SO)

Agencies are still working in policy review and editing phase.

- Taos County SO – Reviewing Tier V. Project due May 31, 2026.
- Eddy County SO – Meeting regularly with project specialist. Project due May 31, 2026.
- Chaves County SO – Fewer than 25 policies remaining. Project due May 31, 2026.
- Harding County SO – Meeting regularly with project specialist; steady progress; project due August 31, 2026.
- Union County SO – Policy reviews complete, awaiting county counsel approval.

Recently Completed policy review and editing phase.

- Cibola County SO – Completed January 2026.
- Luna County SO- Completed February 2026.

Santa Fe County SO is on track to complete the Policy Review and Edit phase by the end of March.

Most remaining projects are scheduled for completion between April and August 2026. Once finalized, the Lexipol system will provide participating agencies with continuously updated policy guidance, integrated policy training tools, and improved documentation that supports compliance and reduces potential liability exposure.

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The modernization of the Risk Awareness Program and the implementation of Lexipol policy systems represent important steps toward strengthening safety practices, operational consistency, and risk management across our member counties. We appreciate the Board's continued support of these initiatives and will continue to provide updates as these programs progress.

Please let me know if you require any additional information or clarification.

Best regards,

Greg Rees

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NMCOUNTIES.ORG

LEXIPOL (Project Control - Monthly Summary Report)

GENERAL PROJECT INFORMATION

PROJECT NAME		SR PROJECT MANAGER	OPERATIONS MANAGER
New Mexico Counties (NMC)		Phil Holder	Richard Pascarella
EMAIL	PHONE	ORGANIZATIONAL UNIT(S)	
pholder@lexipol.com ; rpascarella@lexipol.com	949-226-8074	Lexipol Professional Services	
AGREEMENT EFFECTIVE DATE	PROJECT STATUS REPORT DATES	EXPECTED START DATE	EXPECTED COMPLETION DATE
28-Dec-23	1/01/2026 - 1/31/2026	06/01/2024	04/28/2026

PROJECT SUMMARY - JANUARY 2026

PURPOSE OF PROJECT	Establish and implement constitutionally sound Law Enforcement Policy Manuals for the New Mexico Counties consortium of twenty-nine individual counties supported and delivered using the Lexipol Knowledge Management System.
MONTHLY SUMMARY	<p>Group 1 agencies - Ten of the eleven have completed the policy implementation project and have issued their policy manuals. Santa Fe County was delayed late last year, but is on track to finish by March.</p> <p>Group 2 agencies - Six of ten have completed the policy implementation project and five have issued their policy manuals - Luna CO is done but awaiting final county counsel approval prior to release. Of the remaining agencies: Union CO has finished the initial edits to all tiers and is completing final review/approval, one is in tier five, one is working in tier four, and Bernalillo recently advised they have discontinued their relationship with NMC and will not continue with the Lexipol project.</p> <p>Group 3 agencies - Five of eight have completed the policy implementation project and have issued their policy manuals. Of the two remaining agencies, one is working in tiers four and five simultaneously and the other is in tier five. Harding CO has started to work with their project specialist this month and Eddy CO is making good progress with the assistance of Greg Reese. The only agency that has not agreed to this project is Dona Ana CO SO; NMC staff continues to follow up with Dona Ana County staff to inquire about future participation.</p> <p>Of the 29 counties, 21 have completed the policy implementation process, while four additional counties are in the final phase of implementation or quality assurance and should be completed in the next few of months. Two counties have opted out of the project - Dona Ana Co and Bernalillo Co</p>
TASK(S) COMPLETED	<ul style="list-style-type: none"> • Group 1 - Only Santa Fe CO remains and should be done in March - all other projects are completed. • Group 2 - There are 3 projects remaining - All agencies are now working with their assigned project specialists and continue to progress. Luna County is done pending final review by count counsel. Bernalillo CO has cancelled the project. • Group 3 - Two projects remain in this group - both Harding CO and Eddy CO are making progress are meeting with their project specialists - Dona Ana CO SO has been cancelled pending a decision to participate.

TASK(S) DELAYED	<ul style="list-style-type: none"> • Luna CO is pending final review by county counsel and will meet with their project specialist for final KMS instructions. • Eddy CO continues to work with Greg Reese (NMC) assisting and are making steady progress. • Santa Fe CO met with their assigned PM twice this month and completed work offline. Their renewed plan is on track, but will go beyond the original plan of one year. The project is expected to be completed sometime around March 2026.
UPCOMING TASKS	<ul style="list-style-type: none"> • Continue with updates for each of the Group participants status of implementation monthly. • Assess all projects and update estimated completion dates. • Review project hours and implementation status to update estimated completion date.
RISK LOG	<ul style="list-style-type: none"> • Continue to reach out to agencies that are missing meetings, not corresponding, or haven't started the process. • Document delays and communicate problems to NMC and customer agencies. • Monitor delays of individual projects - extended time frames and notification to NMC.
ISSUE LOG	<ul style="list-style-type: none"> • Any issues related to projects have been conveyed to the project manager and PS supervision for resolution.

TENTATIVE SCHEDULE

KEY MILESTONES - GROUP 1 (11 agencies)	START	FINISH
Project Discovery Meeting	06/11/2024	07/20/2024
Existing Content Received / Reviewed	June/July 24	08/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	July/August 24	Mar-25
Completion of PWG Initial Edits to Tier 2	August/Sept 24	Sept-25
Completion of PWG Initial Edits to Tier 3	August/Sept 24	Oct-25
Completion of PWG Initial Edits to Tier 4	Sept/Oct 24	In Progress (1/11) Done (10/11)
Completion of PWG Initial Edits to Tier 5	Sept/Oct 24	In Progress (1/11) Done (10/11)
Existing Content Cross-Reference (As needed)	July/Oct 24	October
Onboarding / KMS Orientation	July/Oct 24	In Progress
Administrative and End-User Training	July/Oct 24	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	In Progress - Done (10/11)
KEY MILESTONES - GROUP 2 (10 agencies)	START	FINISH

Project Discovery Meeting	Aug/Sept 24	09/01/2024
Existing Content Received / Reviewed	Aug/Sept 24	10/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Aug/Sept 24	Jan-26
Completion of PWG Initial Edits to Tier 2	Jan-25	Jan-26
Completion of PWG Initial Edits to Tier 3	Mar-25	Jan-26
Completion of PWG Initial Edits to Tier 4	Apr-25	In Progress (1/10) Done (8/10)
Completion of PWG Initial Edits to Tier 5	Apr-25	In Progress (1/10) Done (8/10)
Existing Content Cross-Reference (As needed)	Aug/Sept 24	October
Onboarding / KMS Orientation	September	In Progress
Administrative and End-User Training	TBD	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	In Progress- Done (6/10)
KEY MILESTONES - GROUP 3 (8 agencies)	START	FINISH
Project Discovery Meeting	Nov/Dec 24	In Progress
Existing Content Received / Reviewed	Nov/Dec 24	In Progress
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Nov/Dec 24	Oct-25
Completion of PWG Initial Edits to Tier 2	Apr-25	Dec-25
Completion of PWG Initial Edits to Tier 3	May-25	Dec-25
Completion of PWG Initial Edits to Tier 4	May-25	In Progress (1/8) Done (6/8)
Completion of PWG Initial Edits to Tier 5	Jun-25	In Progress (1/8) Done (6/8)
Existing Content Cross-Reference (As needed)	Nov/Dec 24	TBD
Onboarding / KMS Orientation	Nov/Dec 24	In Progress
Administrative and End-User Training	TBD	In Progress

Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	In Progress - Done (5/8)

RESOURCES

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

PREPARED BY	TITLE	DATE
Richard Pascarella	Director - Policy Operations, Professional Services Division	02/18/2026

Policy Implementation Stages - Progress

Group #	Agency	MSA Signed / Review SOW	Pre-Implementation Meeting	EC Received & Reviewed	Kick-Off Meeting Completed	Recurring Mtg Schedule	Onboarding/KMS Orientation	Tier I - Review/Edits	Tier II - Review/Edits	Tier III - Review/Edits	Tier IV - Review/Edits	Tier V - Review/Edits	Quality Assurance Review	Policy Issuance / Handoff Meeting	
1	NM Guadalupe County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Jan	
1	NM Hidalgo County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Jan	
1	NM Otero County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Jan	
1	NM Quay County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Dec	
1	NM Santa Fe County SO	√	√	√	√	√	√	√	IP	IP	IP	IP		92	
1	NM Sierra County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / April	
1	NM Valencia County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Sept	
1	NM Sandoval County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Dec	
1	NM Lincoln County SO	√	√	√	N/A	√	√	√	√	√	√	√	√	√ / Dec	
1	NM Curry County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Dec	
1	NM Grant County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / June	
2	NM McKinley County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / July	
2	NM Luna County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Feb	
2	NM Chaves County SO	√	√	√	N/A	√	IP	√	√	√	IP	IP			
2	NM Taos County SO	√	√	No	√	√	IP	√	√	√	√	√	IP		
2	NM Socorro County SO	√	√	√	√	√	IP	√	√	√	√	√	√	√ / Aug	
2	NM Catron County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / Feb	
2	NM Bernalillo County SO	√	√	√	√	√	Cancelled - February 2026								
2	NM Union County SO	√	√	√	√	√	√	√	√	√	√	√	IP	73	
2	NM Colfax County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / April	
2	NM De Baca County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / March	
3	NM Harding County SO	√	√	√	√	√	IP	√	√	√	IP	IP			
3	NM Mora County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / April	
3	NM San Miguel County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / May	
3	NM Cibola County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / Dec	
3	NM Roosevelt County SO	√	√	N/A	√	√	IP	√	√	√	√	√	√	√ / Aug	
3	NM Torrance County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / April	
3	NM Eddy County SO	√	√	N/A	√	√	IP	√	√	√	√	√	IP		
3	NM Dona Ana County SO	No			Cancelled										135

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

<p><u>Item Number:</u></p> <p style="text-align: center;">6.</p>	<p><u>Item Title:</u></p> <p>Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)</p> <ul style="list-style-type: none"> • Lonnie Lee / Chaves County • Estate of Alexandria Gerard v Bernalillo County • Estate of April Peterson v Bernalillo County • Estate of Joseph Ramos v Bernalillo County • Estate of Chau v Bernalillo County • Estate of Ernie Vigil v San Miguel County • Estate of Francisco Maestas v San Miguel County • Estate of Thomas Smith v Otero County • Carlos Silva v Grant County • February 9, 2026 IPRA Requestor Complaint to Attorney General • MDC Appeal of One Occurrence Application – Arbitration Update
<p><u>Presenter (s):</u></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> <p>Motion In by: Seconded by: Roll Call Vote</p> <p>Motion Out by: Seconded by:</p> <p>Certified by: ... that the only thing discussed was pending and threatened litigation</p>	
<p>Motion by: Seconded by:</p>	

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

<u>Item Number:</u> 7.A.	<u>Item Title:</u> Executive Director and Legislative Update
<u>Presenter (s):</u> Joy Esparsen, Executive Director	



Memorandum

Date: March 18, 2026
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

The 30-day legislative session came to an end on February 19th with 686 bills introduced, 74 bills passed by the legislature, and 70 bills signed into law. Priorities for New Mexico Counties (NMC) included House Bill 2 appropriations for the Detention Reimbursement Fund at \$4.975 million, 700 MHz Trunk Radio Subscriptions at \$5 million, and 700 MHz Trunk Radio Network at \$21 million. On the final day of bill signing, the Governor vetoed the local government match requirement for the 700 MHz subscription. NMC also worked with legislative leadership to secure mitigation funding for the three counties directly impacted by the ICE facility contract changes in HB9. The funding includes \$624k to Torrance and \$375 to Cibola for lost gross receipt tax (GRT) revenue, \$425k for Torrance and \$1.6 million for Cibola for prisoner transport, and \$5.9 million to Otero for bond assistance.

NMC, in collaboration with the county Assessors and attorneys, were also successful in passing HB285 which requires that disabled veterans file for an exemption within thirty days of the notice of value or within the 180-day protest period. Although this does not solve the fiscal impacts of the new exemptions, it will assist counties with determining the financial shortfalls within their budgetary timelines and prior to the 60-day session if a legislative appropriation is needed.

NMC also supported HJM2, a memorial to study the Inspection of Public Records Act which has grown increasingly problematic. NMC is hopeful that with a targeted stakeholder group, the recommendations will result in much needed changes to address the overwhelming demands on local governments and attempts to weaponize IPRA for the sole purpose of obstructing critical services. NMC will be a member of the stakeholder group. NMC will also be working during the interim with Senator Michael Padilla, Representative Patty Lundstrom, Assessors, and NAIOP to discuss options for disclosure and a potential cap on commercial property taxes.

The Clerks' Affiliate was successful in passing SJR1 which would remove the constitutional prohibition of holding school elections at the same time as partisan elections. This will be a ballot initiative during the November general election.

Overall, this was a good short session for NMC and we were successful in defeating several bills that would have significantly eroded local GRT and property tax revenues, as well as local authority.

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The National Association of Counties (NACo) Legislative Conference was held February 21st – 24th in Washington, D.C. with approximately 60 New Mexico county elected officials and staff from 16 counties in attendance. Key discussion topics included H.R. 1 implementation with regards to Medicaid and the Supplemental Nutrition Assistance Program, the upcoming passage of the Farm Bill, Surface Transportation Reauthorization, NACo’s new “We Are Counties” campaign, FEMA and disaster reimbursement reform, mental and behavioral health, and national trends to eliminate property taxes. New Mexico Senators Heinrich and Lujan, as well as Representatives Vasquez and Leger Fernandez, joined county members for the congressional breakfast. If Board members are interested in joining one of NACo’s steering committees, please contact Government Relations Specialist Hannah Kase Woods at hwoods@nmcounties.org.

The county managers will be resuming their quarterly Zoom meetings beginning on March 16th. These meetings are designed to provide additional networking opportunities for managers to discuss emerging trends, state and federal initiatives, and other critical developments throughout the year.

NMC held its third meeting between elected official affiliates, managers, and attorneys to discuss statutory amendments on March 16th. This working group includes two representatives from each of the affected affiliates for the purpose of vetting potential statutory changes surrounding county operations and elected affiliate roles and responsibilities in preparation for the 2027 60-day legislative session. During this particular meeting, members discussed the feedback they received from their respective affiliates during the NMC Legislative Conference.

NMC will be hosting four regional post-legislative session briefings throughout the state beginning in late March. The meetings will begin at 10:00 a.m. All legislators and county members are invited to attend and lunch will be provided. Please mark your calendars for the following dates:

Sandoval County	March 25 th	Sierra County	April 1 st
San Miguel County	March 26 th	Chaves County	April 2 nd

Additional Meetings & Initiatives:

- Congressionally Directed Spending Applications
- Radiation Exposure Compensation Act Outreach
- Secure Rural Schools Funding
- NACo Legislative Conference
- New Mexico Fire Planning Task Force CWPP Guidance Document Review
- NMC Board of Directors Meeting
- NMC Executive Committee Meetings
- 2026-2027 Budget Preparation
- 2027 NMC Legislative Conference Agenda Changes
- 2026 NMC Annual Conference Planning
- NMCRE Board Meeting
- Hannover Treaty Options
- NMCIA Claims Committee Meetings
- Senior Staff & All Staff Meetings
- IPRA Discussions
- Performance Evaluations
- Artificial Intelligence Policy Development
- Deck and Door Replacement in Albuquerque Office

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



Dear County Leader,

On behalf of the National Association of Counties, I am pleased to invite you to join **We Are Counties**, a national public affairs-driven advocacy campaign designed to help counties, parishes and boroughs tell our story and elevate the vital role our governments play in communities across the country.

Every day, counties – led by people like you – deliver essential services that touch nearly every aspect of our residents’ lives, from public health or transportation infrastructure, to public safety, economic development and human services. Yet too often, the breadth, complexity and impact of county government is not fully understood by either state and federal lawmakers nor the general public. *We Are Counties* exists to change that by clearly and consistently communicating the role counties play and why it matters.

This toolkit is designed to make participation easy and flexible. Inside, you will find ready-to-use templates and communications resources, including sample messaging, graphics, data points and storytelling guidance, along with ideas for how to tailor the campaign to reflect your county’s unique priorities and experiences. Whether you choose to use or adapt NACo-developed materials or highlight your own programs and successes, we hope you will join in sharing your county’s story with confidence.

Here are a few suggested quick and easy ways your county can start contributing to the campaign:

- Post on social media twice a month using pre-created NACo graphics *or* with statistics and infographics developed by your own county
- Include the hashtag #WeAreCounties when sharing on Facebook, LinkedIn, X, Instagram to help drive the national conversation and expand reach
- Edit the draft op-ed to fit your county’s story, and submit it to local media
- Highlight real stories of your county’s impact within your community through videos, social media, at state or county events, and other platforms

- Pass a county proclamation joining the We Are Counties campaign (free to do!) and use the draft press release to announce your participation locally
- Wear your We Are Counties button (distributed at the Legislative Conference), display the poster, and share materials with others
- Don't forget – while NACo-provided materials offer a strong foundation, telling your own story is often the most powerful way to show the value of county government.

Though each of America's counties, parishes and boroughs is unique in size, geography and character, we are united by a shared commitment to service and stewardship of the communities we represent. By participating in *We Are Counties*, you help strengthen a collective voice that ensures counties are seen, understood and valued at every level.

We hope you will join us in this effort to educate, inform and elevate the work of county government nationwide.

Sincerely,

A handwritten signature in black ink, appearing to read 'JC', with a period at the end.

Judge Clark
NACo President

Do you qualify for Radiation Exposure Compensation?

The RECA Program provides a **one-time payment of \$100,000** to individuals who developed cancer or other specified diseases due to their exposure to radiation from the Trinity and other nuclear tests.

RECA compensation is now available to New Mexico downwinders and post '71 uranium workers.

All claims must be filed by December 31, 2027.

***Visit www.justice.gov/civil/reca for the latest information.**

Scan the QR code with your camera



or visit

fernandez.house.gov/services/reca.htm
to learn if you qualify for compensation,
how to apply, frequently asked
questions, and more.

**If you need help with a federal
agency call (505) 428-4680.**



Congresswoman Teresa Leger Fernández led the U.S. House of Representatives effort to expand the Radiation Exposure Compensation Act (RECA) alongside the New Mexico congressional delegation and New Mexico advocates.

To qualify for RECA compensation:

Downwinders

Must have been present in New Mexico for one year between September 24, 1944 - November 6, 1962 OR the entirety of June 30, 1962 - July 31, 1962.

Must suffer or have suffered from one or more of these qualifying diseases:

- leukemia (other than chronic lymphocytic leukemia)
- multiple myeloma
- lymphomas (other than Hodgkin's disease)
- primary cancers of the:

thyroid	gall bladder
male or female breast	salivary gland
esophagus	urinary bladder
stomach	brain
pharynx	colon
small intestine	ovary
pancreas	liver (except if cirrhosis or
bile ducts	Hepatitis B is indicated)
lung	

Onsite Participants

Must have been present onsite above or within a government installation during the atmospheric detonation of a nuclear device before January 1, 1963.

Must suffer or have suffered from one or more of these qualifying diseases:

- leukemia (other than chronic lymphocytic leukemia)
- multiple myeloma
- lymphomas (other than Hodgkin's disease)
- primary cancers of the:

thyroid	liver (except if cirrhosis or
male or female breast	Hepatitis B is indicated)
esophagus	pancreas
stomach	bile ducts
pharynx	gall bladder
small intestine	salivary gland
brain	urinary bladder
colon	ovary
	lung

Uranium Workers

Must have been a uranium miner, miller, or core driller.

Must have:

- worked in the transport of uranium or vanadium-uranium ore from such a mine or mill, or
- been involved in remediation efforts at such uranium mine or mill in New Mexico.

Must have been employed for at least one year or 40 working level months between January 1, 1942 - December 1, 1990.

Must suffer or have suffered from one or more of these qualifying diseases:

lung cancer	cor pulmonale related to
pulmonary fibrosis	fibrosis of the lung
fibrosis of the lung	renal cancer
silicosis	any other chronic renal
pneumoconiosis	disease including nephritis
	and kidney tubal tissue injury

Survivors

If an eligible individual dies, their survivor may apply for compensation on their behalf. Survivors are considered in the following order: living spouse, children, parents, grandchildren, and grandparents.

Attorney Fees

It is not necessary to hire an attorney to submit a RECA claim. If you wish to hire an attorney, they may only charge you a 2% fee for filing the initial claim or 10% to resubmit a denied claim.

Protect Yourself from Scams

Sadly, some people may try and take advantage of you. Remember not to share your personal records with or pay a fee to anyone you don't trust. There is no fee to apply for RECA and there are free resources available to help file claims.

If you suspect that someone is scamming you, you can report them to the New Mexico Department of Justice by phone at 505-490-4060 or online at NMDOJ.gov/submit-a-complaint.



CONGRESSWOMAN
TERESA
LEGER FERNANDEZ

SERVING THE 3RD DISTRICT OF NEW MEXICO

Counties Celebrate House Passage of Housing for the 21st Century Act

WASHINGTON – The National Association of Counties (NACo) celebrates the passage of the bipartisan Housing for the 21st Century Act (H.R. 6644) in the U.S. House of Representatives by a vote of 390-9.

This NACo-endorsed legislation represents the most significant federal investment in housing in over a decade and marks an important step forward in addressing the nation’s housing affordability crisis. The bill provides critical support for community housing programs, including the Home Investment Partnerships (HOME) program and Community Development Block Grant (CDBG). Strategic expansions of HOME will help counties better address gaps in workforce-level housing and housing-adjacent infrastructure. Meanwhile, authorizing new unit construction under CDBG gives counties an additional resource to grow our housing supply. The legislation also establishes a regional development grant program to support locally driven reforms and provide counties with flexibility in how housing strategies are developed and implemented.

“Counties are critical front-line partners to the federal government in addressing the nation’s housing affordability crisis,” said Matthew Chase, Executive Director of the National Association of Counties. “The Housing for the 21st Century Act recognizes this vital intergovernmental partnership, by expanding program versatility, reducing administrative barriers and empowering counties to develop local housing solutions tailored to the unique needs of our communities. Counties thank Chair Hill, Ranking Member Waters, Rep. Flood and Rep. Cleaver for their bipartisan leadership, and applaud the House’s passage of this landmark legislation.”

NACo encourages Congress to continue its bipartisan work to address housing affordability as the legislative process moves forward. As the House and Senate work toward a final package, NACo urges lawmakers to preserve the core principles reflected in H.R. 6644 — flexibility, local partnership and scalable tools that enable counties to expand housing supply and infrastructure in ways that meet local needs.

For more information about counties and the Housing 21st Century Act, [click here](#).

Counties Celebrate Introduction of Bipartisan BASICS Act

WASHINGTON – The National Association of Counties (NACo) celebrates the introduction of the Bridges and Safety Infrastructure for Community Success (BASICS) Act by U.S. Representatives Kristen McDonald Rivet (D-Mich.) and Rob Bresnahan (R-Penn.). This bipartisan legislation would make several important changes to increase county access to federal transportation funding.

“The BASICS Act would be a monumental step in ensuring that counties have access to federal funding for transportation infrastructure,” said NACo Executive Director Matthew Chase. “This bill would ensure that more counties—especially rural counties—can utilize federal funding for important road, bridge and safety projects in our communities.”

Counties own 44 percent of public road miles and 38 percent of bridges in the United States, making them critical stakeholders in our nation’s surface transportation infrastructure. Despite this, counties struggle to reliably access federal formula transportation dollars, which comprise the bulk of federal transportation spending. This challenge is especially pronounced in rural counties, which often operate with more limited access to coordinated planning resources when utilizing and implementing federal formula funds.

To address this, the BASICS Act would:

- Grow the Surface Transportation Block Grant program, the most flexible highway formula program that benefits states and local governments alike.
- Amend formula funding programs for bridges and safety infrastructure to provide access for counties and other local governments.
- Clarify project selection requirements to ensure that suballocated federal funding is used as intended for locally selected projects.
- Support rural counties by providing new funding for regional transportation planning organizations, which have long been unfunded at the federal level.

"The bipartisan BASICS Act is a major advance toward securing counties' access to critical federal transportation funding," said National Association of County Engineers (NACE) Executive Director Kevan Stone. "This bill would better align federal funding with local needs and leverage the expertise of our nation’s local road professionals across the country. NACE commends Representatives McDonald Rivet and Bresnahan for their bipartisan leadership on this important issue."

“As committee leaders work to develop the next five-year federal surface transportation reauthorization bill, counties urge them to include the BASICS Act as a core part of that legislation,” said Chase.

For more information on county priorities in the next surface transportation reauthorization bill, please visit NACo’s [Surface Transportation Reauthorization Hub](#).

February 16, 2026

The Honorable Sam Graves
Chair
Committee on Transportation & Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
Committee on Transportation & Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Shelley Moore Capito
Chair
Committee on Environment & Public Works
U.S. Senate
Washington, DC 20510

The Honorable Sheldon Whitehouse
Ranking Member
Committee on Environment & Public Works
U.S. Senate
Washington, DC 20510

Dear Chairs Graves and Capito and Ranking Members Larsen and Whitehouse:

On behalf of the undersigned state associations of counties and city municipal leagues – representing thousands of counties, cities, towns, villages, parishes and boroughs and their hundreds of thousands of locally elected officials across America – we write to thank you for your continued bipartisan leadership on the next surface transportation reauthorization bill **and to include the bipartisan *BASICS (Bridges And Safety Infrastructure for Community Success) Act (H.R. 7437)* provisions in the next surface transportation reauthorization bill.** This legislation is critical to sustaining long-term investment in the transportation infrastructure that connects our communities, support local economies and enables national competitiveness.

As Congress develops the next authorization bill, it is essential local governments are fully and meaningfully included as principal stakeholders. **Local governments are not nominal partners in the transportation system – we are the first and last mile of nearly every trip made in America, and we are the majority owners of the nation’s transportation systems.** We own and maintain the majority share of the nation’s transportation assets, including 75 percent of all public road miles, 43 percent of Federal-aid highway miles and almost 50 percent of bridges on the National Bridge Inventory. We own, operate or fund almost all public transit and commuter rail systems. We also operate major airports, seaports and multimodal facilities that are essential to commerce, emergency response and daily mobility.

The local governments we represent vary widely in size, geography and governance, but they share a core responsibility: maintaining safe, reliable and resilient transportation systems with limited and often constrained local revenue. **To meet our shared goal of improving infrastructure and directing investment where it is needed most, the next surface transportation reauthorization must deliver federal formula funding fairly based on the ownership and the national goals of the system including condition, performance and safety.**

While local responsibilities differ across states and regions, there are three common, essential priorities we collectively urge Congress to advance in the next bill, each of which aligns closely with the BASICS Act.

Local Partnership: As the level of government closest to our shared constituents, local governments are best positioned to identify which transportation investments will deliver the greatest benefit on the ground. Even in states where local governments own a smaller share of road miles, local partnership on project selection aligns transportation with community needs and ensures investments are made strategically and efficiently. Given the scale of federal surface transportation programs, it is essential that a meaningful share of these funds are subject to strong local control. To do this, Congress should:

1. Expand the suballocated share of Federal-aid Highway Program formula funding, including by growing the most flexible formula program – the Surface Transportation Block Grant (STBG) – and adding suballocation requirements to other programs; and
2. Strengthen project selection processes to ensure that regional planning organizations, in both urban and rural areas, can effectively access and program available funds.
3. Preserve discretionary funding programs with a strong local nexus, such as the Safe Streets, BUILD and the Railroad Crossing Elimination grant programs to advance discrete, high-impact projects that fall outside traditional formula structures.

Safety First: Local governments strongly agree that safety must be a top priority for the transportation system. Local elected officials know where dangerous intersections persist, where crash patterns are worsening and where targeted, low-cost investments can save lives. The Safe Streets and Roads for All (SS4A) program under the IIJA has been transformative in giving local governments access to federal dollars for local safety work, from developing safety action plans to deploying proven solutions that are actively keeping residents safe.

We urge Congress to retain SS4A in the next bill and maintain strong authorization levels to build on its early success. In addition, Congress should consider adding local suballocation provisions to the Highway Safety Improvement Program (HSIP), giving local governments predictable, formula-based funding to address urgent needs and advance traffic safety goals in our communities.

Rebuild Bridges: Local governments play a role in bridge ownership and maintenance in every state in the country. In many states, particularly in the Great Plains, the Midwest and the South, local ownership of bridges exceeds 70 percent. Yet decades of underinvestment in locally owned bridges has resulted in a clear disparity in the condition of locally owned and state-owned bridges. According to the 2025 Federal Highway Administration’s National

Bridge Inventory, 8.8 percent of locally owned bridges are classified as being in “poor condition,” which is twice the 4.3 percent of state-owned bridges that meet that criteria.¹

The Infrastructure Investment and Jobs Act made historic investments in bridge infrastructure through the Bridge Formula Program, the discretionary Bridge Investment Program and increased funding for the Surface Transportation Block Grant (STBG) with its off-system bridge set-aside. However, because the Bridge Formula Program lacked a suballocation requirement, its \$27.5 billion in funding has remained largely inaccessible to local governments.

As Congress develops the next surface transportation reauthorization bill, we urge the continuation of a formula bridge program paired with a suballocation requirement to ensure meaningful improvement to both local and state-owned bridges. Suballocation levels could even be calibrated based on local ownership within each state, allowing states with limited local ownership to retain control while ensuring local governments in high-ownership states receive an appropriate share. Congress should also preserve the off-system bridge set-aside under the STBG program and strengthen local access to these funds through strong local control provisions.

As Congress works on reauthorization legislation, local governments across the country urge you to include these core provisions from the BASICS Act in your legislation to ensure a baseline level of access to America’s local governments in the next surface transportation reauthorization bill.

Thank you for your consideration and your continued bipartisan work on this reauthorization bill. Local leaders across America stand ready to help with implementation of a strong transportation bill that will make continued, necessary investments in our nation’s infrastructure.

Sincerely,

Alaska Municipal League

Association of County Commissions of
Alabama

League of Arizona Cities and Towns

Arkansas Municipal League

Association of Arkansas Counties

League of California Cities

California State Association of Counties

Colorado Municipal League

¹ For these purposes, locally owned bridges includes bridges whose owner is a county, town, city, local park, other local agency, including local toll authorities. Similarly, state-owned bridges includes bridges owned by states, state parks, other state agencies and state toll authorities.

Colorado Counties, Inc.	Connecticut Conference of Municipalities
Delaware League of Local Governments	Delaware Association of Counties
Florida League of Cities	Florida Association of Counties
Georgia Municipal Association	Association County Commissioners of Georgia
Hawaii State Association of Counties	Association of Idaho Cities
Idaho Association of Counties	Illinois Municipal League
Illinois State Association of Counties	Accelerate Indiana Municipalities
Indiana Association of Counties	Iowa League of Cities
Iowa State Association of Counties	League of Kansas Municipalities
Kansas Association of Counties	Kentucky Association of Counties
Police Jury Association of Louisiana	Maine Municipal Association
Maryland Association of Counties	Massachusetts Municipal League
Michigan Municipal League	Michigan Association of Counties
League of Minnesota Cities	Association of Minnesota Counties
Mississippi Association of Supervisors	Missouri Association of Counties
Missouri Municipal League	Montana League of Cities and Towns
Montana Association of Counties	Nebraska Association of Counties
Nevada Association of Counties	New Hampshire Municipal Association
New Jersey State League of Municipalities	New Jersey Association of Counties
New Mexico Association of Counties	New York State Association of Counties
North Carolina League of Municipalities	North Dakota League of Cities

North Dakota State Association of Counties	Ohio Municipal League
County Commissioners Association of Ohio	Association of County Commissioners of Oklahoma
League of Oregon Cities	Association of Oregon Counties
Pennsylvania Municipal League	County Commissioners Association of Pennsylvania
Rhode Island League of Cities and Towns	Municipal Association of South Carolina
South Dakota Municipal League	South Dakota Association of County Commissioners
Tennessee County Services Association	Texas Municipal League
Texas Association of Counties	Utah League of Cities and Towns
Utah Association of Counties	Vermont League of Cities and Towns
Virginia Association of Counties	Association of Washington Cities
Washington State Association of Counties	West Virginia Association of Counties
Wisconsin Counties Association	Wyoming Association of Municipalities
Wyoming County Commissioners Association	

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

<u>Item Number:</u> 7.B.	<u>Item Title:</u> Financial Reports
<u>Presenter (s):</u> Richard Garcia, Finance Director	



New Mexico County Insurance Authority Pool

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

2/28/2026

	<u>February 28, 2026</u>	<u>February 28, 2025</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 39,093,893	\$ 39,915,658
Accounts Receivable - Members	2,916,131	4,572,906
Accounts Receivable - Deductibles	1,144,265	807,532
Accounts Receivable - Claims	750,000	1,000,000
Accounts Receivable - Capital Adequacy	443,187	749,598
Accounts Receivable - LE Accreditation Fee	2,500	2,500
Accounts Receivable - Reinsurance	307,170	17,773
Accounts Receivable - Hi Ded Counties	150,685	57,409
Accounts Receivable - Other	65,739	81,918
Note Receivable	1,103,734	1,199,397
Prepaid Expenses	5,432,724	7,499,910
Total Current Assets	<u>51,410,027</u>	<u>55,904,601</u>
Investments		
Exchange Traded Funds	20,298,207	51,596,372
US Government Bonds	48,938,139	21,527,460
Mutual Funds	1,689,699	4,694,091
Unrealized Gain/Loss	1,581,361	(4,228,658)
County Reinsurance Pool Equity	<u>856,467</u>	<u>856,467</u>
County Reinsurance Property Plus Equity	4,971,474	5,457,809
Total Investments	<u>78,335,346</u>	<u>79,903,541</u>
Total Assets	<u>\$ 129,745,373</u>	<u>\$ 135,808,142</u>
Liabilities and Pool Net Position		
Current Liabilities		
Accounts Payable	\$ 61,875	\$ 344,383
Unearned Capital Adequacy Contributions	1,548,869	1,518,497
Unearned Member Contributions	24,588,148	36,962,674
Total Current Liabilities	<u>26,198,892</u>	<u>38,825,555</u>
Long Term Liabilities		
Reserve for Future Claims		
Multi-Line Program	12,069,456	11,430,398
Law Enforcement Program	48,484,978	57,763,674
Workers' Compensation Program	17,031,978	18,768,522
Total Long Term Liabilities	<u>\$ 77,586,412</u>	<u>\$ 87,962,594</u>
Total Liabilities	<u>\$ 103,785,304</u>	<u>\$ 126,788,150</u>
Fund Balance	24,232,866	7,217,287
Current Year Pool Net Position	1,727,203	1,802,705
Total Pool Net Position	<u>\$ 25,960,069</u>	<u>\$ 9,019,992</u>
Total Liabilities and Net Position	<u>\$ 129,745,373</u>	<u>\$ 135,808,142</u>



New Mexico County Insurance Authority Pool

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

2/28/2026

	<u>2026 Budget</u>		<u>Jan 01, 2026 through Feb 28, 2026</u>	<u>17% of Budget</u>
Income				
Member Contributions	\$ 39,346,624	\$	6,567,331	17%
Capital Adequacy Contributions			774,435	
Total Income	\$ 39,346,624	\$	7,341,765	19%
Expenses				
Claims & Claim Adjusting Expense				
Paid Claims	\$ 25,438,345	\$	5,663,945	18%
Pool Portion - Group 1 (up to \$5MM for IMM)	108,180		-	0%
Pool Additional - Group 1 (up to \$5MM for IMM)	147,988		-	0%
Nurse Case Manager			10,955	
Claims Reserves			2,608,661	
Recoveries - Deductibles			(1,084,367)	
Recoveries - Reinsurance			(1,818,834)	
Recoveries - County Settlements			(624,991)	
Recoveries - Subrogation & Salvage			(38,022)	
Reinsurance	6,178,010		1,144,229	18%
Brokerage Fees	100,000		11,364	11%
Total Claims & Claim Adjusting	\$ 31,972,523	\$	5,872,940	18%
Risk Mitigation Expense				
Administrative Fee-NMAC	\$ 583,782	\$	97,296	17%
Special Projects	90,000		-	0%
EDGE Detention Scholarships	5,000		-	0%
Online Training Program	200,000		27,879	14%
Loss Incentive Program	50,000		5,381	11%
Legal Advice Program	50,000		8,821	18%
Lexipol	255,000		45,491	18%
Law Enforcement Accreditation	76,000		62	0%
Total Risk Mitigation Expense	\$ 1,309,782	\$	184,929	14%
Administrative & Other				
Administrative Fee-NMAC	\$ 4,335,640	\$	722,608	17%
Actuary	54,000		-	0%
Financial Audit	72,000		-	0%
Investment Advisor Expense	45,000		-	0%
Payroll Audit	55,000		-	0%
Property Appraisal Fees	180,000		-	0%
Legal Expense	42,500		-	0%
Software Support, Licensing, Training	486,800		59,526	12%
AI Software & Training	100,000		242	0%
Board Training & Education	30,000		-	0%
Board D&O Insurance	129,000		50,649	39%
Miscellaneous	13,000		270	2%
Total Admin & Other	\$ 5,542,940	\$	833,295	15%
Total Expenses	\$ 38,825,245	\$	6,891,164	18%
Operating Income	\$ 521,379	\$	450,601	
Investment Income	3,372,880		590,365	
Net Change in Fair Value of Investments			678,078	
Interest Income on Note Receivable			7,439	
Miscellaneous Income			720	
Total Non-Operating Revenue	\$ 3,372,880	\$	1,276,602	
Net Position	\$ 3,894,259	\$	1,727,203	



New Mexico County Insurance Authority Pool
 Administered by New Mexico Counties
 2/28/2026

<u>Cash</u>	<u>Current Yield</u>	<u>Amount</u>	<u>Est. Annual Income</u>
Banks, Money Market Accts & State Treas LGIP	3.54%	\$ 39,117,867	\$ 1,295,557

<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	4.61%	21,201,095	20,298,207	902,888
Certificates of Deposit	0.00%	-	-	-
Government Bonds	3.37%	46,552,784	45,469,526	1,083,258
Govt Asset Backed Sec	4.37%	3,070,761	3,468,613	(397,851)
Mutual Funds	7.24%	1,682,766	1,689,699	(6,933)
Total Investments	3.85%	\$ 72,507,406	\$ 70,926,044	\$ 1,581,362
Total Cash & Investments	3.65%	\$ 111,625,273	\$ 110,043,912	

Estimated Annual Income on Cash & Investments	\$ 4,080,745
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By Institution:	
Wells Fargo/Salmon Hauger Wealth Mgmt.	98% \$ 107,796,708
First National Santa Fe	2% 2,243,804
State Treasurers LGIP	0% 3,400
	100% \$ 110,043,912

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



Law Enforcement Program
 Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
 2/28/2026

	<u>February 28, 2026</u>	<u>February 28, 2025</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 16,407,092	\$ 23,308,248
Accounts Receivable - Members	1,810,541	2,710,862
Accounts Receivable - Deductibles	860,671	217,223
Accounts Receivable - Claims	750,000	1,000,000
Accounts Receivable - Capital Adequacy	158,854	318,391
Accounts Receivable - LE Accreditation Fee	2,500	2,500
Accounts Receivable - Other	48,776	71,569
Prepaid Expenses	3,069,747	5,211,744
Total Current Assets	23,108,180	32,840,536
Investments		
Exchange Traded Funds	\$ 4,470,394	\$ 16,905,064
US Government Bonds	15,029,026	4,011,208
Mutual Funds	676,836	659,818
Unrealized Gain/Loss	397,615	(1,359,625)
Total Investments	\$ 20,573,872	\$ 20,216,465
Total Assets	\$ 43,682,052	\$ 53,057,001
Liabilities and Surplus		
Current Liabilities		
Accounts Payable	\$ -	\$ 166,436
Unearned Capital Adequacy Contributions	766,995	751,956
Unearned Member Contributions	14,400,730	22,520,552
Total Current Liabilities	15,167,725	23,438,944
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 22 - 2016	\$ 76,162	\$ 159,050
Fund Year 23 - 2017	711,088	858,452
Fund Year 24 - 2018	-	(848)
Fund Year 25 - 2019	458,941	636,414
Fund Year 26 - 2020	2,375,160	2,874,659
Fund Year 27 - 2021	2,369,664	4,860,638
Fund Year 28 - 2022	4,795,652	10,975,522
Fund Year 29 - 2023	12,037,384	15,679,556
Fund Year 29 - 2024	12,462,253	15,453,036
Fund Year 30 - 2025	9,179,562	3,493,531
Fund Year 31 - 2026	1,794,718	-
Claims Mgmt Fees-Future	2,224,395	2,773,663
Total Long Term Liabilities	\$ 48,484,978	\$ 57,763,674
Total Liabilities	\$ 63,652,703	\$ 81,202,619
Fund Balance	\$ (21,137,290)	\$ (28,599,491)
Current Year Net Position	1,166,639	453,873
Total Net Position	\$ (19,970,651)	\$ (28,145,617)
Total Liabilities and Net Position	\$ 43,682,052	\$ 53,057,001



Law Enforcement Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
2/28/2026

	2026 Budget	Jan 01, 2026 through Feb 28, 2026	17% of Budget
<u>Income</u>			
Member Contributions	\$ 17,280,877	\$ 2,880,146	17%
Capital Adequacy Contributions		383,497	
Total Income	\$ 17,280,877	\$ 3,263,643	19%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 10,768,306	\$ 2,453,818	17%
Pool Portion - Group 1 (up to \$5MM for IMMH)	108,180	-	0%
Pool Additional - Group 1 (up to \$5MM for IMMH)	147,988	-	0%
Claims Reserves		1,772,684	
Recoveries - Deductibles		(306,793)	
Recoveries - Reinsurance		(1,500,000)	
Recoveries - County Settlements		(624,991)	
Reinsurance - all (up to \$2MM for IMMH)	2,619,971	261,467	9%
Brokerage Fees	35,000	3,182	9%
Total Claims & Claim Adjusting Expense	\$ 13,679,445	\$ 2,059,367	15%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 155,704	\$ 25,949	17%
Special Projects	45,000	-	0%
EDGE Detention Scholarships	5,000	-	0%
Online Training Program & Benchmark	70,000	18,567	27%
Law Enforcement Accreditation	76,000	62	0%
Legal Advice Program	30,000	8,821	29%
Lexipol	255,000	45,491	18%
Loss Incentive Program	15,000	-	0%
Total Risk Mitigation Expense	651,704	98,889	15%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,823,892	\$ 303,983	17%
Actuary	20,000	-	0%
Financial Audit	30,000	-	0%
Investment Advisor Expense	15,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	145,000	19,759	14%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	1,585	4%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 2,108,392	\$ 325,328	15%
Total Expenses	\$ 16,439,541	\$ 2,483,584	15%
Operating Income	\$ 841,336	\$ 780,060	
Investment Income	916,499	203,159	
Net Change in Fair Value of Investments		183,421	
Total Non-Operating Revenue	\$ 916,499	\$ 386,579	
Net Position	\$ 1,757,835	\$ 1,166,639	

	<u>February 28, 2026</u>	<u>February 28, 2025</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 17,743,971	\$ 12,792,925
Accounts Receivable - Members	1,105,590	1,862,044
Accounts Receivable - Deductibles	283,593	590,310
Accounts Receivable - Capital Adequacy	128,180	246,761
Accounts Receivable - Reinsurance	307,170	-
Note Receivable	1,103,734	1,199,397
Prepaid Expenses	1,853,527	1,713,604
Total Current Assets	<u>22,525,766</u>	<u>18,405,040</u>
Investments		
Exchange Traded Funds	\$ 7,083,778	\$ 20,471,638
US Government Bonds	14,636,557	3,320,452
Mutual Funds	572,242	2,589,999
Unrealized Gain/Loss	476,042	(1,580,591)
County Reinsurance Pool Equity	249,714	249,714
County Reinsurance Property Plus Equity	4,971,474	5,457,809
Total Investments	<u>27,989,807</u>	<u>30,509,021</u>
Total Assets	<u>\$ 50,515,573</u>	<u>\$ 48,914,061</u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable - Other	\$ 48,776	\$ 162,272
Unearned Capital Adequacy Contributions	430,144	421,708
Unearned Member Contributions	7,470,975	11,271,929
Total Current Liabilities	<u>7,949,895</u>	<u>11,855,908</u>
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 14 - 2002	\$ -	\$ 300
Fund Year 16 - 2004	800	200
Fund Year 21 - 2009	1,615	1,615
Fund Year 23 - 2011	-	195,804
Fund Year 26 - 2014	-	10,001
Fund Year 29 - 2017	19,096	15,314
Fund Year 30 - 2018	(64)	238,732
Fund Year 31 - 2019	42,968	188,144
Fund Year 32 - 2020	361,358	466,259
Fund Year 33 - 2021	1,558,097	1,323,488
Fund Year 34 - 2022	291,340	1,485,869
Fund Year 35 - 2023	1,456,346	2,608,768
Fund Year 36 - 2024	3,296,540	3,198,790
Fund Year 37 - 2025	3,278,417	1,094,357
Fund Year 38 - 2026	1,209,309	-
Claims Mgmt Fees-Future	553,635	602,756
Total Long Term Liabilities	<u>\$ 12,069,456</u>	<u>\$ 11,430,398</u>
Total Liabilities	<u>\$ 20,019,351</u>	<u>\$ 23,286,306</u>
Fund Balance	29,873,875	24,810,079
Current Year Net Position	622,348	817,676
Total Net Position	<u>\$ 30,496,223</u>	<u>\$ 25,627,755</u>
Total Liabilities and Net Position	<u>\$ 50,515,573</u>	<u>\$ 48,914,061</u>



Multi-Line Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
2/28/2026

	2026 Budget		Jan 01, 2026 through Feb 28, 2026	17% of Budget
Income				
Member Contributions	\$ 9,799,939	\$	2,328,963	24%
Capital Adequacy Contributions			215,072	
Total Income	\$ 9,799,939	\$	2,544,035	26%
Expenses				
Claims & Claim Adjusting Expense				
Paid Claims	\$ 5,514,862	\$	1,758,716	23%
Claims Reserves			443,125	
Recoveries - Deductibles			(576,042)	
Recoveries - Subrogation & Salvage			(38,022)	
Recoveries - Reinsurance			(307,170)	
Reinsurance	2,462,437		752,449	31%
Brokerage Fees	35,000		3,182	9%
Total Claims & Claim Adjusting Expense	\$ 8,012,299	\$	2,036,238	25%
Risk Mitigation Expense				
Administrative Fee-NMC	\$ 128,313	\$	21,385	17%
Special Projects	45,000		-	0%
Online Training Program	60,000		9,312	16%
Legal Advice Program	10,000		-	0%
Total Risk Mitigation Expense	\$ 243,313	\$	30,697	13%
Administrative & Other Expense				
Administrative Fee-NMC	\$ 1,399,784	\$	233,297	17%
Actuary	20,000		-	0%
Financial Audit	30,000		-	0%
Investment Advisor Expense	15,000		-	0%
Property Appraisal Fees	180,000		-	0%
Legal Expense	20,000		-	0%
Software Support, Licensing, Training	145,000		19,759	14%
Board Training & Education	7,500		-	0%
Board D&O Insurance	43,000		47,478	110%
Miscellaneous	4,000		-	0%
Total Admin & Other Expense	\$ 1,864,284	\$	300,534	16%
Total Expenses	\$ 10,119,896	\$	2,367,469	23%
Operating Income	\$ (319,957)	\$	176,566	
Investment Income	1,277,075		219,204	
Net Change in Fair Value of Investments			219,139	
Interest Income on Note Receivable			7,439	
Total Non-Operating Revenue	\$ 1,277,075	\$	445,783	
Net Position	\$ 957,119	\$	622,348	



Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 2/28/2026

<u>Cash</u>	<u>Current Yield</u>	<u>Amount</u>	<u>Est. Annual Income</u>
Banks, Money Market Accts & State Treas LGIP	3.31%	\$ 17,743,971	\$ 564,260

<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	4.61%	7,426,386	7,083,778	342,608
Certificates of Deposit	0.00%	-	-	-
Government Bonds	3.80%	13,693,977	13,351,466	342,511
Govt Asset Backed Sec	4.38%	1,079,158	1,285,090	(205,932)
Mutual Funds	7.33%	569,098	572,242	(3,143)
Total Investments	4.18%	\$ 22,768,619	\$ 22,292,577	\$ 476,042
Total Cash & Investments	3.74%	\$ 40,512,590	\$ 40,036,548	

Estimated Annual Income on Cash & Investments \$ 1,516,231

By Institution:

Wells Fargo/Salmon Hauger Wealth Mgmt.	98%	\$ 39,329,692
First National Santa Fe	2%	706,357
State Treasurers LGIP	0%	499
	100%	\$ 40,036,548

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



Workers' Compensation Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
2/28/2026

	<u>As of February 28, 2026</u>	<u>As of February 28, 2025</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,942,830	\$ 3,814,484
Accounts Receivable-Capital Adequacy	156,153	184,447
Accounts Receivable-Reinsurance	-	17,773
Accounts Receivable-Hi Ded Counties	150,685	57,409
Accounts Receivable-Other	16,963	10,350
Prepaid Expenses	509,450	574,562
Total Current Assets	<u>5,776,080</u>	<u>4,659,024</u>
Investments		
Exchange Traded Funds	8,744,035	14,219,670
US Government Bonds	19,272,555	14,195,801
Mutual Funds	440,621	1,444,274
Unrealized Gain/Loss	707,704	(1,288,442)
County Reinsurance Limited Equity	29,164,915	28,571,302
	606,753	606,753
Total Investments	<u>29,771,668</u>	<u>29,178,055</u>
Total Assets	<u>\$ 35,547,748</u>	<u>\$ 33,837,079</u>
Liabilities and Surplus		
Current Liabilities		
Accounts Payable	\$ 13,099	\$ 15,675
Unearned Capital Adequacy Contrib	351,731	344,834
Unearned Member Contributions	2,716,443	3,170,194
Total Current Liabilities	<u>3,081,273</u>	<u>3,530,703</u>
Long Term Liabilities		
Reserves for Future Claims:		
Claims Reserves FY 5 - 1991/92	\$ 76,371	\$ 20,156
Claims Reserves FY 6 - 1992/93	25,940	19,602
Claims Reserves FY 8 - 1994/95	10,093	7,627
Claims Reserves FY 9 - 1995/96	24,970	24,590
Claims Reserves FY 11 - 1997/98	18,599	14,135
Claims Reserves FY 12 - 1998/99	(333)	(8)
Claims Reserves FY 14 - 2000/01	20,096	2,878
Claims Reserves FY 15 - 2001/02	59,951	85,106
Claims Reserves FY 16 - 2002/03	15,446	21,853
Claims Reserves FY 17 - 2003/04	(2,422)	1,253
Claims Reserves FY 18 - 2004/05	267,308	273,601
Claims Reserves FY 19 - 2005/06	52,581	83,940
Claims Reserves FY 20 - 2006/07	56,865	53,222
Claims Reserves FY 21 - 2007/08	344,188	410,728
Claims Reserves FY 22 - 2008/09	250,613	264,044
Claims Reserves FY 23 - 2009/10	14,243	5,065
Claims Reserves FY 24 - 2010/11	93,888	198,652
Claims Reserves FY 25 - 2011/12	195,581	22,503
Claims Reserves FY 26 - 2012/13	186,731	275,443
Claims Reserves FY 27 - 2013/14	121,911	235,727
Claims Reserves FY 28 - 2014/15	202,776	333,571
Claims Reserves FY 29 - 2015/16	799,157	699,788
Claims Reserves FY 30 - 2016/17	465,438	576,182
Claims Reserves FY 31 - 2017/18	101,141	139,355
Claims Reserves FY 32 - 2018/19	384,754	622,690
Claims Reserves FY 33 - 2019/20	746,030	625,099
Claims Reserves FY 34 - 2020/21	1,548,816	1,433,767
Claims Reserves FY 35 - 2021/22	865,958	1,373,966
Claims Reserves FY 36 - 2022/23	956,601	1,772,510
Claims Reserves FY 37 - 2023/24	2,781,027	4,833,852
Claims Reserves FY 38 - 2024/25	3,241,124	3,994,742
Claims Reserves FY 39 - 2025/26	4,127,881	-
Claims Mgmt Fees-Future	792,339	880,349
Total Reserve for Future Claims	<u>\$ 18,845,662</u>	<u>\$ 19,305,987</u>
	\$ (1,353,179)	\$ (114,034)
	\$ (460,505)	\$ (423,431)
Total Long Term Liabilities	<u>17,031,978</u>	<u>18,768,522</u>
Total Liabilities	<u>\$ 20,113,251</u>	<u>\$ 22,299,225</u>
Fund Balance	15,496,282	11,006,699
Current Year Net Position	(61,784)	531,155
Total Net Position	<u>\$ 15,434,497</u>	<u>\$ 11,537,854</u>
Total Liabilities and Net Position	<u>\$ 35,547,748</u>	<u>\$ 33,837,079</u>



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

2/28/2026

	<u>Budget 2026</u>		<u>2/28/2026</u>	<u>17%</u> <u>of budget</u>
<u>Income</u>				
Member Contributions	\$ 12,265,808	\$	1,358,222	11%
Capital Adequacy Contributions			175,865	
Total Income	\$ 12,265,808	\$	1,534,087	13%
<u>Expenses</u>				
<u>Claims & Claim Adjusting Expense</u>				
Paid Claims	\$ 9,155,177	\$	1,451,411	18%
Claims Reserves			392,851	
Recoveries- Deductibles			(201,531)	
Recoveries- Reinsurance			(11,664)	
Recoveries- Subrogation			-	
Nurse Case Manager			10,955	
Reinsurance	1,095,602		130,313	12%
Brokerage Fees	30,000		5,000	17%
Total Claims & Claim Adjusting Expense	\$ 10,280,779	\$	1,777,336	17%
<u>Risk Mitigation Expense</u>				
Administrative Fee-NMAC	\$ 299,765	\$	49,961	17%
Legal Advice Program	10,000		-	0%
Loss Incentive Program	35,000		5,381	15%
Online Training Program	70,000		-	0%
Total Risk Mitigation Expense	\$ 414,765	\$	55,342	13%
<u>Administrative & Other Expense</u>				
Administrative Fee-NMAC	\$ 1,111,964	\$	185,327	17%
Actuary	14,000		-	0%
Financial Audit	12,000		-	0%
Payroll Audit	55,000		-	0%
Investment Advisor Expense	15,000		-	
Legal Expense	2,500		-	0%
Software Support, Licensing, Training	196,800		20,009	10%
AI Software & Training	100,000		242	0%
Board Training and Education	15,000		-	0%
Board D&O Insurance	43,000		1,585	4%
Miscellaneous Expenses	5,000		270	5%
Total Admin & Other Expense	\$ 1,570,264	\$	207,433	13%
Total Expenses	\$ 12,265,808	\$	2,040,111	17%
Operating Income	\$ -	\$	(506,024)	#DIV/0!
Interest Income Investments	1,179,306		168,002	
Net Change in Fair Value of Investments			275,519	
Miscellaneous Income			720	
Total Non-Operating Revenue	\$ 1,179,306	\$	444,240	
Net Position	\$ 1,179,306	\$	(61,784)	



**Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 2/28/2026**

<u>Cash</u>		<u>Current Yield</u>		<u>Amount</u>	<u>Est. Annual Income</u>
Banks, Money Market Accts & State Treas LGIP		3.58%		\$ 4,966,742	\$ 173,604
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>		<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	4.61%	9,108,925		8,744,035	364,890
Certificates of Deposit	0.00%	-		-	-
Government Bonds	3.06%	18,458,719		18,034,307	424,412
Govt Asset Backed Sec	4.34%	1,158,813		1,238,248	(79,435)
Mutual Funds	7.33%	438,458		440,621	(2,163)
		<hr/>			
Total Investments	3.66%	\$ 29,164,915		\$ 28,457,211	\$ 707,704
Total Cash & Investments	3.64%	\$ 34,131,657		\$ 33,423,953	
Estimated Annual Income on Cash & Investments				\$ 1,241,006	
By Institution:					
Wells Fargo/Salmon Hauger Wealth Mgmt.		100%		\$ 33,306,488	
First National Santa Fe		0%		115,280	
State Treasurers LGIP		0%		2,185	
		<hr/>			
		100%		\$ 33,423,953	

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

Unaudited Financial Statements as of December 31, 2025

New Mexico County Reinsurance, Inc.

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Artex

Alternative
Risk

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

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For Internal Use Only

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

		<u>Unaudited</u> <u>December 31, 2025</u>	<u>Audited</u> <u>December 31, 2024</u>
Assets:			
Cash & Cash Equivalents	<i>Exhibit 1</i>	\$ 1,026,024.83	\$ 911,171.99
Investments	<i>Exhibit 2</i>	27,295,022.93	22,428,562.03
Accrued Investment Interest		248,140.03	105,319.19
Premium receivable		213,467.00	-
Ceded Unearned Premium Reserve	<i>Exhibit 5</i>	1,983,561.64	1,983,562.00
Total Assets		<u>\$ 30,766,216.43</u>	<u>\$ 25,428,615.21</u>
Liabilities:			
Assumed Incurred But Not Reported		\$ 8,456,657.00	\$ 4,741,281.00
Assumed Outstanding Loss Reserves		6,612,533.00	6,754,065.00
Recoverable Incurred But Not Reported		(4,301,296.00)	(226,126.00)
Recoverable Outstanding Losses		(2,000,000.00)	(2,000,000.00)
Net Unpaid Loss Reserves	<i>Exhibit 6</i>	<u>8,767,894.00</u>	<u>9,269,220.00</u>
Accounts Payable & Accrued Expenses	<i>Exhibit 3</i>	143,452.12	63,484.90
Reinsurance Premium Payable	<i>Exhibit 4</i>	2,000,000.00	1,670,000.00
Funds Withheld Account		4,159,801.00	1,361,475.00
Losses Payable		1,500,000.00	-
Unearned Premium Reserve	<i>Exhibit 5</i>	105,856.00	-
Total Liabilities		<u>16,677,003.12</u>	<u>12,364,179.90</u>
Shareholder's Equity:			
Contributed Capital & Surplus		15,600,000.00	15,600,000.00
Retained Earnings		(1,510,786.69)	(2,535,564.69)
Total Shareholder's Equity		<u>14,089,213.31</u>	<u>13,064,435.31</u>
Total Liabilities and Shareholder's Equity		<u>\$ 30,766,216.43</u>	<u>\$ 25,428,615.21</u>

For Internal Use Only

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

	<i>Current</i>		<i>Prior</i>
	<i>Quarter</i>	<i>Year-to-Date</i>	<i>Year</i>
	October 1, 2025 - December 31, 2025	January 1, 2025 - December 31, 2025	January 1, 2024 - December 31, 2024
Assumed Premium Written	\$ -	\$ 6,454,041.00	\$ 3,726,064.00
Provision for Unearned Assumed Premium Reserve	1,626,773.00	(105,856.00)	-
Assumed Premium Earned	1,626,773.00	6,348,185.00	3,726,064.00
Reinsurance Ceded Premium Written	-	(4,000,000.00)	(4,000,000.00)
Provision for Unearned Ceded Premium Reserve	(1,008,219.18)	(0.36)	1,983,562.00
Reinsurance Ceded Premium Earned	(1,008,219.18)	(4,000,000.36)	(2,016,438.00)
Net Premium Earned	618,553.82	2,348,184.64	1,709,626.00
	<i>Exhibit 5</i>		
Ceding Commission	-	-	-
Interest Expense	(41,666.66)	(166,666.66)	(83,333.34)
Net Ceding Commission	(41,666.66)	(166,666.66)	(83,333.34)
Assumed Losses & Losses Adjustment Expenses Paid	1,500,000.00	3,500,000.00	300,000.00
Assumed Change in Outstanding Reserves	(1,537,217.00)	(141,532.00)	6,609,065.00
Assumed Change in IBNR	1,496,023.00	3,715,376.00	2,228,756.00
Total Assumed Losses Incurred	1,458,806.00	7,073,844.00	9,137,821.00
Ceded Change in Outstanding Reserves	-	-	(2,000,000.00)
Ceded Change in IBNR	(840,825.00)	(4,075,170.00)	(226,126.00)
Total Ceded Losses Incurred	(840,825.00)	(4,075,170.00)	(2,226,126.00)
Net Losses Incurred	617,981.00	2,998,674.00	6,911,695.00
	<i>Exhibit 6</i>		
Placement Fees	-	30,000.00	30,000.00
Underwriting Expense	617,981.00	3,028,674.00	6,941,695.00
Net Underwriting Profit (Loss)	(41,093.84)	(847,156.02)	(5,315,402.34)
Audit and Tax Fees	-	13,500.00	12,300.00
Actuarial Fees	-	6,250.00	17,750.00
Captive Management	15,000.00	60,000.00	60,000.00
Legal Fee	-	6,442.25	-
License & Fees	-	7,510.00	7,510.00
D&O Insurance Expense	2,766.48	10,975.69	8,780.56
Directors Fees	-	-	200.00
Outsourced Service Fees	4,781.86	19,616.54	9,769.21
Operating Expenses	22,548.34	124,294.48	116,309.77
Investment Income	295,066.00	1,221,525.99	1,026,424.23
Realized Gain (Loss)	544.14	95,155.12	6,490.18
Unrealized Gain (Loss)	81,846.68	743,085.48	(189,737.41)
Investment Expenses	(14,984.85)	(63,538.09)	(48,262.95)
Other Income (Expense)	362,471.97	1,996,228.50	794,914.05
Net Income (Loss)	\$ 298,829.79	\$ 1,024,778.00	\$ (4,636,798.06)

For Internal Use Only

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

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

Net Income (Loss) \$ 1,024,778.00

Adjustment to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities

Net Unrealized (Gains) Losses on Investments	(743,085.48)
Bond Amortization	(75,212.43)
Expense for PY Dividend Recharacterization	8,372.27

(Decrease) Increase in:

Accrued Investment Interest	(142,820.84)
Premium receivable	(213,467.00)
Ceded Unearned Premium Reserve	0.36
Accounts Payable & Accrued Expenses	79,967.22
Losses Payable	1,500,000.00
Funds Withheld Account	2,798,326.00
Reinsurance Premium Payable-Prepaid	330,000.00
Unearned Premium Reserve	105,856.00
Assumed Incurred But Not Reported	3,715,376.00
Assumed Outstanding Loss Reserves	(141,532.00)
Recoverable Incurred But Not Reported	(4,075,170.00)
Total adjustments	3,956,535.74

Net Cash Provided (Used) By Operating Activities 4,171,388.10

Cash Provided (Used) by Financing Activities

Net Cash Provided (Used) by Financing Activities -

Cash Provided (Used) by Investing Activities

Purchase of Investments	(20,854,882.48)
Proceeds from Sale of Marketable Securities	16,893,502.34
Realized (Gain) Loss on Sales of Marketable Securities	(95,155.12)

Net Cash Provided (Used) by Investing Activities (4,056,535.26)

Net Increase (Decrease) in Cash & Cash Equivalents 114,852.84

Cash & Cash Equivalents at Beginning of Period 911,171.99

Cash & Cash Equivalents at End of Period \$ 1,026,024.83

For Internal Use Only

New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations
as of December 31, 2025

	Assumed				Ceded		Total	
	Program Yr. 1 1/1/2022-1/1/2023	Program Yr. 2 1/1/2023-1/1/2024	Program Yr. 3 1/1/2024-1/1/2025	Program Yr. 4 1/1/2025-1/1/2026	Workers' Compensation Reinsurance 7/1/2025-7/1/2026	3 Yr Reinsurance 7/1/2024-7/1/2025		3 Yr Reinsurance 7/1/2025-7/1/2026
Premium Written	\$ 333,000.00	\$ 3,855,000.00	\$ 3,726,064.00	\$ 6,240,574.00	\$ 213,467.00	\$ (4,000,000.00)	\$ (4,000,000.00)	\$ 6,368,105.00
Provision for Unearned Premium Reserve	-	-	-	-	(105,856.00)	-	1,983,561.64	1,877,705.64
Net Premium Earned	333,000.00	3,855,000.00	3,726,064.00	6,240,574.00	107,611.00	(4,000,000.00)	(2,016,438.36)	8,245,810.64
Ceding Commission	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	(166,666.68)	(83,333.32)	(250,000.00)
Net Ceding Commission	-	-	-	-	-	(166,666.68)	(83,333.32)	(250,000.00)
Losses & Losses Adjustment Expenses Paid	300,000.00	3,500,000.00	-	-	-	-	-	3,800,000.00
Change in Outstanding Reserves	600,000.00	4,012,533.00	2,000,000.00	-	-	(2,000,000.00)	-	4,612,533.00
Change in IBNR	(500.00)	487,467.00	3,052,152.00	4,863,732.00	53,806.00	(1,952,152.00)	(2,349,144.00)	4,155,361.00
Net Losses Incurred	899,500.00	8,000,000.00	5,052,152.00	4,863,732.00	53,806.00	(3,952,152.00)	(2,349,144.00)	12,567,894.00
Placement fees	-	30,000.00	30,000.00	30,000.00	-	-	-	90,000.00
Underwriting Expense	899,500.00	8,030,000.00	5,082,152.00	4,893,732.00	53,806.00	(3,952,152.00)	(2,349,144.00)	12,657,894.00
Net Underwriting Profit (Loss)	(566,500.00)	(4,175,000.00)	(1,356,088.00)	1,346,842.00	53,805.00	(214,514.68)	249,372.32	(4,662,083.36)
Audit and Tax Fees	-	11,500.00	12,300.00	13,500.00	-	-	-	37,300.00
Actuarial Fees	-	8,000.00	17,750.00	6,250.00	-	-	-	32,000.00
Captive Management	60,000.00	60,000.00	60,000.00	60,000.00	-	-	-	240,000.00
Legal Fee	75.00	26,843.15	-	6,442.25	-	-	-	33,360.40
License & Fees	6,375.00	45,518.00	7,510.00	7,510.00	-	-	-	66,913.00
D&O Insurance Expense	4,137.63	10,906.88	8,780.56	10,975.69	-	-	-	34,800.76
Directors Fees	-	200.00	200.00	-	-	-	-	400.00
Outsourced Service Fees	-	-	9,769.21	19,616.54	-	-	-	29,385.75
Meeting expenses	164.70	(164.70)	-	-	-	-	-	-
Bank fees	175.00	225.00	-	-	-	-	-	400.00
Miscellaneous Expense	25.00	84.90	-	-	-	-	-	109.90
Operating Expenses	70,952.33	163,113.23	116,309.77	124,294.48	-	-	-	474,669.81
Investment Income	8,295.70	641,712.89	1,026,424.23	1,221,525.99	-	-	-	2,897,958.81
Realized Gain (Loss)	-	3,000.49	6,490.18	95,155.12	-	-	-	104,645.79
Unrealized Gain (Loss)	-	212,935.84	(189,737.41)	743,085.48	-	-	-	766,283.91
Investment Expenses	(692.94)	(30,428.05)	(48,262.95)	(63,538.09)	-	-	-	(142,922.03)
Other Income (Expense)	7,602.76	827,221.17	794,914.05	1,996,228.50	-	-	-	3,625,966.48
Net Income (Loss)	\$ (629,849.57)	\$ (3,510,892.06)	\$ (677,483.72)	\$ 3,218,776.02	\$ 53,805.00	\$ (214,514.68)	\$ 249,372.32	\$ (1,510,786.69)

Three Year Excess of Loss Reinsurance Contract - Losses by Contract Year (Unamortized)

	Paid Losses				Ultimate Losses		Under (Over)	
	OSLR	IBNR	Aggregate	Aggregate	Aggregate	Aggregate		
Contract Year 1: 7/1/2024-7/1/2025	-	(2,000,000.00)	(1,952,152.00)	(3,952,152.00)	(8,000,000.00)	4,047,848.00		
Contract Year 2: 7/1/2025-7/1/2026	-	-	(4,659,987.00)	(4,659,987.00)	(8,000,000.00)	3,340,013.00		
Contract Year 3: 7/1/2026-7/1/2027	-	-	-	-	(8,000,000.00)	8,000,000.00		
Contract Total	-	(2,000,000.00)	(6,612,139.00)	(8,612,139.00)	(16,000,000.00)	7,387,861.00		

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

Exhibit 1	<u>Cash & Cash Equivalents</u>	<u>Current Quarter End</u>	<u>Prior Fiscal Year- end</u>
	Wells Fargo Advisors #2932 Investment Account - Cash	\$ 810,645.50	\$ 41,700.59
	Wells Fargo Advisors #2932 Investment Account - Money Market	193,289.00	733,505.42
	Wells Fargo Advisors #1288 Investment Account - Cash	2,251.95	27.61
	Wells Fargo Advisors #1288 Investment Account - Money Market	19,838.38	135,938.37
	Total	<u>\$ 1,026,024.83</u>	<u>\$ 911,171.99</u>

Exhibit 2	<u>Investments</u>	<u>Current Quarter End - Amortized [Original] Cost</u>	<u>Current Quarter End - Market Value</u>	<u>Prior Fiscal Year- end - Market Value</u>
	Wells Fargo Advisors #2932 Investment Account	\$ 26,528,739.02	\$ 27,295,022.93	\$ 22,428,562.03
	Total	<u>\$ 26,528,739.02</u>	<u>\$ 27,295,022.93</u>	<u>\$ 22,428,562.03</u>

Exhibit 3	<u>Accounts Payable & Accrued Expenses</u>	<u>Current Quarter End</u>	<u>Prior Fiscal Year- end</u>
	Amelie-Rio Ventures, LLC	\$ 3,253.12	\$ 1,626.56
	Minimum Interest Credit Accrual	\$ 110,199.00	\$ 61,858.34
	Artex Risk Solutions, Inc. (Management Fees)	\$ 30,000.00	\$ -
	Total	<u>\$ 143,452.12</u>	<u>\$ 63,484.90</u>

Exhibit 4	<u>Ceded Premiums Payable (Prepaid)</u>	<u>Current Quarter End</u>	<u>Prior Fiscal Year- end</u>
	Reinsurer - Three Year Excess of Loss Reinsurance Contract	\$ 2,000,000	\$ 1,670,000
	Total	<u>\$ 2,000,000</u>	<u>\$ 1,670,000</u>

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

Exhibit 5	A	B	C	D	E	F	G
Premiums	Policy Effective Date	Written Prior Fiscal Year(s) Policy Premium	Written Current Fiscal Year Policy Premium	# Days Earned this Year	Premium Earned Current Year-to-date	Current Quarter-End Premium Unearned	Prior Fiscal-Year End Premium Unearned
Grand Total, Policies In Force		\$ 3,914,064.00	\$ 2,454,041.00		\$ 2,348,184.64	\$ (1,877,705.64)	\$ (1,983,562.00)
			<i>Premium written on P&L</i>		<i>Premium earned on P&L</i>	<i>UEPR on balance sheet</i>	<i>UEPR on balance sheet</i>
	12/31/2022						
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2022 \$ 333,000.00	\$ -	0	\$ -	\$ -	\$ -
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2023 3,375,000.00	-	0	-	-	-
A-Cov3	Law Enforcement Liability Reinsurance - Specific Counties	1/1/2023 480,000.00	-	0	-	-	-
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2024 2,824,455.00	-	0	-	-	-
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024 367,231.00	-	0	-	-	-
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024 64,378.00	-	0	-	-	-
CATMN	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024 470,000.00	-	0	-	-	-
A-Cov1	Law Enforcement Liability Reinsurance - All counties (\$2MM excess of \$2MM)	1/1/2025 -	4,464,639.00	365	4,464,639.00	-	-
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Sandoval & Sante Fe (2nd Excess of Loss, 50% \$1MM excess \$4MM)	1/1/2025 -	638,684.00	365	638,684.00	-	-
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services (50% \$2MM excess of \$2MM)	1/1/2025 -	667,251.00	365	667,251.00	-	-
CATMN	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2025 -	470,000.00	365	470,000.00	-	-
CATWC	Workers' Compensation Reinsurance-all counties except San Juan	7/1/2025 -	213,467.00	184	107,611.00	105,856.00	-
	Total	<u>\$ 7,914,064.00</u>	<u>\$ 6,454,041.00</u>		<u>\$ 6,348,185.00</u>	<u>\$ 105,856.00</u>	<u>\$ -</u>
	<u>Ceded Coverage</u>						
24-27 YR1	Law Enforcement Liability 3 Year Loss Reinsurance - Year 1	7/1/2024 \$ (4,000,000.00)	\$ -	181	(1,983,562.00)	-	(1,983,562.00)
24-27 YR2	Law Enforcement Liability 3 Year Loss Reinsurance - Year 2	7/1/2025 \$ -	\$ (4,000,000.00)	184	(2,016,438.36)	(1,983,561.64)	-
	Total	<u>\$ (4,000,000.00)</u>	<u>\$ (4,000,000.00)</u>		<u>\$ (4,000,000.36)</u>	<u>\$ (1,983,561.64)</u>	<u>\$ (1,983,562.00)</u>

For Internal Use Only

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

Exhibit 6	Policy Effective Date	A	B	C	D	E		F	G	H	I	J	K
		Full Year Premium	Loss Ratio (C/A)	Full Year Ultimate	# Days Earned this Year	Ultimate	Pro-rata	Prior Year's Pro-rata Ultimate	Current Year-to-Date Provision for Loss	Paid Losses	Case Reserves (OSLR)	IBNR Reserves	Net Unpaid Loss Reserves
<u>Losses & Loss Reserves</u>		Inception to Date											
Coverage Description													
Grand Total, Policies In Force		\$ 6,368,105.00	161.9%	\$ 10,309,979.00		\$ 12,567,894.00	\$ 9,569,220.00	\$ 2,998,674.00	\$ 3,800,000.00	\$ 4,612,533.00	\$ 4,155,361.00		
								Prov for Loss per P&L					
										OSLR on balance sheet	IBNR on balance sheet	Net Unpaid Loss Reserves on balance sheet	
Law Enforcement Liability Reinsurance - All Counties													
10% share of \$3,000,000 in excess of \$2,000,000	1/1/2022	\$ 333,000.00	270.1%	\$ 899,500.00	0	\$ 899,500.00	\$ 747,187.00	\$ 152,313.00	\$ 300,000.00	\$ 600,000.00	\$ (500.00)	\$ 599,500.00	
\$2,000,000 Excess of \$2,000,000 & 50% share of \$2,000,000 Excess of \$2,000,000	1/1/2023	3,375,000.00	222.2%	7,500,000.00	0	7,500,000.00	5,771,829.00	1,728,171.00	3,500,000.00	4,000,000.00	-	4,000,000.00	
1st Excess of Loss \$2,000,000 Excess of \$2,000,000	1/1/2024	2,824,455.00	142.4%	4,022,923.00	0	4,022,923.00	3,120,625.00	902,298.00	-	2,000,000.00	2,022,923.00	4,022,923.00	
1st Excess of Loss \$2,000,000 Excess of \$2,000,000	1/1/2025	4,464,639.00	80.7%	3,601,255.00	365	3,601,255.00	-	3,601,255.00	-	-	3,601,255.00	3,601,255.00	
Total Assumed Coverage 1	Total	\$ 10,997,094.00	145.7%	\$ 16,023,678.00		\$ 16,023,678.00	\$ 9,639,641.00	\$ 6,384,037.00	\$ 3,800,000.00	\$ 6,600,000.00	\$ 5,623,678.00	\$ 12,223,678.00	
Law Enforcement Liability Reinsurance - Specific Counties													
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2023	\$ 480,000.00	104.2%	\$ 500,000.00	0	\$ 500,000.00	\$ 629,116.00	\$ (129,116.00)	\$ -	\$ 12,533.00	\$ 487,467.00	\$ 500,000.00	
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2024	367,231.00	99.5%	365,474.00	0	365,474.00	516,998.00	(151,524.00)	-	-	365,474.00	365,474.00	
2nd Excess of Loss 50% of \$1,000,000 Excess of \$4,000,000	1/1/2025	667,251.00	87.0%	580,242.00	365	580,242.00	-	580,242.00	-	-	580,242.00	580,242.00	
Total Assumed Coverage 2	Total	\$ 1,514,482.00	95.5%	\$ 1,445,716.00		\$ 1,445,716.00	\$ 1,146,114.00	\$ 299,602.00	\$ -	\$ 12,533.00	\$ 1,433,183.00	\$ 1,445,716.00	
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services													
50% share of \$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 64,378.00	875.7%	\$ 563,755.00	0	\$ 563,755.00	\$ 814,629.00	\$ (250,874.00)	\$ -	\$ -	\$ 563,755.00	\$ 563,755.00	
50% share of \$2,000,000 Excess of \$2,000,000	1/1/2025	\$ 638,684.00	74.9%	\$ 478,490.00	365	\$ 478,490.00	\$ -	\$ 478,490.00	\$ -	\$ -	\$ 478,490.00	\$ 478,490.00	
Total Assumed Coverage 3	Total	\$ 703,062.00	148.2%	\$ 1,042,245.00		\$ 1,042,245.00	\$ 814,629.00	\$ 227,616.00	\$ -	\$ -	\$ 1,042,245.00	\$ 1,042,245.00	
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O													
\$1,000,000 Excess of \$1,000,000	1/1/2024	\$ 470,000.00	21.3%	\$ 100,000.00	0	\$ 100,000.00	\$ 194,962.00	\$ (94,962.00)	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	
\$1,000,000 Excess of \$1,000,000	1/1/2025	\$ 470,000.00	43.4%	\$ 203,745.00	365	\$ 203,745.00	\$ -	\$ 203,745.00	\$ -	\$ -	\$ 203,745.00	\$ 203,745.00	
Total Assumed Coverage Package Policy	Total	\$ 940,000.00	32.3%	\$ 303,745.00		\$ 303,745.00	\$ 194,962.00	\$ 108,783.00	\$ -	\$ -	\$ 303,745.00	\$ 303,745.00	
Workers' Compensation Reinsurance-all counties except San Juan													
\$3,000,000 Excess of \$2,000,000	7/1/2025	\$ 213,467.00	50.0%	\$ 106,734.00	184	\$ 53,806.00	\$ -	\$ 53,806.00	\$ -	\$ -	\$ 53,806.00	\$ 53,806.00	
Total Assumed Workers' Compensation	Total	\$ 213,467.00	50.0%	\$ 106,734.00		\$ 53,806.00	\$ -	\$ 53,806.00	\$ -	\$ -	\$ 53,806.00	\$ 53,806.00	
Ceded Law Enforcement Liability Reinsurance - All Counties													
\$2,500,000 per Occurrence	7/1/2024	\$ (4,000,000.00)	98.8%	\$ (3,952,152.00)	181	\$ (3,952,152.00)	\$ (2,226,126.00)	\$ (1,726,026.00)	\$ -	\$ (2,000,000.00)	\$ (1,952,152.00)	\$ (3,952,152.00)	
\$2,500,000 per Occurrence	7/1/2025	\$ (4,000,000.00)	116.5%	\$ (4,659,987.00)	184	\$ (2,349,144.00)	\$ -	\$ (2,349,144.00)	\$ -	\$ -	\$ (2,349,144.00)	\$ (2,349,144.00)	
Total Ceded Coverage 1	Total	\$ (8,000,000.00)	107.7%	\$ (8,612,139.00)		\$ (6,301,296.00)	\$ (2,226,126.00)	\$ (4,075,170.00)	\$ -	\$ (2,000,000.00)	\$ (4,301,296.00)	\$ (6,301,296.00)	
		\$ 6,368,105.00	161.9%	\$ 10,309,979.00		\$ 12,567,894.00	\$ 9,569,220.00	\$ 2,998,674.00	\$ 3,800,000.00	\$ 4,612,533.00	\$ 4,155,361.00	\$ 8,767,894.00	
Summary by Policy Period													
Assumed Policies Incepting on	1/1/2022	\$ 333,000.00	270.1%	\$ 899,500.00		\$ 899,500.00	\$ 747,187.00	\$ 152,313.00	\$ 300,000.00	\$ 600,000.00	\$ (500.00)	\$ 599,500.00	
Assumed Policies Incepting on	1/1/2023	3,855,000.00	207.5%	8,000,000.00		8,000,000.00	6,400,945.00	1,599,055.00	3,500,000.00	4,012,533.00	487,467.00	4,500,000.00	
Assumed Policies Incepting on	1/1/2024	3,726,064.00	135.6%	5,052,152.00		5,052,152.00	4,647,214.00	404,938.00	-	2,000,000.00	3,052,152.00	5,052,152.00	
Assumed Policies Incepting on	1/1/2025	6,240,574.00	77.9%	4,863,732.00		4,863,732.00	-	4,863,732.00	-	-	4,863,732.00	4,863,732.00	
Assumed Policies Incepting on	7/1/2025	213,467.00	50.0%	106,734.00		53,806.00	-	53,806.00	-	-	53,806.00	53,806.00	
Ceded Policies Incepting on	7/1/2024	\$ (4,000,000.00)	98.8%	\$ (3,952,152.00)		\$ (3,952,152.00)	\$ (2,226,126.00)	\$ (1,726,026.00)	\$ -	\$ (2,000,000.00)	\$ (1,952,152.00)	\$ (3,952,152.00)	
Ceded Policies Incepting on	7/1/2025	\$ (4,000,000.00)	116.5%	\$ (4,659,987.00)		\$ (2,349,144.00)	\$ -	\$ (2,349,144.00)	\$ -	\$ -	\$ (2,349,144.00)	\$ (2,349,144.00)	

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

<u>Item Number:</u> 7.C.	<u>Item Title:</u> Risk Management Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	



Memorandum

Date: March 18, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: RM Update

- On January 27, 2026, Brandon Huss and I presented to the Senate Finance Committee on the NM Civil Rights Act and the effect it has had on our pool. Attached is sub bill SB146.
- We received the final WCA audit letter (attached) closing out the audit that began July 1, 2024.
- It has been 10 years since our last RFP for actuary services. We are preparing an RFP to be issued next month.
- We will be developing a member survey to assess member satisfaction with our programs, staff, and board.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 146

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

DISCUSSION DRAFT

AN ACT

RELATING TO CIVIL CLAIMS; AMENDING THE NEW MEXICO CIVIL RIGHTS
ACT; PROVIDING THAT A CLAIM MAY ARISE FROM THE DEPRIVATION OF
ANY RIGHTS, PRIVILEGES OR IMMUNITIES SECURED PURSUANT TO
ARTICLE 2, SECTIONS 6 THROUGH 21 OF THE CONSTITUTION OF NEW
MEXICO CAUSED BY THE DELIBERATE INDIFFERENCE OF A PUBLIC BODY
OR PERSON ACTING UNDER COLOR OF ANY STATUTE, ORDINANCE,
REGULATION, CUSTOM OR USAGE OF THE STATE OF NEW MEXICO;
LIMITING RECOVERY FOR CLAIMS PURSUANT TO THE NEW MEXICO CIVIL
RIGHTS ACT AND THE TORT CLAIMS ACT ARISING FROM THE SAME
OCCURRENCE; PROVIDING THAT RECOVERY PURSUANT TO THE NEW MEXICO
CIVIL RIGHTS ACT IS LIMITED TO TWO MILLION DOLLARS (\$2,000,000)
PER OCCURRENCE; PROVIDING THAT A CLAIM PURSUANT TO THE NEW
MEXICO CIVIL RIGHTS ACT SHALL BE COMMENCED WITHIN TWO YEARS
FROM THE DATE OF THE OCCURRENCE GIVING RISE TO THE CLAIM;
PROVIDING THAT SOVEREIGN IMMUNITY IS NOT WAIVED FOR CLAIMS FOR

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underscoring material = new
~~[bracketed material] = delete~~

1 EXEMPLARY OR PUNITIVE DAMAGES; REQUIRING NOTICE FOR ALL CLAIMS
2 FOR DAMAGES PURSUANT TO THE NEW MEXICO CIVIL RIGHTS ACT; MAKING
3 CONFORMING AMENDMENTS.

4
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

6 SECTION 1. Section 41-4A-3 NMSA 1978 (being Laws 2021,
7 Chapter 119, Section 3) is amended to read:

8 "41-4A-3. CLAIM FOR VIOLATION OF RIGHTS ESTABLISHED
9 PURSUANT TO THE BILL OF RIGHTS OF THE CONSTITUTION OF NEW
10 MEXICO.--

11 A. A public body or person acting ~~[on behalf of,~~
12 ~~under color of or within the course and scope of the authority~~
13 ~~of a public body]~~ under color of any statute, ordinance,
14 regulation, custom or usage of the state of New Mexico shall
15 not subject or cause to be subjected any resident of New Mexico
16 or person within the state to deprivation of any rights,
17 privileges or immunities secured pursuant to ~~[the bill of~~
18 ~~rights]~~ Article 2, Sections 6 through 21 of the constitution of
19 New Mexico.

20 B. A person who claims to have suffered a
21 deprivation of any rights, privileges or immunities pursuant to
22 ~~[the bill of rights]~~ Article 2, Sections 6 through 21 of the
23 constitution of New Mexico due to ~~[acts or omissions]~~ the
24 deliberate indifference of a public body or person acting ~~[on~~
25 ~~behalf of, under color of or within the course and scope of the~~

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1 ~~authority of a public body~~ under color of any statute,
 2 ordinance, regulation, custom or usage of the state of New
 3 Mexico may maintain an action to establish liability and
 4 recover actual damages and equitable or injunctive relief in
 5 any New Mexico district court.

6 C. Claims brought pursuant to the New Mexico Civil
 7 Rights Act shall be brought exclusively against a public body.
 8 Any public body named in an action filed pursuant to the New
 9 Mexico Civil Rights Act shall be held liable for conduct of
 10 individuals acting on behalf of, under color of or within the
 11 course and scope of the authority of the public body.

12 D. Individuals employed by a public body ~~[shall be]~~
 13 are prohibited from using the New Mexico Civil Rights Act to
 14 pursue a claim arising from the individual's employment by the
 15 public body.

16 E. The remedies provided for in the New Mexico
 17 Civil Rights Act are not exclusive and ~~[shall]~~ may be in
 18 addition to any other remedies prescribed by law or available
 19 ~~[pursuant to]~~ at common law; provided that a person shall not
 20 recover damages pursuant to both the New Mexico Civil Rights
 21 Act and the Tort Claims Act for claims that arise from the same
 22 occurrence in an amount greater than damages set by the New
 23 Mexico Civil Rights Act."

24 SECTION 2. Section 41-4A-4 NMSA 1978 (being Laws 2021,
 25 Chapter 119, Section 4) is amended to read:

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underscored material = new
 [bracketed material] = delete

1 "41-4A-4. PROHIBITING THE USE OF THE DEFENSE OF QUALIFIED
2 IMMUNITY.--In any claim for damages or relief under the New
3 Mexico Civil Rights Act, no public body or person acting ~~on~~
4 ~~behalf of, under color of or within the course and scope of the~~
5 ~~authority of a public body]~~ under color of any statute,
6 ordinance, regulation, custom or usage of the state of New
7 Mexico shall enjoy the defense of qualified immunity for
8 causing the deprivation of any rights, privileges or immunities
9 secured by ~~[the bill of rights]~~ Article 2, Sections 6 through
10 21 of the constitution of New Mexico."

11 SECTION 3. Section 41-4A-6 NMSA 1978 (being Laws 2021,
12 Chapter 119, Section 6) is amended to read:

13 "41-4A-6. LIMITATION ON RECOVERY.--

14 A. In any action for damages against a public body
15 pursuant to the New Mexico Civil Rights Act, the liability per
16 occurrence shall not exceed the sum of two million dollars
17 (\$2,000,000) per ~~[claimant]~~ occurrence, inclusive of the
18 claimant's costs of action and reasonable attorney fees. In
19 jury cases, the jury shall not be given any instructions
20 dealing with this limitation. Interest shall be allowed on
21 judgments against a public body at a rate equal to two
22 percentage points above the bank prime loan rate published by
23 the board of governors of the federal reserve system on the
24 last business day of the month preceding entry of the judgment.
25 Interest shall be computed daily from the date of the entry of

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1 the judgment until the date of payment.

2 ~~[B. As of July 1, 2022 and on July 1 of each~~
 3 ~~successive year, the maximum recovery limit shall be increased~~
 4 ~~for the cost of living as provided in Subsection C of this~~
 5 ~~section.~~

6 ~~C. On July 1, 2022 and on July 1 of each successive~~
 7 ~~year, the maximum recovery limit shall be increased by the~~
 8 ~~increase in the cost of living. The increase in the cost of~~
 9 ~~living shall be measured by the percentage increase as of~~
 10 ~~August of the immediately preceding year over the level as of~~
 11 ~~August of the previous year of the consumer price index for all~~
 12 ~~urban consumers, United States city average for all items, or~~
 13 ~~its successor index, as published by the United States~~
 14 ~~department of labor or its successor agency, with the amount of~~
 15 ~~the increase rounded to the nearest multiple of ten thousand~~
 16 ~~dollars (\$10,000); however, the maximum recovery limit shall~~
 17 ~~not be adjusted downward as a result of a decrease in the cost~~
 18 ~~of living. The risk management division of the general~~
 19 ~~services department shall publish by May 1 of each year the~~
 20 ~~adjusted maximum recovery limit that shall take effect the~~
 21 ~~following July 1.]~~

22 B. A judgment against a public body for which
 23 immunity is waived pursuant to the New Mexico Civil Rights Act
 24 shall not include an award for exemplary or punitive damages or
 25 for interest prior to judgment."

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underscored material = new
 [bracketed material] = delete

1 SECTION 4. Section 41-4A-7 NMSA 1978 (being Laws 2021,
2 Chapter 119, Section 7) is amended to read:

3 "41-4A-7. STATUTE OF LIMITATIONS AND ABATEMENT.--A claim
4 made pursuant to the New Mexico Civil Rights Act shall be
5 commenced no later than [~~three~~] two years from the date a claim
6 can be brought for the deprivation of a right, privilege or
7 immunity pursuant to [~~the bill of rights~~] Article 2, Sections 6
8 through 21 of the constitution of New Mexico unless a longer
9 statute of limitations is otherwise provided by state law."

10 SECTION 5. Section 41-4A-9 NMSA 1978 (being Laws 2021,
11 Chapter 119, Section 9) is amended to read:

12 "41-4A-9. WAIVER OF SOVEREIGN IMMUNITY.--The state shall
13 not have sovereign immunity for itself or any public body
14 within the state for claims brought pursuant to the New Mexico
15 Civil Rights Act, and the public body or person acting [~~on~~
16 ~~behalf of, under color of or within the course and scope of the~~
17 ~~authority of the public body~~] under color of any statute,
18 ordinance, regulation, custom or usage of the state of New
19 Mexico provided pursuant to the New Mexico Civil Rights Act
20 shall not assert sovereign immunity as a defense or bar to an
21 action; provided that sovereign immunity is not waived for
22 claims for exemplary or punitive damages."

23 SECTION 6. Section 41-4A-13 NMSA 1978 (being Laws 2021,
24 Chapter 119, Section 13) is amended to read:

25 "41-4A-13. NOTICE OF CLAIMS.--

1 A. Every person who claims damages [~~from an act or~~
 2 ~~omission of a certified law enforcement officer under~~] in an
 3 action for which immunity is waived pursuant to the New Mexico
 4 Civil Rights Act shall [~~cause to be presented to the certified~~
 5 ~~law enforcement officer's agency or department, within one year~~
 6 ~~after an occurrence giving rise to a claim under the New Mexico~~
 7 ~~Civil Rights Act, a] give written notice of the claim to the
 8 public body within ninety days from the date of the occurrence
 9 giving rise to the claim. The written notice [~~stating~~] shall
 10 state the time, place and circumstances of the [~~loss or injury~~]
 11 occurrence giving rise to the claim.~~

12 B. No suit or action for which immunity has been
 13 waived under the New Mexico Civil Rights Act shall be
 14 maintained, and no court shall have jurisdiction to consider
 15 any suit or action against the state or any local public body,
 16 unless notice has been given as required by this section or
 17 unless the governmental entity had actual notice of the
 18 occurrence. The time for giving notice does not include the
 19 time, not exceeding one year, during which the injured person
 20 is incapacitated from giving the notice by reason of injury.

21 C. When a claim for which immunity has been waived
 22 under the New Mexico Civil Rights Act is one for wrongful
 23 death, the required notice may be presented by, or on behalf
 24 of, the personal representative of the deceased person or any
 25 person claiming benefits of the proceeds of a wrongful death

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1 action, or the consular officer of a foreign country of which
2 the deceased was a citizen, within one year and six months
3 after the date of the occurrence of the injury that resulted in
4 the death, but if the person for whose death the claim is made
5 has presented a notice that would have been sufficient had the
6 person lived, an action for wrongful death may be brought
7 without any additional notice."

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underscoring material = new
~~bracketed material~~ = delete



State of New Mexico
**Workers'
Compensation
Administration**

Michelle Lujan Grisham
Governor

Heather Jordan
Director

February 3, 2026

Grace Philips, Risk Management Director
New Mexico County Insurance Authority
444 Galisteo St.
Santa Fe, NM 87501

Dear Grace Philips:

RE: Notice of Accepted Response and Audit Closure

Dear Ms. Philips,

A review of the responses to the findings has been conducted. As always, our findings and recommendations are meant to be taken constructively for the improvement and continued success of the New Mexico County Insurance Authority self-insurance program. We appreciate the time and effort you took to review each concern presented in the report, as well as your team expressing commitment to improving the deficiencies found. We are satisfied with your compliance with the Workers' Compensation Act and Rules.

Overall, the claims administration by the NM CIA complies with the WCA Act and Rules, and it is in the opinion that NM CIA can continue as a certified self-insured Pool. The progress you are making and the efforts that have been put in place to ensure efficient handling of the claimants' recovery and to the members is commendable.

I would like to express my deepest appreciation to you, Ms. Philips and your team members for working with us throughout the course of this examination. It has truly been a pleasure to work with all of you, and we look forward to working with you again in the future.

The audit is now closed.

If you have any questions, comments, or need further assistance, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Amanda Olvera".

Amanda Olvera

Self-Insurance Regulatory & Audit Bureau
New Mexico Workers' Compensation Administration
Phone: 505-795-4864
Amanda.Olvera@wca.nm.gov

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

<u>Item Number:</u> 7.D.	<u>Item Title:</u> NMCRe Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

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

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

