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NEW MEXICO
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NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

August 19, 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

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

NMCIA Board of Directors
2026

Officers

Chair	Vice-Chair	NMC Representative
Lance Pyle *Curry County Manager*	**Gregory S. Shaffer** *Santa Fe County Manager*	**Michael Meek** *County Commissioner*

GROUP I, GEOGRAPHICAL DIRECTORS — Term Expires 1/2027

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

SOUTHEAST
Roberta Gonzales *Eddy County Finance Director* Chaves, De Baca, Eddy, Lea, Lincoln, Otero, Roosevelt

GROUP II, CLASS A DIRECTORS — Term Expires 1/2028

DOñA ANA	SANDOVAL	SANTA FE
Deborah Weir *Assistant County Manager*	**Michael Meek** *County Commissioner*	**Gregory S. Shaffer** *County Manager*

GROUP III, POPULATION DIRECTORS — Term Expires 1/2028

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

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
Tina Dixon *Roosevelt County Commissioner*	**Vickie Marquardt** *Otero County Commissioner*	**Michael Eshleman** *Sandoval County Attorney*

Sheriffs' Affiliate Representative	Detention Administrators Affiliate Representative
Adan Mendoza *Santa Fe County Sheriff*	**Bryan Baker** *Dona Ana County Detention Administrator*

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

Item Number:	**Item Title:**
2.	Approval of Agenda
Presenter (s): Lance Pyle, Chair	
Motion by:	Seconded by:

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING

August 19, 2026, 8:30 a.m. *

AGENDA

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

Video Conference Link for Guests
Meeting ID: 891 6790 5537
Passcode: 203572
One tap mobile:
+16694449171,,89167905537#,,,,*203572# US
+16699009128,,89167905537#,,,,*203572# US (San Jose)

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

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

1. Call to Order / Pledge of Allegiance / Roll Call / Introductions	Lance Pyle	Pg. 2
2. Approval of Agenda	Lance Pyle	Pg. 5
3. Approval of Minutes of June 15, 2026 and July 7, 2026	Lance Pyle	Pg. 8
4. Board Action Items		
A. Acknowledge Receipt of 2025 NMCIA Pool Financial Audit	Josh Trujillo	Pg. 18
B. Appoint Member to Fill Southwest Geographic Director Position Effective November 1, 2026	Lance Pyle	Pg. 77
C. Appoint Board Members to Fill Litigation, Finance and Audit, and Underwriting Committee Vacancies	Lance Pyle	Pg. 81
5. Board Discussion and Direction		
A. Actuarial Report and Capital Adequacy	Grace Philips	Pg. 82
B. Amendments to Multi-Line and Law Enforcement Coverage Agreement	Grace Philips	Pg. 87
C. Realignment of Multi-Line and Law Enforcement Program Inception Dates	Grace Philips John Chino	Pg. 93
D. Strategic Retreat	Grace Philips	Pg. 95

6. **11:00 a.m. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)** — Lance Pyle — Pg. 96
   - Estate of Herrera v Sandoval County
   - Estate of Quintero v Bernalillo County
   - Silas v Taos County
   - Brian Johnston v Dona Ana County
   - Andrea Ferrales-Narvaez v Dona Ana County
   - Eric & Eden Flores v Dona Ana County
   - Claims with material reserve adjustments during the last 6 months
   - Broker Services RFP

7. **Board Reports**

A.	Executive Director Update	Joy Esparsen	Pg. 97
B.	Financial Reports	Joy Esparsen	Pg. 104
C.	Risk Management Update	Grace Philips	Pg. 126
D.	Loss Ratio Reports	Lori Urban	Pg. 128
E.	CRL Update	Grace Philips	Pg. 150
F.	NMCRe Update	Grace Philips	Pg. 152
G.	Multi-Line Update	Robin Martinez	Pg. 154

8. **Other Business** — Lance Pyle — Pg. 162

9. **Adjournment** — Lance Pyle — Pg. 163

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

Item Number:	**Item Title:**
3.	Approve Board Meeting Minutes of June 15, 2026 and July 7, 2026
Presenter (s): Lance Pyle, Chair	
Motion by:	Seconded by:

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING

June 15, 2026, 1:00 p.m.

McKinley County
County Courthouse
2nd Floor of Extension
207 W. Hill
Gallup, NM 87301

MINUTES

Call to Order/Pledge of Allegiance/Roll Call/Introductions
Chair Lance Pyle called the meeting to order at 1:03 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present
Jhonathan Aragon, Valencia County Manager (arrived just after roll call into executive session)
Bryan Baker, Detention Administrators Affiliate Representative, Dona Ana County Detention Administrator
Anthony Dimas, Jr., McKinley County Manager
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Roberta Gonzales, Eddy County Finance Director
Michael Meek, Sandoval County Commissioner
Adan Mendoza, Sheriff Affiliate Representative, Santa Fe County Sheriff
Lance Pyle, Chair, Curry County Manager
Shirley Ragin, Bernalillo Deputy County Manager of Finance (arrived during 5.A.)
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager (arrived at 1:30 p.m. just after the start of 5.C.)
Amber Vaughn, Sierra County Manager
Deborah Weir, Dona Ana County Assistant Manager

Board Members Absent/Excused
Tina Dixon, NMC President Elect, Roosevelt County Commissioner
Terri Fortner, NMC President, San Juan County Commissioner
Charlene Webb, Grant County Manager

NMC Staff Present
Mark Allen, General Counsel
Kamie Denton, Workers' Compensation Claims Manger
Joy Esparsen, Executive Director
Richard Garcia, Finance Director
Velma Herrera, Sr. Multi-Line Examiner
Brandon Huss, Legal Bureau Director
Bree Barnett, Litigation Attorney
Robin Martinez, Multi-Line Claims Manager
Grace Philips, Risk Management Director

Greg Rees, Loss Prevention Manager
Cynthia Stephenson, Risk Management Specialist
Lori Urban, Assistant Risk Management Director (via video conference)

Guests Present
John Chino, Area Vice President, Gallagher
Meadow Forget, Roosevelt County Manager
Cody R. Rogers, Partner, Serpe Andrews
William West, De Baca County Commissioner
Mary Maloney

Approval of Agenda
Anthony Dimas made a motion to approve the agenda as presented and Amber Vaughn seconded the motion, which passed unanimously.

Approve Board Meeting Minutes of May 13, 2026
Kate Fletcher made a motion to approve the minutes, and Deborah Weir seconded the motion, which passed unanimously.

Board Presentation

Gallagher Update
John Chino, presented renewal options from Safety National with a rate of $0.0462, providing pricing calculated with and without Bernalillo County for a one and two-year term.

Board Action Items

Approve 2026-2027 Property Reinsurance
Grace Philips presented the property reinsurance, noting CRL made self-insured retention (SIR) changes a few years ago to increase all member SIRs. She said the SIR will increase from $450,000 to $500,000 July 1, adding that this is the first year for a NMCIA fiscal year policy. She noted the quote from CRL was an estimate and not a final number. Roberta Gonzales made a motion to approve the projected property reinsurance, and Anthony Dimas seconded the motion, which passed unanimously.

Approve 2026-2027 Property Coverage Agreement
Grace Philips gave an overview of redline changes made by CRL to their property policy which NMCIA uses as its property coverage agreement, noting many of the changes were clean-up of language. She said because the market is somewhat softer, some terms are more favorable including the margin clause increasing from 125% to 150%, giving additional protection to members. Regarding a question about flood coverage, John Chino said that CRL provides coverage with a $500,000 deductible for building in a flood loss and that the stand-alone policy purchased for members is a buy-down of the deducible to $100,000 per occurrence (not per building). Roberta Gonzales made a motion to approve the 2026-2027 property coverage agreement, and Shirley Ragin seconded the motion, which passed unanimously.

Approve 2026-2027 Property Coverage Contributions

Grace Philips presented the contributions that resulted in a 2.1% overall reduction, adding that while there is volatility among members, the program is stable. She said according to the actuary, member fluctuations from the prior renewal are mostly due to automobile claims which make up 60% of all property losses. She informed the Board the underwriting committee met three times and endorsed pricing auto physical damage separately from property with no offset from investment income and no bounding of contributions. Roberta Gonzales made a motion to approve the contributions, and Amber Vaughn seconded the motion, which passed unanimously.

Authority to Invoice Members for Property True-ups
Grace Philips proposed the Pool pass on true-up costs to members and include them on the property renewal invoice. She reviewed member valuation fluctuations within the 2024-2025 policy year by property type (drones, fine art, buildings, etc.) and the final amount owed to CRL of $352,928. She said staff will send a cover letter explaining the charge. Roberta Gonzales made a motion to approve invoicing members for property true-ups and Lance Pyle seconded the motion, which passed unanimously.

Approve 2026-2027 Workers' Compensation and Employers' Liability Memorandum of Coverage
Grace Philips presented the 2026-2027 memorandum of coverage, saying member deductible choices will be reflected in the document when it is finalized and that all members will be offered deductible options. Kate Fletcher made a motion to approve the 2026-2027 workers' compensation and employers' liability memorandum of coverage and Roberta Gonzales seconded the motion, which passed unanimously.

Approve 2026-2027 NMCRe Workers' Compensation Certificate of Reinsurance
Grace Philips said the certificate is a declaration between NMCIA and NMCRe that confirms the premium to the Pool will be $220,000, adding it is a slight increase from last year of $213,000

Approve 2026-2027 Workers' Compensation Reinsurance
Grace Philips presented the reinsurance premiums of $482,063 for the CRL layer of $750,000 to $2,000,000, $220,000 for the NMCRe layer of $2,000,000 to $3,000,000 and two options from Safety National for the $3,000,000 to statutory layer of $301,315 or $602,631 for two years, assuming all members remain in the program. Roberta Gonzales made a motion to approve the workers' compensation reinsurance and Amber Vaughn seconded the motion, which passed unanimously.

Approve 2026-2027 Workers' Compensation Contributions
Grace Philips presented the 2026-2027 workers' compensation contributions noting increases were driven by exposure (an increase in members' payroll), not rate, with some members receiving a significant increase. Due to the competitive market, the underwriting committee included investment income in the contribution analysis and decided not to impose any bounding on the increases or decreases.

Kate Fletcher made a motion to approve the workers' compensation contributions of $8,771,527 and Roberta Gonzales seconded the motion, which passed unanimously.

Grace then presented an analysis of deductible options by member, asking the Board for guidance, as high deductibles may be more appropriate for large members. Kate Fletcher made a motion to offer non-Class A members $0, $10,000, $25,000 and $50,000 deductible options and if a member would like a higher option, it will be provided, with Class A members receiving all options. Roberta Gonzales seconded the motion, which passed unanimously.

Grace then presented analyses of a reallocation of expenses in the event Bernalillo or Bernalillo and Chaves, McKinley and Roosevelt were to leave the workers' compensation coverage program, noting it includes current expenses and that her plan is to present members with deductible options based on the data presented for all members.

Approve 2026-2027 Workers' Compensation and Property Budget
Grace Philips presented the 2026-2027 workers' compensation and property budget that included funds for a possible capital adequacy study. Greg Shaffer noted that without making any adjustment to the budget in the event the four members who gave notice leave and not sending supplemental invoices to members would be a $1 million cost to the workers' compensation program. Lance Pyle agreed with the idea to not bill members but suggested the Board would need to look at the administrative structure and expenses in the event Bernalillo County leaves the program, leaving an estimated $700,000 deficit in expenses.

Greg Shaffer made a motion to approve the budget as presented, recognizing that if members do leave, the Board will look at the budgeted expenses. Lance Pyle seconded the motion, which passed. Anthony Dimas was not present for the vote.

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

- Estate of Oscar Najera v Chaves County
- Review Actuarial Services RFP Committee Recommendations
- Bernalillo County One Occurrence Arbitration

Deborah Weir 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. Michael Meek seconded the motion, which passed via a roll call vote: Lance Pyle, Roberta Gonzales, Shirley Ragin, Deborah Weir Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher and Anthony Dimas. Jhonathan Aragon was not present for the vote but arrived just after the start of Executive Session. Lance Pyle certified that the only things discussed were pending and threatened litigation in accordance with the Open Meeting Act. Roberta Gonzales made a motion to come out of executive session and Jhonathan Aragon seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Roberta Gonzales, Shirley Ragin, Deborah Weir Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher and Anthony Dimas. Roberta Gonzales made a motion to approve items as discussed under pending and threatened litigation for case 2026-1-1 and a motion to approve entering into a contract with Pinnacle for actuarial services, with discussion of the contents of competitive sealed proposals solicited pursuant to the Procurement Code during the contract negotiation process, pursuant to NMSA 1978, Section 10-15-1(H)(6). Kate Fletcher seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Roberta Gonzales, Shirley Ragin, Deborah Weir Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher and Anthony Dimas.

Board Presentations

Executive Director Update
Joy Esparsen let members know 530 people registered for the Annual Conference taking place that week in McKinley County, with another 30-40 anticipated to register on site. She said she and Grace Philips received IPRA requests from the ACLU, testing the information provided in committee meetings. Grace spoke with the ACLU's lead counsel, and they withdrew all of the requests sent to NMCIA and several counties and staff provided the data requested on behalf of NMCIA and each county. She said NMC is working on an IPRA initiative and is promoting the listening sessions and is encouraging members to share their stories, adding that the committee has conducted seven meetings to date, with the next meeting on June 29. She said NMC will focus on IPRA, the Civil Rights Act, and veterans during the next legislative session. She reminded members NMC would host the BIPO conference in early December for newly elected officials.

Financial Reports
Richard Garcia presented the NMCIA financials as of May 31, 2026. The statement of financial position indicated total assets of $133.3 million, total liabilities of $91.1 million and a total pool net position of $42.2 million. He reviewed the 2026 budget, noting total income of $18.3 million and 47% of budget, total claims and claims adjusting of $15.3 million (48%), total expenses of $17.9 million (46%) and a net position of negative $236,916. The investment statement indicated $103.4 million in total cash and investments, with an unrealized investment loss of $183,168.

Loss Prevention Update
Greg Rees let members know he expanded the HSI Risk Awareness Program training catalog with the addition of 50 specialized courses, noting each county administrator can assign courses. He said the additional courses were requested because not all courses in the catalog are applicable to each department, for example hot works. Greg said there has been a small growth of the Wizer Cybersecurity Awareness Training program which continues to provide awareness training, phishing simulations and emerging technology risk reduction. He said staff has completed eight detention assessments since January, and he will present recognition awards at the conference lunch on Wednesday. Grace Philips noted NMC has not filled the accreditation manager position and that Greg is fulfilling that role. She added that Mark Allen in addition to his general counsel duties is fulfilling the role of loss prevention attorney. Robin Martinez recognized the loss prevention department, noting Angelo Gurule has been a great asset on claims. Adan Mendoza noted that any legislation that passed and went into effect June 1 will be adjusted in the Lexipol policies that sheriff officers use. Greg noted that Harding County is not in compliance with Lexipol.

Legal Bureau Update
Brandon Huss gave members a summary of a Santa Fe case regarding the sheriff's office in which the 8th Circuit Court cited NMCIA's case in one of their published opinions.

CRL Update
Grace Philips reminded members of the CRL board meeting in Santa Fe the week of September 21, noting CRL has the same actuary and investment consultants as NMCIA who will attend the meeting.

NMCRe Update
Grace Philips noted the captive received an unmodified (clean) financial audit opinion. The Board approved the workers' compensation certificate of insurance, as the NMCIA board did also. She also announced after serving two years as chief operating officer, Steve Kopelman announced he will not renew his contract July 1.

Other Business
The Board discussed no other business.

Adjournment
Lance Pyle adjourned the meeting at 4:02 p.m.

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' SPECIAL MEETING

July 7, 2026, 2:00 p.m.

Via Zoom

MINUTES

Call to Order/Pledge of Allegiance/Roll Call/Introductions
Chair Lance Pyle called the meeting to order at 2:00 p.m. Lori Urban called the roll and announced that a quorum was present.

Board Members Present
Jhonathan Aragon, Valencia County Manager
Bryan Baker, Detention Administrators Affiliate Representative, Dona Ana County Detention Administrator
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Roberta Gonzales, Eddy County Finance Director
Michael Meek, Sandoval County Commissioner
Adan Mendoza, Sheriff Affiliate Representative, Santa Fe County Sheriff
Lance Pyle, Chair, Curry County Manager
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Amber Vaughn, Sierra County Manager
Charlene Webb, Grant County Manager
Deborah Weir, Dona Ana County Assistant Manager

Board Members Absent/Unexcused
Anthony Dimas, Jr., McKinley County Manager

Board Members Absent/Excused
Tina Dixon, NMC President, Roosevelt County Commissioner
Vickie Marquardt, NMC President-Elect, Otero County Commissioner

NMC Staff Present
Mark Allen, General Counsel
Kayla Montoya, Multi-Line Claims Examiner
Kamie Denton, Workers' Compensation Claims Manager
Joy Esparsen, Executive Director
Richard Garcia, Finance Director
Tara Veretto, Multi-Line Examiner
Velma Herrera, Sr. Multi-Line Examiner
Brandon Huss, Legal Bureau Director
Bree Barnett, Legal Bureau
Robin Martinez, Multi-Line Claims Manager
Grace Philips, Risk Management Director
Greg Rees, Loss Prevention Manager
Valerie Rodrigues, Multi-Line Claims Examiner

Lori Urban, Assistant Risk Management Director

Guests Present
Daniel Roberson, Bernalillo County – Assistant County Attorney
Stan Riggs, Chaves County Attorney
RB Nichols, Otero County Attorney
Pamela Heltner, Otero County Manager
Michael Dickman, Otero County Defense Attorney
David Black, Otero County Sheriff

Approval of Agenda
Kate Fletcher made a motion to approve the agenda as presented and Charlene Webb seconded the motion, which passed which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate Fletcher.

Board Action Items

Approve Contract with Pinnacle Actuarial Services
Grace Philips indicated that the document in the board book is not final and that the boilerplate indemnification language is being revised. The rest of the agreement is as negotiated, and the price point will not change for the next four years. Deborah Weir, who was on the RFP committee, said the selected firm had a comprehensive proposal and the products they provided were excellent and easy to understand. Grace mentioned that two items, (capital adequacy and member equity analysis), are services the pool has not previously purchased from our actuary and those services would be performed for additional fees as provided in the contract. Kate Fletcher made a motion to approve the contract with Pinnacle Actuary Services with the edits as mentioned by Grace and Deborah Weir seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate Fletcher.

Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)
- Jereme Manzanares v Dona Ana County
- Joseph Alderete v Bernalillo County
- Estate of Najera v Chaves County
- Estate of Matthew Shetima-Joe v Bernalillo
- Juan Carlos Lerma v. Otero County

Deborah Weir 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. Roberta Gonzales seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate Fletcher. Lance Pyle certified that the only things discussed were pending and threatened litigation in accordance with the Open Meeting Act. Kate Fletcher made a motion to come out of executive session and Jhonathan Aragon seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate

Fletcher. Charlene Webb made a motion to approve items as discussed under pending and threatened litigation for cases 2026-7-1, 2026-7-2, 2026-7-3, 2026-7-4, and 2026-7-5. Roberta Gonzales seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate Fletcher.

Other Business
Grace Philips informed the Board that Bernalillo County decided to withdraw from the workers' compensation program.

Adjournment
Lance Pyle adjourned the meeting at 4:00 p.m.

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

Item Number:	**Item Title:**
4.A.	Acknowledge Receipt of 2025 NMCIA Pool Financial Audit

Presenter (s):
Josh Trujillo, Principal, SJT Group, LLC

Motion by: Seconded by:

New Mexico County Insurance Authority

Financial Statements
and
Independent Auditor's Report

December 31, 2025

New Mexico County Insurance Authority

Table of Contents

New Mexico County Insurance Authority

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New Mexico County Insurance Authority

Official Roster
December 31, 2025

Board of Directors

Name, Position	Member County
Lance Pyle, Chair	Curry County
Gregory Shaffer, Vice-Chair	Santa Fe County
Michael Meek, Director	NMC Representative
Jhonathan Aragon, Director	Valencia County
Charlene Webb, Director	Grant County
Roberta Gonzales, Director	Eddy County
Shirley Ragin, Director	Bernalillo County
Armany Mansour, Director	Bernalillo County
Deborah Weir, Director	Doña Ana County
Brandy Thompson, Director	Union County
Kate Fletcher, Director	Cibola County
Anthony Dimas, Jr., Director	McKinley County
Terri Fortner, Director (Ex-officio)	San Juan County
Tina Dixon, Director (Ex-officio)	Roosevelt County
Michael Eshleman, Director (Ex-officio)	Attorney Affiliate Representative

Administrative Officials

Name	Title
Joy Esparsen	Executive Director
Grace Philips	Risk Management Director
Mark Allen	General Counsel
Richard Garcia	Finance Director

SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Honorable Members of the Board of Directors
New Mexico County Insurance Authority
and
Mr. Joseph M. Maestas, PE, CFE, New Mexico State Auditor

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the New Mexico County Insurance Authority (NMCIA), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise NMCIA's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of NMCIA as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of New Mexico County Reinsurance, Inc. (NMCRe), which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component unit as of and for the year ended December 31, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for NMCRe, is based solely on the report of the other auditor.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NMCIA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4811 Hardware Dr. NE, Suite E-4, Albuquerque, NM 87109
(505) 312-8702 info@sjtgroupcpa.com www.sjtgroupcpa.com

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NMCIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NMCIA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NMCIA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Reconciliation of Claims Reserves by Type of Contract, and the Ten-Year Claims Development Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NMCIA's basic financial statements. The Schedule of Net Position by Insurance Program, the Schedule of Revenues, Expenses, and Changes in Net Position by Insurance Program, the Schedule of Budget and Actual, the Schedule of Deposits by Financial Institution, and the Schedule of Pledged Collateral by Financial Institution (the "schedules"), are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 1, 2026, on our consideration of NMCIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NMCIA's internal control over financial reporting and compliance.

SJT Group LLC

Albuquerque, New Mexico
June 1, 2026

Management’s Discussion and Analysis

New Mexico County Insurance Authority
Management's Discussion and Analysis
December 31, 2025

As management of the New Mexico County Insurance Authority (NMCIA), we offer readers of NMCIA's financial statements this narrative overview and analysis of the financial activities of the Pool for the year ended December 31, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to NMCIA's basic financial statements. NMCIA's basic financial statements contain four components: 1) statement of net position, 2) statement of revenues, expenses, and changes in net position, 3) statement of cash flows, and 4) notes to the financial statements.

The statement of net position presents information on NMCIA's assets and liabilities, with the difference reported as net position. This statement provides a snapshot of NMCIA's financial position at a specific point in time, showing what it owns (assets), what it owes (liabilities), and the resulting net position. The key components:

- *Assets:* Cash, investments, receivables, equity interests
- *Liabilities:* Debts, obligations, and other amounts owed
- *Net Position:* Assets - Liabilities

The statement of revenues, expenses, and changes in net position presents information detailing the changes in NMCIA's net position for the fiscal year by showing how much money came in (revenues), how much was spent (expenses), and how the net position changed during the year. The key components:

- *Operating Revenues*: Income from core services
- *Operating Expenses:* Costs to provide those services
- *Nonoperating Revenues/Expenses:* Includes investment income, interest expense, debt issuance costs, and capital adequacy assessments (i.e. capital contributions)
- *Change in Net Position*: How NMCIA's financial position improved or declined

The statement of cash flows reports cash receipts, cash payments and net changes in cash. The key components:

- *Operating Activities:* Cash from providing services such as earned premiums, reinsurance premiums, administrative fees, and supplier payments
- *Noncapital Financing Activities:* Proceeds from capital adequacy assessments
- *Capital and Related Financing Activities:* Cash received from note receivables, cash paid for buying or financing capital assets
- *Investing Activities:* Cash from investments and interest income

New Mexico County Insurance Authority
Management's Discussion and Analysis
December 31, 2025

The notes to the financial statements provide detailed explanations and additional information to acquire a full understanding of the data provided in the financial statements, helping readers understand the accounting policies, assumptions, and significant details behind the data in the financial statements.

NMCIA, for financial statement reporting purposes, is a special purpose government engaged only in a business-type activity. Business-type activities are services primarily financed in whole or in part with charges to customers/members. NMCIA uses the flow of economic resources measurement focus, meaning the financial statements report all assets and liabilities—both current and long-term, and the accrual basis of accounting which records revenues when they are earned and expenses when they are incurred. More detail about the measurement focus and basis of accounting can be found in the notes to the financial statements.

Financial Summary and Detailed Analysis

The table below presents NMCIA condensed statement of net position at December 31, 2025 and 2024:

	2025	2024 (as restated)
Assets		
Current assets	**$ 97,388,936**	$ 96,296,182
Note receivable	**1,021,046**	1,119,944
Equity interest in component unit	**16,347,129**	13,064,435
Equity interest in County Reinsurance Limited	**7,811,147**	6,314,276
Right-of-use subscription assets, net	**1,113,604**	1,730,584
Total assets	**123,681,862**	118,525,421
Liabilities		
Current liabilities	**21,774,072**	32,323,312
Noncurrent liabilities	**59,438,534**	65,942,879
Total liabilities	**81,212,606**	98,266,191
Net Position		
Net investment in capital assets	**(52,695)**	-
Restricted	**16,015,368**	-
Unrestricted	**26,506,583**	20,259,230
Total net position	**$ 42,469,256**	$ 20,259,230

Total assets increased by $5.2 million from 2024. Cash and cash equivalents decreased by $8.2 million in 2025; this also correlates to the increase in investments of $8.2 million in 2025, meaning cash reserves were invested in accordance with NMCIA's approved investment policy. Amounts due from reinsurers increased $1.2 million from 2024 under the Multi-Line program. NMCIA's equity interest in New Mexico County Reinsurance, Inc. (NMCRe) and in County Reinsurance Limited increased by $4.8 million from 2024.

Total liabilities decreased by $17.1 million from 2024. Most of this decrease ($15.5 million) was caused by a drop in the reserve for unpaid claims and claim adjustment expenses. This decrease was a direct result of the actuarial study analysis reducing reserves for future claims.

Net position reflects financial performance as it shows whether overall financial activities have strengthened or weakened over time. It captures long-term sustainability, not just short-term cash flow, as it accounts for long-term assets and obligations. Total net position increased by $22.2 million from 2024. This increase in net position was caused by increased member contributions and the reduction of reserves for unpaid claims.

While the statement of net position displays NMCIA's assets, liabilities, and net position at each year-end, the statement of revenues, expenses, and changes in net position provides information on the sources of the change in net position during the year. The table below presents NMCIA's condensed statement of revenues, expenses, and changes in net position for the years ended December 31, 2025 and 2024:

	2025	2024 (as restated)
Operating Revenues		
Earned premiums and other	**$ 49,405,252**	$ 42,206,302
Less: Reinsurance premiums	**(11,424,726)**	(8,405,175)
Total revenues	**37,980,526**	33,801,127
Operating Expenses		
Claims and claim adjustment expenses	**25,164,922**	50,213,794
Other general and administrative	**6,255,480**	5,914,805
Total expenses	**31,420,402**	56,128,599
Operating income (loss)	**6,560,124**	(22,327,472)
Nonoperating Revenues (Expenses)		
Capital adequacy assessments	**4,822,893**	4,403,017
Interest and investment income	**5,613,470**	3,741,514
Interest expense	**(52,361)**	(77,379)
Equity in earnings (losses) of component unit and County Reinsurance Limited	**5,265,900**	(2,397,172)
Total nonoperating revenues, net	**15,649,902**	5,669,980
Change in net position	**22,210,026**	(16,657,492)
Net position, beginning of year	**20,259,230**	36,916,722
Net position, end of year	**$ 42,469,256**	$ 20,259,230

Total operating revenues increased by $4.2 million from 2024. This is comprised of an increase in earned premiums from members of $7.2 million, offset by an increase in reinsurance premiums of $3 million. The increase in premiums earned is the result of the NMCIA Board of Directors addressing the increase in reinsurance premiums and to incrementally increase net position to meet the target range as per the capital adequacy assessment. The increase in reinsurance premiums is caused by the actuarial study analysis completed on behalf of NMCRe.

Total operating expenses decreased by $24.7 million from 2024, most of which was caused by a decrease in claims and claim adjustment expenses ($25 million). Claims and claim adjustment expenses decreased due to a reduction in claims experience and the reduction in claim reserves.

Nonoperating revenues, net, increased by $10 million from 2024. Investment income increased by $1.9 million which was caused by an increase in earned premiums from members and the implemented investment strategy recommended by Strategic Asset Alliance during 2025. NMCIA also reports its equity interest in the earnings of NMCRe and County Reinsurance Limited on an annual basis, which totaled $5.3 million in 2025 (an increase of $7.7 million from 2024). This increase is caused by the income generated by these entities during the year.

The overall change in net position was an increase of $22.2 million in 2025. The table below presents this change in net position for each of the insurance programs administered by NMCIA:

	Net Position (Deficit), beginning of year (as restated)	Change in Net Position	Net Position (Deficit), end of year
Multi-Line Program	$ 24,802,237	$ 6,525,269	$ 31,327,506
Law Enforcement Program	(15,541,865)	10,678,735	(4,863,130)
Workers' Compensation Program	10,998,858	5,006,022	16,004,880
Total	$ 20,259,230	$ 22,210,026	$ 42,469,256

Significant Capital Asset and Long-Term Financing Activity

As of December 31, 2025 and 2024, NMCIA reported right-of-use subscription assets of $1.1 million and $1.7 million, respectively, net of depreciation and amortization. The only activity during 2025 is the amortization of right-of-use subscription assets, as no new subscription-based information technology arrangements (SBITA's) were entered into during 2025. See Note 8 to the basic financial statements for more details about right-of-use subscription assets activity.

At December 31, 2025 and 2024, NMCIA's only long-term liability is made up of subscription liabilities of $1.2 million and $1.8 million, respectively. The only activity during 2025 is the principal payments made on subscription liabilities totaling $586,777. See Note 9 to the basic financial statements for subscription liability activity.

Currently Known Facts, Decisions, or Conditions

Bernalillo County elected not to participate in the Law Enforcement and Multi-Line Programs for the upcoming calendar year 2026.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 444 Galisteo St, Santa Fe, New Mexico, 87501.

Financial Statements

New Mexico County Insurance Authority
Statement of Net Position
December 31, 2025

	New Mexico County Insurance Authority	Component Unit: New Mexico County Reinsurance, Inc.
Assets		
Current assets		
Cash and cash equivalents	$ 12,765,174	$ 1,026,025
Investments	78,886,943	27,543,163
Investment in Local Government Investment Pool	3,379	-
Due from reinsurers	1,332,335	8,612,139
Due from members	1,600,632	-
Accounts receivable	-	213,466
Ceded unearned premiums	-	1,983,562
Note receivable, current portion	98,899	-
Prepaid expenses	2,701,574	-
Total current assets	97,388,936	39,378,355
Noncurrent assets		
Note receivable, net of current portion	1,021,046	-
Right-of-use subscription assets, net	1,113,604	-
Equity interest in New Mexico County Reinsurance, Inc.	16,347,129	-
Equity interest in County Reinsurance Limited	7,811,147	-
Total noncurrent assets	26,292,926	-
Total assets	$ 123,681,862	$ 39,378,355

The accompanying notes are an integral part of these financial statements.

New Mexico County Insurance Authority
Statement of Net Position – continued
December 31, 2025

		Component Unit
	New Mexico County Insurance Authority	New Mexico County Reinsurance, Inc.
Liabilities and Net Position		
Current liabilities		
Accounts payable and accrued expenses	$ 33,439	$ 2,143,452
Funds held under reinsurance contracts	-	4,159,801
Due to New Mexico Association of Counties	149,718	-
Unearned member contributions	4,885,399	-
Unearned premiums	-	105,856
Claims payable	-	1,500,000
Subscription liabilities, current portion	603,174	-
Reserve for unpaid claims and claim adjustment expenses, current portion	16,102,342	-
Total current liabilities	21,774,072	7,909,109
Noncurrent liabilities		
Subscription liabilities, net of current portion	563,125	-
Reserve for unpaid claims and claim adjustment expenses, net of current portion	58,875,409	15,122,117
Total noncurrent liabilities	59,438,534	15,122,117
Total liabilities	81,212,606	23,031,226
Net position		
Net investment in capital assets	(52,695)	-
Restricted	16,015,368	-
Unrestricted	26,506,583	16,347,129
Total net position	42,469,256	16,347,129
Total liabilities and net position	$ 123,681,862	$ 39,378,355

The accompanying notes are an integral part of these financial statements.

New Mexico County Insurance Authority

Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

	New Mexico County Insurance Authority	Component Unit New Mexico County Reinsurance, Inc.
Operating Revenues		
Earned premiums from members	$ 49,380,932	$ -
Assumed premiums	-	6,348,185
Less: Reinsurance premiums	(11,424,726)	(4,000,000)
Other	24,320	-
Total operating revenues	37,980,526	2,348,185
Operating Expenses		
Claims and claim adjustment expenses	25,164,922	740,758
Brokerage fees	100,000	30,000
Administrative fees paid to New Mexico Association of Counties	4,718,770	-
Other general and administrative	1,436,710	124,294
Total operating expenses	31,420,402	895,052
Operating income	6,560,124	1,453,133
Nonoperating Revenues		
Capital adequacy assessments from members	4,822,893	-
Interest income on note receivable	46,869	-
Investment income	5,566,601	1,996,228
Interest expense	(52,361)	(166,667)
Equity in earnings of New Mexico County Reinsurance, Inc.	3,282,694	
Equity in earnings of County Reinsurance Limited	1,983,206	-
Total nonoperating revenues	15,649,902	1,829,561
Change in net position	22,210,026	3,282,694
Net position, beginning of year, as originally stated	7,217,287	13,064,435
Restatements (Note 16)	13,041,943	-
Net position, beginning of year, as restated	20,259,230	13,064,435
Net position, end of year	$ 42,469,256	$ 16,347,129

The accompanying notes are an integral part of these financial statements.

New Mexico County Insurance Authority

Statement of Cash Flows
For the Year Ended December 31, 2025

	New Mexico County Insurance Authority
Cash Flows from Operating Activities	
Cash received from members	$ 48,944,211
Cash paid for claims and claim adjustment expenses	(40,684,488)
Cash paid for reinsurance premiums	(12,597,543)
Cash paid for insurance brokerage fees	(100,000)
Cash paid to the New Mexico Association of Counties for pool administration	(3,952,072)
Cash paid to vendors and suppliers	(2,014,057)
Net cash used by operating activities	(10,403,949)
Cash Flows from Noncapital Financing Activities	
Cash received from capital adequacy assessments from members	4,844,343
Net cash provided by noncapital financing activities	4,844,343
Cash Flows from Capital and Related Financing Activities	
Cash received from payments on note receivable	141,896
Principal and interest payments on subscription liabilities	(639,138)
Net cash used by capital and related financing activities	(497,242)
Cash Flows from Investing Activities	
Interest and dividends received	3,833,427
Purchase of investments	(122,270,105)
Proceeds from the sale and maturity of investments	116,304,415
Net cash used by investing activities	(2,132,263)
Net change in cash and cash equivalents	(8,189,111)
Cash and cash equivalents, beginning of year	20,954,285
Cash and cash equivalents, end of year	$ 12,765,174

The accompanying notes are an integral part of these financial statements.

New Mexico County Insurance Authority

Statements of Cash Flows – continued
For the Year Ended December 31, 2025

	New Mexico County Insurance Authority
Supplemental Disclosure of Noncash Investing and Financing Activities	
Unrealized gain on investments	$ 2,219,509
Equity in earnings of New Mexico County Reinsurance, Inc.	$ 3,282,694
Equity in earnings of County Reinsurance Limited	$ 1,983,206
Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating income	$ 6,560,124
Adjustments to reconcile operating income to net cash used by operating activities	
Amortization of right-of-use subscription assets	616,980
Changes in assets and liabilities:	
Due from reinsurers	(1,172,817)
Due from members	262,491
Prepaid expenses	(182,469)
Accounts payable	(394,878)
Due to New Mexico Association of Counties	149,718
Unearned member contributions	(723,532)
Reserve for unpaid claims and claim adjustment expenses	(15,519,566)
Total adjustments	(16,964,073)
Net cash used by operating activities	$ (10,403,949)

The accompanying notes are an integral part of these financial statements.

1) Nature of Operations and Reporting Entity

The New Mexico County Insurance Authority (NMCIA) is a self-insurance pool for New Mexico counties created pursuant to joint powers agreements. As a self-insurance pool under Section 3-62-2 NMSA 1978, NMCIA is not considered to be in the insurance business and, as such, is not subject to New Mexico laws regulating insurance operations. NMCIA is comprised of three separate self-insurance programs:

- *Multi-Line (ML) Program* – was formed January 1, 1989, pursuant to the New Mexico Joint Powers Agreement Act (11-1-1 NMSA 1978), as amended. Prior to consolidation, the Multi-Line Program operated two self-insurance pools: a Multi-Line Program and a Law Enforcement Program.
- *Law Enforcement (LE) Program* – was formed August 1, 1995, by NMCIA as a self-insurance program for law enforcement employees, detention officers, and sheriff reserve officers.
- *Workers' Compensation (WC) Program* – was formed July 1, 1987, pursuant to the New Mexico Joint Powers Agreement Act (NMSA 1978), as amended, as a workers' compensation self-insurance pool.

The individual insurance programs do not necessarily have the same Members. Membership in the insurance programs is voluntary and members may withdraw at the end of any fiscal year upon 60 days' written notice to NMCIA's Board of Directors. Members may be expelled for failure to make timely payments to the Pool, or failure to institute loss reduction and prevention procedures. Upon withdrawal or expulsion, a Member is not entitled to reimbursement of payments made to NMCIA, and continues to be obligated to make payment for obligations that arose prior to withdrawal. Below is a listing of the Member Counties that participate in each insurance program for 2025:

Member Counties

Member Name (Insurance Program)	Member Name (Insurance Program)	Member Name (Insurance Program)
Bernalillo County (ML, LE, WC)	Harding County (ML, LE, WC)	Roosevelt County (ML, LE, WC)
Catron County (ML, LE, WC)	Hidalgo County (ML, LE, WC)	San Juan County (WC)
Chaves County (ML, LE, WC)	Lea County (WC)	San Miguel County (ML, LE, WC)
Cibola County (ML, LE, WC)	Lincoln County (ML, LE, WC)	Sandoval County (ML, LE, WC)
Colfax County (ML, LE, WC)	Los Alamos County (WC)	Santa Fe County (ML, LE, WC)
Curry County (ML, LE, WC)	Luna County (ML, LE, WC)	Sierra County (ML, LE, WC)
De Baca County (ML, LE, WC)	McKinley County (ML, LE, WC)	Socorro County (ML, LE, WC)
Doña Ana County (ML, LE)	Mora County (ML, LE, WC)	Taos County (ML, LE, WC)
Eddy County (ML, LE, WC)	Otero County (ML/LE)	Torrance County (ML, LE, WC)
Grant County (ML, LE, WC)	Quay County (ML, LE, WC)	Union County (ML, LE, WC)
Guadalupe County (ML, LE, WC)	Rio Arriba County (WC)	Valencia County (ML, LE, WC)

1) Nature of Operations and Reporting Entity – continued

Administrative Services Arrangement
For a monthly fee, the New Mexico Association of Counties (NMAC) provides claims processing, risk management, loss prevention training, legal services, general and administrative services, financial management, office space, equipment and supplies. NMCIA reports expenses of $4.7 million in 2025 under this arrangement. The fees to be paid to NMAC for such services are approved by NMCIA's Board of Directors when NMCIA's annual operating budget is approved.

Discretely Presented Component Unit
On January 1, 2022, NMCIA created and began operations of a captive reinsurance company, New Mexico County Reinsurance, Inc. (NMCRe) to reinsure law enforcement liabilities. NMCRe is domiciled in the state of Utah and is organized under Utah law and subject to regulation by the Utah Department of Insurance. The purpose of NMCRe is to provide reinsurance in an environment of limited commercial reinsurers willing to reinsure law enforcement liabilities. For 2025, NMCRe took on 100% of NMCIA's law enforcement reinsurance. NMCRe is reported as a discretely presented component unit in the basic financial statements of NMCIA. NMCIA's Board of Directors has the power to appoint the members of NMCRe's governing board and NMCIA is responsible for and financially benefits from the activities of the NMCRe.

2) Summary of Significant Accounting Policies

Accounting Standards
The financial statements of NMCIA conform with accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. As a governmental entity, NMCIA follows applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Fair Value of Financial Instruments
Management believes that the fair value of all its financial instruments is not materially different from their carrying values.

Measurement Focus and Basis of Accounting
NMCIA, for financial statement reporting purposes, is a special purpose government engaged only in a business-type activity, such as for proprietary funds. NMCIA uses the flow of economic resources measurement focus and the accrual basis of accounting. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

New Mexico County Insurance Authority

Notes to the Financial Statements
December 31, 2025

2) Summary of Significant Accounting Policies – continued

NMCIA distinguishes operating revenues and expenses from nonoperating revenues and expenses. In accordance with GASB Statement No. 103, nonoperating revenues and expenses include:

- Subsidies received and provided – such as grants or transfers intended to support operations.
- Contributions to permanent and term endowments
- Revenues and expenses related to financing activities – such as interest income and interest expense
- Proceeds and costs from the disposal of capital assets and inventory
- Investment income and investment-related expenses

Operating revenues and expenses are defined as all revenues and expenses that are not classified as nonoperating.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Investments
For purpose of the statements of cash flows, NMCIA considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. State statutes authorize NMCIA to invest in certificates of deposit, obligations of the U.S. government, and the Local Government Investment Pool (LGIP) maintained by the State Treasurer's Office.

Investments of NMCIA are reported at fair value, except for NMCIA's investment in County Reinsurance Limited (see Note 7). Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the LGIP shares.

Due From Members
Amounts reported as due from members represent the amount billed for insurance premiums or for deductibles on claims made. Amounts due from members are carried at original invoice amount. Management does review the amounts due from members on a monthly basis and considers the receivable to be fully collectible.

2) Summary of Significant Accounting Policies – continued

Due From Reinsurers

Amounts reported as due from reinsurers consist of amounts owed to NMCIA pursuant to reinsurance contracts. These receivables are not secured by collateral, nor is any collateral considered necessary by NMCIA. All balances are deemed to be fully collectible; therefore, no allowance has been made for any potentially uncollectible balances.

Prepaid Items

Amounts paid to vendors for goods and services applicable to future accounting periods are recorded as prepaid items.

Subscription-Based Information Technology Arrangements (SBITA)

Right-of-use subscription assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. Right-of-use subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets.

Equity Interest in Component Unit

NMCIA's equity interest in its discretely presented component unit (NMCRe) is accounted for in accordance with GASB Statement No. 61, *The Financial Reporting Entity*.

Reserve for Unpaid Claims and Claim Adjustment Expenses

NMCIA establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage award, the process used in computing claim liabilities does not necessarily result in an exact amount.

Claim liabilities include estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and other factors that are considered to be appropriate modifiers of past experience. Adjustments to claim liabilities are reported as a change in operating expenses in the period in which adjustments are made.

2) Summary of Significant Accounting Policies – continued

Net Position

Net position is classified into the following three categories:

- *Net investment in capital assets*. Right-of-use subscription assets, net of accumulated amortization, reduced by the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted*. When constraints placed on an assets use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The basic concept is that restrictions are not unilaterally established by a reporting government itself and cannot be removed without the consent of those imposing the restrictions. This category of net position is intended to identify resources that were received or earned by NMCIA with an explicit understanding between NMCIA and the resource providers that the funds would be used for a specific purpose.
- *Unrestricted*. Net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position may be used to meet NMCIA's obligations.

When both restricted and unrestricted resources are available for use, it is NMCIA's policy to use restricted resources first, and then use unrestricted resources as needed.

Recognition of Premiums

Premiums are earned ratably over the policy period, which coincides with NMCIA's fiscal year. Estimated premiums are billed to Members at the beginning of the policy year and are finalized after year-end. Premiums received for more than the finalized amounts are generally applied to the Members' premiums for the following year, or they are subsequently refunded, and are included in the accompanying statements of net position as unearned member contributions. Although NMCIA does not expect to generate a premium deficiency, NMCIA does not consider anticipated investment income in determining if a premium deficiency exists.

Reinsurance

Reinsurance premiums paid or accrued are charged to expense in the period for which reinsurance coverage is provided. Amounts recoverable from reinsurers on paid losses are recorded in the period in which payment is made on behalf of the reinsurer. In the remote possibility that a reinsurer is unable to meet its obligations under the related reinsurance agreements, NMCIA will remain liable for the unpaid loss and loss expenses.

2) Summary of Significant Accounting Policies – continued

NMCIA has entered into specific excess of loss reinsurance contracts for its Multi-Line Program, Law Enforcement Program, and Workers' Compensation Program, as more fully described in Note 11. Loss adjustment expenses in excess of loss reinsurance claims are retained by the reinsurer on a pro-rata basis. Losses above the reinsurance limits are the responsibility of the Members.

<u>Income and Premium Taxes</u>
NMCIA is exempt from Federal income taxes under Section 115 of the Internal Revenue Code and is not subject to state income or premium taxes. Accordingly, the accompanying financial statements do not include provisions for such taxes.

<u>Budgets</u>
In accordance with its bylaws, NMCIA prepares the budget that is controlled at overall entity level. The level of budgetary control is at the entity level. Amendments affecting NMCIA must be approved by the Board of Directors. The budget is adopted on a special purpose framework. NMCIA budgets claims and claim adjustment expenses based on actuarial estimates. Overages on this specific line item are only considered deficiencies if the cash and investment balances within the Pool cannot support the overage.

<u>New Accounting Pronouncements</u>
GASB Statement No. 102, *Certain Risk Disclosures*, was implemented by NMCIA during fiscal year 2025. GASB Statement No. 102 did not impact NMCIA's financial statements in 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, was early implemented by NMCIA during fiscal year 2025. GASBS 103 introduces targeted improvements to the financial reporting model to enhance the usefulness of financial statements for decision-making and accountability. NMCIA applied the provisions of GASBS 103 retroactively where practicable. The early implementation did not result in a restatement of prior year balances but did improve the transparency and relevance of current year financial reporting.

GASB has also issued several new accounting standards that may affect NMCIA in future years. Management believes that none of the upcoming accounting standards will have a significant impact on NMCIA.

New Mexico County Insurance Authority
Notes to the Financial Statements
December 31, 2025

3) Summary of Significant Accounting Policies – Component Unit

The significant accounting policies of NMCIA's discretely presented component unit (NMCRe) are shown below if separate from the general policies of NMCIA presented in Note 2.

Investments
Investments are recorded at fair value on a recurring basis. Investments at December 31, 2025 consist of equities and fixed income securities, which are valued using level 1 inputs as more fully described in Note 5.

Reinsurance
In the normal course of business, NMCRe seeks to reduce its loss exposure by reinsuring certain levels of risk with reinsurers. Reinsurance premiums and benefits paid or provided are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Reinsurance recoverables are reported as assets. Estimated reinsurance recoverables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts.

The financial statements reflect the effects of ceded reinsurance transactions. Ceded reinsurance involves transferring certain insurance risks (along with the related written and earned premiums) that NMCRe has underwritten to other insurance companies who agree to share these risks. Failure of reinsurers to honor their obligations could result in losses to NMCRe consequently, allowances are established for amounts deemed uncollectible. NMCRe evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

NMCRe limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks with other insurers or reinsurers through an excess of loss reinsurance agreement. Ceded reinsurance is treated as the risk and liability of the assuming entities.

Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsured policy. The effects of subsequent changes in estimated or actual cash flows are accounted for by adjusting the previously deferred amount to the balance that would have existed had the revised estimate been available at the inception of the reinsurance transactions, with a corresponding charge or credit to income.

The amounts of recoveries pertaining to reinsurance contracts that were deducted from losses incurred during 2025 were approximately $8.6 million.

4) Cash and Cash Equivalents

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, NMCIA's deposits may not be returned to it. NMCIA is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). Such collateral is held by an independent third-party financial institution acceptable to NMCIA. At December 31, 2025, NMCIA's deposits are subject to custodial credit risk as follows:

	First National 1870	Wells Fargo Advisors	Total
Bank balance of deposits	$ 2,231,855	$ 11,136,720	$ 13,368,575
Less: FDIC insurance coverage	(250,000)	-	(250,000)
Less: Money market funds invested in U.S. obligations	-	(11,136,720)	(11,136,720)
Total uninsured public funds	1,981,855	-	1,981,855
Less: Pledged collateral, at fair value	(8,227,065)	-	(8,227,065)
Under (over) insured public funds	$ (6,245,210)	$ -	$ (6,245,210)
Collateral requirement (50%)	$ 990,928	$ -	$ 990,928
Pledged collateral, at fair value	(8,227,065)	-	(8,227,065)
Under (over) collateralized	$ (7,236,137)	$ -	$ (7,236,137)

5) Investments and Fair Value Measurements

Custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty (e.g. broker-dealer) to a transaction, NMCIA will not be able to recover the value of its investment in the possession of another party. NMCIA's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

Interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to change in market interest rates. NMCIA's investment policy requires, to the extent possible, NMCIA will attempt to match their investments with anticipated cash flow requirements. For funds not specifically matched to cash flow, NMCIA will not invest in securities maturing more than ten (10) years from the date of purchase or, in the case of U.S. government or federal agency mortgage-backed securities that have an average duration longer than ten years at the time of purchase.

5) Investments and Fair Value Measurements – continued

Interest rate risk presented using the segmented time distribution model at December 31, 2025, is shown below:

		Investment Maturity (In Years)				
	Fair Value	<1	1-5	6-10	11-15	No maturity
U.S. government agency securities	$ 50,860,365	$ 12,433,232	$ 16,061,066	$ 22,366,067	$ -	$ -
U.S. government backed securities	3,119,026	-	-	1,904,178	1,214,848	-
Mutual funds	3,998,989	-	-	-	-	3,998,989
Exchange traded funds	20,908,563	-	-	-	-	20,908,563
Total business-type activities	$ 78,886,943	$ 12,433,232	$ 16,061,066	$ 24,270,245	$ 1,214,848	$ 24,907,552

NMCIA’s investment in the Local Government Investment Pool (LGIP) maintained by the New Mexico State Treasurer’s Office measures interest rate risk using the weighted average maturity (WAM). At June 30, 2025, the WAM(R) was 18 days and WAM(F) was 75 days.

Credit risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. NMCIA’s investment policy limits the exposure to credit risk by only authorizing the following types of investments:

- ♦ Bonds or negotiable securities of the United States, the state or any municipality or school district, which has a taxable valuation of real property for the last preceding year of at least $1,000,000 and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding.
- ♦ Securities that are issued by the United States government or by its agencies or by instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, federal national mortgage association, the federal farm credit bank or the student loan marketing association or are backed by the full faith and credit of the United States government.
- ♦ Short-term investments with the Local Government Investment Pool (LGIP) as per Section 6-10-1.1, NMSA 1978.
- ♦ Certificates of Deposit in New Mexico financial institutions, limited to the current FDIC limit (currently $250,000) per financial institution or bank, unless collateralization requirements are met.
- ♦ Shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income securities market index.

5) Investments and Fair Value Measurements – continued

Investment ratings of NMCIA's investments, as assigned by Moody's, at December 31, 2025 are shown in the table below:

		Credit Ratings (Moody's)	
	Fair Value	AA1	Not Rated
U.S. government agency securities	$ 50,860,365	$ 50,860,365	$ -
U.S. government backed securities	3,119,026	3,119,026	-
Mutual funds	3,998,989	-	3,998,989
Exchange traded funds	20,908,563	-	20,908,563
Total business-type activities	$ 78,886,943	$ 53,979,391	$ 24,907,552

NMCIA's investment in the LGIP is rated AAAm by Standard & Poors (S&P).

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an issuer's investment in a single issuer. Investments in any one issuer that represent 5% or more of total investments are considered to be exposed to concentration of credit risk and are required to be disclosed. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds are excluded from this requirement. External investment pools, such as the LGIP, are also excluded from this requirement.

<u>Fair Value Measurements</u>
NMCIA's investments are reported at fair value based on fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs (sources of information for calculating fair value) used to measure the fair value of an asset, as follows:

- *Level 1*: Quoted market prices in active markets for identical assets.
- *Level 2*: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- *Level 3*: Unobservable inputs that are not corroborated by market data.

5) Investments and Fair Value Measurements – continued

NMCIA's fair value measurements for its investments at December 31, 2025, is as follows:

		Fair Value Measurements Using		
Investments measured at fair value	Fair Value	Level 1	Level 2	Level 3
U.S. government agency securities	$ 50,860,365	$ 50,860,365	$ -	$ -
U.S. government backed securities	3,119,026	3,119,026	-	-
Mutual funds	3,998,989	3,998,989	-	-
Exchange traded funds	20,908,563	20,908,563	-	-
Local Government Investment Pool	3,379	3,379	-	-
Total investments measured at fair value	78,890,322	$ 78,890,322	$ -	$ -

Investments measured at net asset value (NAV)	Net Asset Value
County Reinsurance Limited	7,811,147
Total investments measured at NAV	$ 7,811,147

6) Note Receivable

On July 1, 2020, NMCIA entered into a lease purchase agreement with NMAC, a related party, for the purchase of the real property located in Santa Fe, New Mexico. The original balance of this note was $1,598,614, and it carries an interest rate of 4%, with required payments of $11,825, for 180 monthly installments (fifteen years). Note receivable activity for the year ended December 31, 2025, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Note receivable - building	$ 1,214,972	$ -	$ (95,027)	$ 1,119,945	$ 98,899
Total note receivable	$ 1,214,972	$ -	$ (95,027)	$ 1,119,945	$ 98,899

The future principal and interest payments due on the note receivable as of December 31, 2025, is as follows:

Years Ending December 31,	Principal	Interest	Total
2026	$ 98,899	$ 42,998	$ 141,897
2027	102,929	38,968	141,897
2028	107,122	34,775	141,897
2029	111,486	30,411	141,897
2030	116,029	25,868	141,897
2031-2035	583,480	55,057	638,537
Total	$1,119,945	$ 228,077	$1,348,022

7) Equity Interest in County Reinsurance Limited

County Reinsurance Limited (CRL) is a member-owned reinsurance company, consisting of 26 members at December 31, 2025. NMCIA accounts for its investment in CRL on the equity method of accounting. The initial capital contribution of $2,172,079 to obtain membership in CRL was accounted for at cost, and annually the carrying amount of the investment is adjusted to reflect NMCIA's proportionate share in CRL's earnings or losses. These annual adjustments are reflected in the statement of revenues, expenses, and changes in net position as equity in earnings of CRL and increased by $2 million during the year ended December 31, 2025.

Additional contributions may be required from NMCIA and other members as determined by CRL. During the year ended December 31, 2025, there were no additional contributions requested from NMCIA by CRL. Upon withdrawal from CRL, NMCIA may request repayment of the original contribution plus NMCIA's proportionate earnings in CRL accumulated during its membership.

NMCIA reinsures its Multi-Line and Workers' Compensation Programs with CRL. Amounts due from CRL for paid losses (aggregate and specific) are included in due from reinsurers in the accompanying statement of net position.

8) Right-of-Use Subscription Assets

Right-of-use subscription asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Right-of-use subscription assets being amortized				
Software	$ 2,307,315	$ -	$ -	$ 2,307,315
Less: Accumulated amortization	(576,731)	-	(616,980)	(1,193,711)
Total right-of-use subscription assets, net	$ 1,730,584	$ -	$ (616,980)	$ 1,113,604

9) Subscription Liabilities

NMCIA has entered into SBITA's that expire at various dates through December 2028 and provide for various renewal options. NMCIA recognizes a subscription liability associated with SBITA's, measured as the present value of the remaining subscription payments. This is measured using a risk-free rate of 4.265%, which is NMCIA's estimation of its incremental borrowing rate based on current borrowing rates at the time the SBITA's were signed.

9) Subscription Liabilities – continued

Changes in subscription liabilities for the year ended December 31, 2025, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Software	$ 1,753,076	$ -	$ (586,777)	$ 1,166,299	$ 603,174
Total subscription liabilities	$ 1,753,076	$ -	$ (586,777)	$ 1,166,299	$ 603,174

The future principal and interest payments on the subscription liabilities as of December 31, 2025, is as follows:

Years Ending December 31,	Principal	Interest	Total
2026	$ 603,174	$ 25,425	$ 628,599
2027	270,101	13,066	283,167
2028	293,024	1,029	294,053
Total	$1,166,299	$ 39,520	$1,205,819

10) Reserve for Unpaid Claims and Claim Adjustment Expenses

NMCIA establishes a liability for both claims that have been reported but not settled, and claims that have been incurred but not reported, which includes estimates of the ultimate cost of claims. The following represents changes in these aggregate liabilities for all insurance programs during the past two years:

	2025	2024
Reserve for unpaid claims and claim adjustment expenses, beginning of year	**$ 90,497,317**	$ 75,160,828
Incurred claims and claim adjustment expenses		
Current year	**32,565,312**	33,905,879
Prior years	**(7,400,390)**	16,307,913
Total incurred claims and claim adjustment expenses	**25,164,922**	50,213,792
Payments (net of amounts received under reinsurance)		
Current year	**6,452,922**	2,327,106
Prior years	**34,231,566**	32,550,197
Total payments	**40,684,488**	34,877,303
Reserve for unpaid claims and claim adjustment expenses, end of year	**$ 74,977,751**	$ 90,497,317

10) Reserve for Unpaid Claims and Claim Adjustment Expenses – continued

Management of NMCIA has estimated the current portion of reserves for unpaid claims and claim adjustment expenses to equal the most recent years claim reserves.

	2025	2024
Current portion	**16,102,342**	26,307,514
Long-term portion	**58,875,409**	64,189,803
	$ 74,977,751	$ 90,497,317

NMCRe's activity in the reserve for unpaid claims and claim adjustment expenses for 2025 is as follows:

	2025	2024
Reserve for unpaid claims and claim adjustment expenses, beginning of year	**$ 9,269,220**	$ 2,657,525
Incurred claims and claim adjustment expenses		
Current year	**310,479**	2,241,088
Prior years	**430,279**	4,670,607
Total incurred claims and claim adjustment expenses	**740,758**	6,911,695
Payments (net of amounts received under reinsurance)		
Current year	**-**	-
Prior years	**3,500,000**	300,000
Total payments	**3,500,000**	300,000
Reserve for unpaid claims and claim adjustment expenses, end of year	**6,509,978**	9,269,220
Plus: Reinsurance recoverable	**8,612,139**	2,226,126
Reserve for unpaid claims and claim adjustment expenses, end of year	**$ 15,122,117**	$ 11,495,346

11) Reinsurance

NMCIA purchases reinsurance for the Multi-Line, Law Enforcement, and Workers' Compensation Programs. Below is a summary of reinsurance for each insurance program.

Multi-Line Program
The Multi-Line Program provides liability coverage with a limit of $5,000,000 per occurrence and maintains a self-insured retention (SIR) of $1,000,000 per occurrence for liability claims. Above the SIR, NMCRe provides the next $1,000,000 in coverage per occurrence, followed by an additional $3,000,000 provided by NMCIA.

11) Reinsurance – continued

NMCRe's liability reinsurance coverage is subject to an annual aggregate limit of $4,000,000 per member and an $8,000,000 limit for all participating members combined.

The Multi-Line Program's property coverage limit is equal to the total insured values reported to the reinsurer (CRL) in the Schedule of Values, on a per occurrence basis.

The Multi-Line Program's property coverage maintained a SIR for property coverage of $400,000 per occurrence from January 1, 2025, through June 30, 2025, which increased to $450,000 from July 1, 2025 through December 31, 2025. Above the SIR, CRL provides the next $4,600,000 and $4,550,000 in coverage, respectively. CRL Property Plus takes the next layer of coverage up to $30,000,000. Lloyd's of London Syndicates provides the next layer of coverage up to the applicable policy limit.

<u>Law Enforcement Program</u>

The Law Enforcement Program's liability coverage limit is $4,000,000 per occurrence for members. Class A members have the option to purchase an additional $1,000,000 in coverage, increasing their total limit to $5,000,000 per occurrence. For policy year 2025, Class A members (Sandoval and Santa Fe Counties) elected to purchase the additional $1,000,000 in coverage.

The Law Enforcement Program maintains a self-insured retention (SIR) of $2,000,000 per occurrence for liability claims. Above the SIR, NMCRe provides an additional $2,000,000 in coverage, on a per-occurrence basis. If Class A members elected to purchase an additional $1,000,000 in coverage, NMCRe provides $3,000,000 in limits for those members. Only the following Member Counties have $2,000,000 in coverage for failure to provide adequate healthcare or mental healthcare to inmates or detainees: Bernalillo, Chaves, Curry, Doña Ana, Roosevelt, Sandoval, Santa Fe, and Valencia. The remaining Member Counties have no coverage through NMCRe.

Liability reinsurance coverage for the Law Enforcement Program is subject to an annual aggregate limit of $4,000,000 per member, and $8,000,000 for all participating members combined.

Effective July 1, 2024, NMCRe entered into a three-year excess of loss reinsurance contract with Hannover Re for law enforcement coverage. The agreement provides a limit of liability of $2,000,000 for each loss per occurrence. The reinsurer's liability is further limited to $8,000,000 during any one contract year and $16,000,000 in the aggregate over the three-year contract term.

11) Reinsurance – continued

Workers' Compensation Program

The Workers' Compensation Program has purchased commercial reinsurance for claims exceeding $750,000 per occurrence. Effective July 1, 1997, the first layer of this reinsurance has been provided by CRL. For policy year 2025-2026, CRL provided $1,250,000 in excess of the SIR, NMCRe provided $1,000,000, and Safety National provided coverage from $3,000,000 to the statutory limit.

CRL is a captive reinsurance organization established to provide excess and reinsurance to county association pools. Similar to the Counties participating as members of NMCIA's Workers' Compensation Program, NMCIA's contributions to CRL include amounts allocated to capital, loss funding, and other pool expenses. CRL may return equity to its members if loss fund contributions are not fully utilized or if excess capital exists within the organization.

For the year ended December 31, 2025, the Multi-Line, Law Enforcement, and Workers' Compensation Programs paid a total of $4.5 million, $5.8 million, and $1.1 million, respectively, for reinsurance premiums.

12) Reinsurance - NMCRe

Effective January 1, 2024, NMCRe entered into an excess of loss reinsurance agreement covering the law enforcement liability policies written by NMCRe. This reinsurance agreement is effective through July 1, 2027. As of December 31, 2025, there were ceded unearned premiums of $1,983,562. NMCRe had $4,159,801 in funds held with reinsurers as of December 31, 2025. Premiums ceded during the years ended December 31, 2025 totaled $4,000,000.

13) Funding Arrangements

The Workers' Compensation Program has historically offered high-deductible funding arrangements to Class A counties including Bernalillo, Doña Ana, Sandoval, San Juan, and Santa Fe Counties. Bernalillo County selected a $100,000 per claim deductible, Sandoval County selected a $25,000 per claim deductible, and Santa Fe County selected a $100,000 per claim deductible for policy year 2025-2026. San Juan County withdrew from NMCIA's Workers' Compensation Program effective July 1, 2025. NMCIA administered all claims for participating Member Counties, and they were covered by the Workers' Compensation Program reinsurance for any claim which exceeded $750,000.

New Mexico County Insurance Authority
Notes to the Financial Statements
December 31, 2025

14) Restricted Net Position

According to 11.4.10.8 NMAC (B)(4), governmental entities in the State of New Mexico are required to maintain specific occurrence excess insurance or specific occurrence reinsurance in a form and in an amount acceptable to the Director of the Workers' Compensation Administration (WCA). The Director of the WCA has approved a waiver of this requirement, but NMCIA must maintain an amount equaling 200% of the outstanding liabilities of NMCIA's Workers' Compensation Program. At December 31, 2025, all of the Workers' Compensation Program's net position is reported as restricted since 200% of the outstanding liabilities of NMCIA's Workers' Compensation Program exceeds the total net position of this insurance program.

15) Contingencies

In the normal course of operations, NMCIA is involved in litigation related to certain claims. In the opinion of management, the disposition of these matters will not have a materially adverse effect on NMCIA's financial position.

16) Restatements of Previously Reported Amounts

During 2025, NMCIA identified that it had not been reporting its equity interest in its discretely presented component unit in accordance with GASB Statement No. 61, *The Financial Reporting Entity.* Additionally, NMCIA entered into subscriptions for the use of software in previous years, which meets the requirements for recognition under GASB Statement No. 96*, Subscription-Based Information Technology Arrangements (SBITA's).* As a result, NMCIA has restated its previously reported net position as follows:

Net position, beginning of year, as previously reported	$ 7,217,287
Restatement due to not reporting an equity interest in component unit	13,064,435
Restatement due to SBITA contract not recognized in previous years	(22,492)
Net position, beginning of year, as restated	$ 20,259,230

17) Subsequent Events

Generally accepted accounting principles state that the financial statements should include the effects of all subsequent events that provide additional information about conditions in existence as of the statement of net position date. NMCIA has evaluated subsequent events for possible adjustment or disclosure through June 1, 2026, the date the financial statements were available to be issued. The following subsequent event was identified through this evaluation.

<u>Bernalillo County Withdrawal</u>
Bernalillo County elected not to participate in the Law Enforcement and Multi-Line Programs for the upcoming calendar year 2026. For the year ended December 31, 2025, earned premiums from Bernalillo County made up 32% of total earned premiums and capital adequacy assessments from Bernalillo County made up 33% of total capital adequacy assessments revenue. Claims paid on behalf of Bernalillo County also made up approximately 43% of total claims paid for the year ended December 31, 2025.

Required Supplementary Information
(Unaudited)

New Mexico County Insurance Authority
Reconciliation of Claims Reserves by Type of Contract
For the Year Ended December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Reserve for unpaid claims and claim adjustment expenses, beginning of year	$ 12,657,880	$ 59,246,920	$ 18,592,517	$ 90,497,317
Incurred claims and claim adjustment expenses				
Current year	10,123,607	19,943,091	2,498,614	32,565,312
Prior years	(5,043,201)	(4,406,452)	2,049,263	(7,400,390)
Total incurred claims and claim adjustment expenses	5,080,406	15,536,639	4,547,877	25,164,922
Payments (net of amounts received under reinsurance)				
Current year	3,698,613	2,294,921	459,388	6,452,922
Prior years	2,413,342	25,776,344	6,041,880	34,231,566
Total payments	6,111,955	28,071,265	6,501,268	40,684,488
Reserve for unpaid claims and claim adjustment expenses, end of year	$ 11,626,331	$ 46,712,294	$ 16,639,126	$ 74,977,751

See accompanying notes to the required supplementary information.

New Mexico County Insurance Authority
Ten Year Claims Development Information
For the Year Ended December 31, 2025
(dollars in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(1) Net Earned Premiums and Investment Revenue	$ 33,554	$ 35,208	$ 36,235	$ 33,757	$ 35,407	$ 29,649	$ 26,811	$ 41,469	$ 49,878	$ 54,948
(2) Unallocated Expenses	4,331	4,553	5,191	4,484	5,118	5,362	5,779	5,604	5,970	6,236
(3) Estimated Losses and Expenses, End of Year	22,805	21,856	20,720	18,531	18,133	18,934	22,242	27,646	33,906	32,565
(4) Net Paid (Cumulative) as of:										
End of year	2,350	2,753	2,633	1,362	14,720	15,451	1,857	1,717	2,327	6,453
One year later	9,198	6,891	6,154	15,436	12,768	8,034	6,688	10,367	18,312	
Two years later	15,842	9,088	16,419	18,159	9,675	16,264	16,394	23,727		
Three years later	10,882	14,530	16,283	15,006	11,681	23,316	27,865			
Four years later	26,998	15,281	15,667	16,499	15,008	29,695				
Five years later	27,308	13,475	15,546	18,483	18,615					
Six years later	25,993	14,326	15,712	20,851						
Seven years later	26,116	15,404	18,534							
Eight years later	25,928	17,825								
Nine years later	27,900									
(5) Re-estimated Net Incurred Losses and Expenses as of:										
End of year	22,805	21,856	20,720	18,531	18,133	18,934	22,242	27,676	33,906	32,565
One year later	27,547	18,818	19,830	10,916	9,374	27,284	28,530	37,065	42,723	
Two years later	26,827	17,550	14,371	12,390	19,879	31,769	34,849	42,329		
Three years later	28,870	12,623	15,451	9,563	23,668	34,231	36,263			
Four years later	25,484	14,200	18,052	19,564	20,652	35,485				
Five years later	26,066	16,130	17,163	20,156	23,552					
Six years later	27,708	17,323	16,786	22,404						
Seven years later	27,265	16,401	19,026							
Eight years later	26,780	18,742								
Nine years later	28,609									
(6) Change in Estimated Net Incurred Losses and Expense From End of Year	5,804	(3,114)	(1,694)	3,873	5,419	16,551	14,021	14,683	8,817	-

See accompanying notes to the required supplementary information.

New Mexico County Insurance Authority
Notes to the Required Supplementary Information

1) Reconciliation of Claims Liabilities by Type of Contract

The schedule on page 33 presents the changes in claims liabilities in 2025 for NMCIA's three types of contracts: multi-line, law enforcement, and workers' compensation.

2) Ten-Year Claims Development Information

The table on page 34 illustrates how earned premiums (net of reinsurance premiums) and investment income compares to the related costs of loss and loss expenses (net of losses assumed by reinsurers) and other expenses assumed by NMCIA as of the end of each of the past ten years. The rows of the table are defined as follows:

1) The total of each year's gross earned premiums, net of premiums ceded to reinsurers, and investment income.
2) Each year's administrative and other expenses.
3) NMCIA's gross estimated incurred loss and loss adjustment expenses claims assumed by reinsurers, and net incurred loss and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year.
4) The cumulative net amount of loss and loss expenses paid as of the end of successive years.
5) A comparison of how each year's re-estimated loss and loss adjustment expenses increased or decreased as of the end of successive years (this annual re-estimation results from new information received on known claims, re-evaluation of existing information on known claims, as well as emergence of new claims not previously known).
6) A comparison of the latest re-estimated incurred loss and loss adjustment expense amounts of the amount originally established (line 3) to show whether this latest estimate is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of losses incurred currently recognized in less mature fiscal years. The columns of the table show data for successive policy years.

Supplementary Information

New Mexico County Insurance Authority
Schedule of Net Position by Insurance Program
December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Assets				
Current assets				
Cash and cash equivalents	$ 6,570,658	$ 3,037,210	$ 3,157,306	$ 12,765,174
Investments	25,079,892	22,019,202	31,787,849	78,886,943
Investment in Local Government Investment Pool	496	712	2,171	3,379
Due from reinsurers	1,332,335	-	-	1,332,335
Due from members	248,455	1,053,969	298,208	1,600,632
Note receivable, current portion	98,899	-	-	98,899
Prepaid expenses	2,190,438	-	511,136	2,701,574
Total current assets	35,521,173	26,111,093	35,756,670	97,388,936
Noncurrent assets				
Note receivable, net of current portion	1,021,046	-	-	1,021,046
Right-of-use subscription assets, net	107,644	898,316	107,644	1,113,604
Equity interest in New Mexico County Reinsurance, Inc.	-	16,347,129	-	16,347,129
Equity interest in County Reinsurance Limited	6,685,308	-	1,125,839	7,811,147
Total noncurrent assets	7,813,998	17,245,445	1,233,483	26,292,926
Total assets	$ 43,335,171	$ 43,356,538	$ 36,990,153	$ 123,681,862

New Mexico County Insurance Authority
Schedule of Net Position by Insurance Program - continued
December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Liabilities and Net Position				
Current liabilities				
Accounts payable and accrued expenses	$ 8,529	$ 22,609	$ 2,301	$ 33,439
Internal balances	48,776	(48,776)	-	-
Due to New Mexico Association of Counties	42,914	83,323	23,481	149,718
Unearned member contributions	162,983	520,183	4,202,233	4,885,399
Subscription liabilities, current portion	118,132	366,910	118,132	603,174
Reserve for unpaid claims and claim adjustment expenses, current portion	3,770,670	9,263,071	3,068,601	16,102,342
Total current liabilities	4,152,004	10,207,320	7,414,748	21,774,072
Noncurrent liabilities				
Subscription liabilities, net of current portion	-	563,125	-	563,125
Reserve for unpaid claims and claim adjustment expenses, net of current portion	7,855,661	37,449,223	13,570,525	58,875,409
Total noncurrent liabilities	7,855,661	38,012,348	13,570,525	59,438,534
Total liabilities	12,007,665	48,219,668	20,985,273	81,212,606
Net position				
Net investment in capital assets	(10,488)	(31,719)	(10,488)	(52,695)
Restricted	-	-	16,015,368	16,015,368
Unrestricted (deficit)	31,337,994	(4,831,411)	-	26,506,583
Total net position	31,327,506	(4,863,130)	16,004,880	42,469,256
Total liabilities and net position	$ 43,335,171	$ 43,356,538	$ 36,990,153	$ 123,681,862

New Mexico County Insurance Authority

Schedule of Revenues, Expenses, and Changes in Net Position by Insurance Program

For the Year Ended December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Operating Revenues				
Earned premiums from members	$ 13,526,315	$ 27,024,662	$ 8,829,955	$ 49,380,932
Less: Reinsurance premiums	(4,532,550)	(5,770,574)	(1,121,602)	(11,424,726)
Other	-	20,000	4,320	24,320
Total operating revenues	8,993,765	21,274,088	7,712,673	37,980,526
Operating Expenses				
Claims and claim adjustment expenses	5,080,406	15,536,639	4,547,877	25,164,922
Brokerage fees	35,000	35,000	30,000	100,000
Administrative fees paid to New Mexico Association of Counties	1,455,330	1,885,330	1,378,110	4,718,770
Other general and administrative	457,897	716,303	262,510	1,436,710
Total operating expenses	7,028,633	18,173,272	6,218,497	31,420,402
Operating income	1,965,132	3,100,816	1,494,176	6,560,124

New Mexico County Insurance Authority
Schedule of Revenues, Expenses, and Changes in Net Position by Insurance Program
For the Year Ended December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Nonoperating Revenues				
Capital adequacy assessments from members	1,333,514	2,407,478	1,081,901	4,822,893
Interest income on note receivable	46,869	-	-	46,869
Investment income	1,720,949	1,929,478	1,916,174	5,566,601
Interest expense	(5,315)	(41,731)	(5,315)	(52,361)
Equity in earnings of New Mexico County Reinsurance, Inc.	-	3,282,694	-	3,282,694
Equity in earnings of County Reinsurance Limited	1,464,120	-	519,086	1,983,206
Total nonoperating revenues	4,560,137	7,577,919	3,511,846	15,649,902
Change in net position	6,525,269	10,678,735	5,006,022	22,210,026
Net position (deficit), beginning of year, as originally stated	24,810,078	(28,599,490)	11,006,699	7,217,287
Restatements	(7,841)	13,057,625	(7,841)	13,041,943
Net position (deficit), beginning of year, as restated	24,802,237	(15,541,865)	10,998,858	20,259,230
Net position (deficit), end of year	$ 31,327,506	$ (4,863,130)	$ 16,004,880	$ 42,469,256

New Mexico County Insurance Authority
Schedule of Revenues and Expenses – Budget and Actual
For the Year Ended December 31, 2025

	Budgeted Amounts		Variance Original and Final Budget (Negative)	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final			
Revenues					
Earned premiums and capital adequacy assessments	$ 54,335,058	$ 54,335,058	$ -	$ 54,203,825	$ (131,233)
Investment income	3,493,605	3,493,605	-	5,566,601	2,072,996
Total revenues	57,828,663	57,828,663	-	59,770,426	1,941,763
Expenses					
Claims and claim adjustment expenses	47,232,945	47,232,945	-	36,589,648	10,643,297
Risk mitigation expenses	726,000	726,000	-	656,187	69,813
Brokerage fees	100,000	100,000	-	100,000	-
Association of Counties	4,718,770	4,718,770	-	4,718,770	-
Other general and administrative	1,124,500	1,124,500	-	832,884	291,616
Total expenses	53,902,215	53,902,215	-	42,897,489	11,004,726
Change in net position (Budgetary basis)	$ 3,926,448	$ 3,926,448	$ -	16,872,937	$ 12,946,489
Revenues Not Budgeted					
Other				71,189	
Equity in earnings of New Mexico County Reinsurance, Inc.				3,282,694	
Equity in earnings of County Reinsurance Limited				1,983,206	
Change in net position (GAAP basis)				$ 22,210,026	

See accompanying notes to the schedule of revenues and expenses – budget and actual.

New Mexico County Insurance Authority
Notes to the Schedule of Revenues and Expenses – Budget and Actual
For the Year Ended December 31, 2025

1) Basis of Accounting

The budgetary figures are presented on a budgetary basis which may differ from the Generally Accepted Accounting Principles (GAAP) basis. A reconciliation to GAAP is provided at the end of the schedule to account for non-budgeted items and adjustments required for financial reporting.

2) Budget Amendments

There were no budget amendments approved during 2025; therefore, the original budget and the final budget are the same in the schedule.

3) Revenue Highlights

Investment income exceeded the final budget by $2.1 million, which was caused by an increase in earned premiums from members and the implemented investment strategy recommended by Strategic Asset Alliance during 2025.

4) Expense Highlights

Claims and claim adjustment expenses were significantly under budget by $10.6 million in 2025 due to a reduction in claims experience and the reduction in claim reserves. This decrease was a direct result of the actuarial study analysis reducing reserves for future claims.

New Mexico County Insurance Authority
Schedule of Deposits by Financial Institution
December 31, 2025

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
First National 1870				
Non-interest bearing checking account	686,424	898,586	646,845	2,231,855
Wells Fargo Advisors				
Money market and sweep funds	6,149,693	2,318,185	2,668,842	11,136,720
Total bank balances	6,836,117	3,216,771	3,315,687	13,368,575
Reconciling Items:				
Outstanding checks	(265,459)	(179,561)	(158,381)	(603,401)
Total cash and cash equivalents	$ 6,570,658	$ 3,037,210	$ 3,157,306	$ 12,765,174

Schedule of Pledged Collateral by Financial Institution
December 31, 2025

Name/Collateral descrption	CUSIP Number	Current Market Value	Maturity Date	Coupon Rate
First National 1870				
FNMA Pool #BL2395	3140HTUV9	$ 8,227,065	6/1/2034	3.3%
		$ 8,227,065		

43Compliance Section

SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Members of the Board of Directors
New Mexico County Insurance Authority
and
Mr. Joseph M. Maestas, PE, CFE, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of the New Mexico County Insurance Authority (NMCIA) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise NMCIA's basic financial statements and have issued our report thereon dated June 1, 2026.

Our report includes a reference to other auditors who audited the financial statements of New Mexico County Reinsurance, Inc. (NMCRe), a discretely presented component unit of NMCIA, as described in our report on NMCIA's financial statements. The financial statements of NMCRe were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with NMCRe or that are reported on separately by those auditors who audited the financial statements of NMCRe.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NMCIA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NMCIA's internal control. Accordingly, we do not express an opinion on the effectiveness of NMCIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NMCIA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards,* and which is described in the accompanying schedule of findings and responses as item 2025-002.

NMCIA's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on NMCIA's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. NMCIA's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SJT Group LLC

Albuquerque, New Mexico
June 1, 2026

New Mexico County Insurance Authority
Schedule of Findings and Responses
December 31, 2025

Section I — Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies reported?	Yes
Noncompliance material to the financial statements noted?	No
Other findings required to be reported under Section 12-6-5, NMSA 1978?	Yes

Section II—Financial Statement Findings

2025-001 [2024-004] – Restatement (Significant Deficiency)

Criteria: Maintenance of complete and accurate accounting records and preparation of annual financial statements and footnotes, required supplementary information, and supplementary information in accordance with generally accepted accounting principles (GAAP) ensures that timely, accurate and useful information is available to management, the Board of Directors, and other interested parties.

Condition: Adjusting journal entries were required to restate previously reported balances for NMCIA's right-of-use subscription assets ($1,730,584) and subscription liabilities ($1,753,076), which resulted in a net decrease to previously reported net position of $22,492. Another restatement was identified by NMCIA during 2025 for its equity interest in its component unit, but NMCIA's controls identified this restatement. Management made progress in resolving this finding, as the net impact on net position of this restatement was much smaller than in the previous year.

Cause: GASB Statement No. 96 was effective during 2024 and 2025, but subscription assets and liabilities were not evaluated as part of NMCIA's year-end reconciliation process.

Effect: Significant audit adjustments were required to correctly state account balances in accordance with GAAP.

Auditor's Recommendation: NMCIA should evaluate its subscription-based information technology arrangement (SBITA) contracts going forward and update its right-of-use subscription asset and liability balances on at least an annual basis.

Management's Response: The NMCIA lines of coverage utilize subscription-based programs/services pertaining to online training (Benchmark and Lexipol) and use of a risk management database to record claim activity (Origami). During calendar year 2024, these applications were subject to GASB Statement No. 96 financial reporting guidelines pertaining to SBITA's. These services were previously recorded as prepaid expenses and expensed over the life of the invoice term. NMCIA was not informed of this change by the prior auditing firm for 2024. Opening balances for 2025 were restated, and all 2025 activity was reclassified to conform to this standard.

Responsible Party: Finance Director

Anticipated Completion Date: NMCIA Finance staff, with recommendations from the current audit firm, have corrected the historical records and will follow this framework moving forward.

Section III—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978

2025-002 – Procurement (Significant Deficiency, Other Noncompliance)

Criteria: According to 13-1-95.2 NMSA 1978, on or before January 1 of each year beginning in 2014, and every time a chief procurement officer is hired, each local public body shall provide to the state purchasing agent the name of the local public body's chief procurement officer and information identifying the local public body's central purchasing office, if applicable. The state purchasing agent shall establish a certification program for chief procurement officers that includes initial certification and recertification every two years for all chief procurement officers. Additionally, according to 13-1-102 NMSA 1978, all procurement shall be achieved by competitive sealed bid pursuant to Sections 13-1-103 through 13-1-110 NMSA 1978, except procurement achieved pursuant to other sections of the Procurement Code.

Condition: During 2025, NMCIA did not have a Chief Procurement Officer (CPO) on staff, nor was a CPO contracted by NMCIA. Additionally, during our testing of nonpayroll disbursements, we identified three vendors paid over the $60,000 small purchases threshold that were not procured using competitive sealed bids.

Cause: NMCIA is a related party of the New Mexico Association of Counties, nonprofit corporation that qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code (IRC). NMCIA previously operated as if it were a tax-exempt organization under Section 501(c)(6) of the IRC and believed it was not subject to the State Procurement Code.

Effect: NMCIA is not in compliance with the State Procurement Code and may not have paid the best obtainable price for these items.

Auditor's Recommendation: NMCIA should ensure that all employees understand and comply with the State Procurement Code. NMCIA also has already contracted with a Chief Procurement Officer (CPO), and the CPO should consider training NMCIA staff tasked with procurement of supplies and services to ensure they understand the different procurement methods and purchasing authority included in the State Procurement Code.

Management's Response: Historically, NMCIA purchases and contracting were processed through the New Mexico Association of Counties (NMAC) rather than under a separate procurement process. This practice originated when NMCIA did not have its own tax identification number (EIN) and continued even after a separate EIN was established, as the procurement implications had not been identified. The requirement to solicit competitive bids - such as Requests for Proposals (RFPs) - for purchases exceeding $60,000 had not surfaced in prior audit findings and was not brought to NMCIA's attention until the actuary submitted a notice to terminate in the spring of 2026.

Section II—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978 – continued

2025-002 – Procurement (Significant Deficiency, Other Noncompliance) – continued

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Responsible Party: Finance Director

Anticipated Completion Date: In recognizing the need to conduct an actuary RFP, NMCIA identified the broader compliance gap and determined that a Chief Procurement Officer (CPO) was needed to address it. In May 2026, NMCIA executed an agreement with Eddy County to secure CPO services. The CPO will oversee all procurement activities and ensure contracts or purchases exceeding $60,000 comply with competitive bidding requirements consistent with the State Procurement Code. NMCIA views this as a meaningful step toward strengthening its procurement infrastructure and its commitment to fiscal accountability and transparency.

New Mexico County Insurance Authority
Summary Schedule of Prior Year Audit Findings
December 31, 2025

2024-001—Noncompliance with Title 11, Chapter 4 of the New Mexico Administrative Code

Current Status: Resolved.

2024-002— Claims – Overpayments

Current Status: Resolved.

2024-003—Cash Receipts

Current Status: Resolved.

2024-004—Restatement

Current Status: Repeated and modified.

New Mexico County Insurance Authority
Exit Conference
December 31, 2025

An exit conference was held on June 1, 2026. Present at the exit conference were:

For the New Mexico County Insurance Authority:

Lance Pyle, Chair
Gregory Shaffer, Vice-Chair
Joy Esparsen, Executive Director
Grace Phillips, Risk Management Director
Richard Garcia, Finance Director
Meca Broadway, Comptroller
Lori Urban, Assistant Risk Services Director
Robin Martinez, Multi-Line/Law Enforcement Claims Manager
Kamie Denton, Workers' Compensation Claims Manager

For the SJT Group LLC:

Joshua Trujillo, Principal
Kimberly Mitchell, Senior Manager

Preparation of the Financial Statements
The accompanying financial statements of NMCIA have been prepared by SJT Group LLC, NMCIA's independent auditors, however, the financial statements are the responsibility of management.

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

Item Number:	**Item Title:**
4.B.	Appoint Member to Fill Southwest Geographic Director Position
Presenter (s): Lance Pyle, Chair	
Motion by:	Seconded by:

STATE OF NEW MEXICO
County of Luna

Ray J. Trejo
Commissioner, District 1

Colette M. Chandler
Commissioner, District 2

Christie Ann Harvey
Chair, District 3

Chris A. Brice
County Manager

700 South Silver Avenue · Post Office Box 551 · Deming, New Mexico 88031
Telephone (575) 546-0494 Facsimile (575) 544-4293
lunacounty.gov

July 27, 2026

Letter of Interest- Southwest Geographical Director Board Position

Dear Members of the Selection Committee,

I am writing to express my sincere interest in serving as the Southwest Geographical Director. I am eager for the opportunity to contribute my leadership, experience, and dedication to advancing the organization's mission while effectively representing the interests of the communities within the Southwest region.

Throughout my professional career, I have demonstrated a strong commitment to public service, collaboration and responsible leadership. I value building partnerships, encouraging open communication, and developing practical solutions that benefit both organizations and the communities we serve. I believe these qualities would allow me to effectively advocate for the needs and priorities of the Southwest geographical area.

I would be honored to serve as the Southwest Geographical Director and welcome the opportunity to discuss how my background, experience and vision align with the goals of the board.

Respectfully,

Chris Brice
County Manager

Board of County Commissioners

Joe Gonzales
District I

Craig Secatero
District II

John Aguilar
District III

Danny Monette
District IV

Phillip Montoya
District V

County Manager
Joseph P Chavez

August 7, 2026

Lance Pyle, Chair
New Mexico County Insurance Authority Board of Directors
c/o New Mexico Counties
444 Galisteo Street
Santa Fe, New Mexico 87501

via e-mail lpyle@currycounty.org

Re: Letter of Interest, NMCIA Board of Directors, Southwest Geographic District

Dear Chairman Pyle:

I am writing to express my interest in serving on the New Mexico County Insurance Authority Board of Directors as the representative for the Southwest Geographic District. I presently serve as County Manager for Socorro County, one of the six counties comprising the Southwest District,

My professional background has given me a particularly strong appreciation for the role NMCIA plays in protecting New Mexico counties. Before becoming Socorro County Manager, I served 10yrs as Warden of the Valencia County Detention Center. In that capacity, I worked in an environment in which sound risk management, employee training, personnel practices, claims prevention, and appropriate responses to litigation were essential parts of daily operations. That experience gave me substantial familiarity with the types of liability exposures confronting county governments, particularly in the areas of detention operations, employment matters, civil rights claims, and public safety.

Those issues are increasingly important to the Pool. NMCIA's recent reports recognize both the significant financial pressures associated with law enforcement claims and the risks arising from sheriff and detention operations. My years managing a county detention facility would allow me to bring a useful operational perspective to the Board's consideration of those issues.

My present service as Socorro County Manager has broadened that experience considerably. As County Manager, I am responsible for addressing risk from the perspective of the County as a whole, including personnel matters, property and facilities, public safety operations, contracts, budgeting, workers' compensation, and the potential financial consequences of claims and litigation on a small New Mexico county. I therefore understand both the operational realities that produce risk and the broader administrative and financial considerations involved in managing that risk on behalf of the counties.

PO Box D, Socorro, NM 87801
Phone: 575.835.0589
www.SocorroCounty.net

Throughout my county service, I have also developed a close working relationship with New Mexico Counties and NMCIA staff. I have had the opportunity to work with staff concerning claims, coverage, loss prevention, and other risk-management matters, and I have developed a strong appreciation for their expertise and the assistance they provide to member counties. I also recognize that NMCIA is a member-owned and managed public risk pool, and service on its Board requires balancing the interests of an individual county with the long-term interests and financial stability of the Pool as a whole. I would approach the position with that responsibility in mind and welcome the opportunity to contribute the perspective of a county manager who has also spent much of his career directly managing one of local government's most significant areas of liability exposure.

I understand the appointment would initially fill the Southwest Geographic District position through January 19, 2027, at which time the membership will elect a representative for the ensuing two-year term. If appointed, I would be interested in continuing to serve and seeking election to the full term. I am also prepared to devote the time necessary to participate actively in the work of the Board, including attendance at the November Board meeting and strategic retreat.

Thank you for considering my interest in serving on the NMCIA Board of Directors. I would be honored to represent the Southwest Geographic District and to contribute my experience to the continued success of the Pool.

Sincerely,

Joseph P Chavez
Socorro County Manager

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

Item Number:	**Item Title:**
4.C.	Appoint Board Members to Fill Litigation, Finance and Audit, and Underwriting Committee Vacancies
Presenter (s): Lance Pyle, Chair	

Litigation Committee
Deborah Weir, Kate Fletcher, Gregory S. Shaffer, Charlene Webb
Alternate: Roberta Gonzales
Scheduled to meet from 10:00 – 11:30 on 9/15, 10/20 and 12/15

Motion by: Seconded by:

Finance and Audit Committee
Gregory S. Shaffer, Roberta Gonzales, Anthony Dimas, Jr., VACANT SEAT
Alternate: Lance Pyle

Motion by: Seconded by:

Underwriting Committee
Gregory S. Shaffer, Lance Pyle, Kate Fletcher, VACANT SEAT
Alternate: Charlene Webb
Scheduled to meet from 9:00 – 10:00 on 9/30 and 10/7

Motion by: Seconded by:

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

Item Number:	**Item Title:**
5.A.	Actuarial Report and Capital Adequacy
Presenter (s): Grace Philips, Risk Management Director	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: August 14, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: Actuarial Reports as of June 30, 2026

Glicksman Consulting LLC has drafted its final Law Enforcement, Multi-line, and Workers' Compensation actuarial studies for the Pool as of June 30, 2026. The objective of these studies is to estimate limited outstanding losses, including allocated loss adjustment expenses (ALAE), after member deductibles. Outstanding losses include case reserves, anticipated development on known claims, and incurred but not reported (IBNR) claims. The Finance Department uses these actuarial estimates to evaluate and adjust the Pool's loss reserves reported in the financial statements.

Law Enforcement

- Estimated outstanding losses after deductibles are $59,687,947.
- This is an increase of $15,200,047 from the last report as of 12/31/2025.
- It is a 31.4% increase from the prior actuarial study.
- Law enforcement estimated outstanding losses increased by $13,322,540.
- Sheriffs' outstanding losses increased by 1,877,507.
- More recent policy periods are contributing materially to reserve development. These periods remain relatively immature and will continue to develop as additional claim information becomes available.
    - 2023: Increase of approximately $2.7 million
    - 2024: Increase of approximately $6.2 million
    - 2025: Increase of approximately $5.7 million
- Gallagher Re's actuary reviewed the actuarial report and concluded that the recommended increase in funding is not excessive. The actuary noted that the 6% trend assumption and selected loss development factors could be viewed as conservative, particularly given that double-digit selections are not unusual.
- Our new actuary, Danny Linton, was also not surprised by the increase, noting that Law Enforcement continues to be a major pain point for several of his pooling clients.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

NEW MEXICO COUNTIES
33 STRONG

Multi-line

- Glicksman Consulting LLC has not yet provided the draft Multi-line actuarial study as of the date of this memo; however, the actuary has indicated that the Multi-line estimated is expected to reflect a material increase in outstanding losses.

Workers' Compensation

- Estimated outstanding losses after deductibles are $16,801,338.
- This represents an increase of $954,551 from the last report as of 12/31/2025.
- It is a 6.02% increase and is not considered material.
- Workers' compensation continues to be a strong coverage line, with minimal reserve development.

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Policy on Capital Adequacy

The NMCIA Board understands that it is imperative that the financial position of the Pool remain strong for the benefit of its' members. This policy on capital adequacy is based on an analysis by PricewaterhouseCoopers of the levels of risk acceptable to the NMCIA Board as of August 2023.

Their assessment concluded that in the next one-year time horizon, there is a 0.5% chance (1-in-200-year event) that the financial risks (balance sheet and next year's business only) will result in more than $54 million demand on program capital.

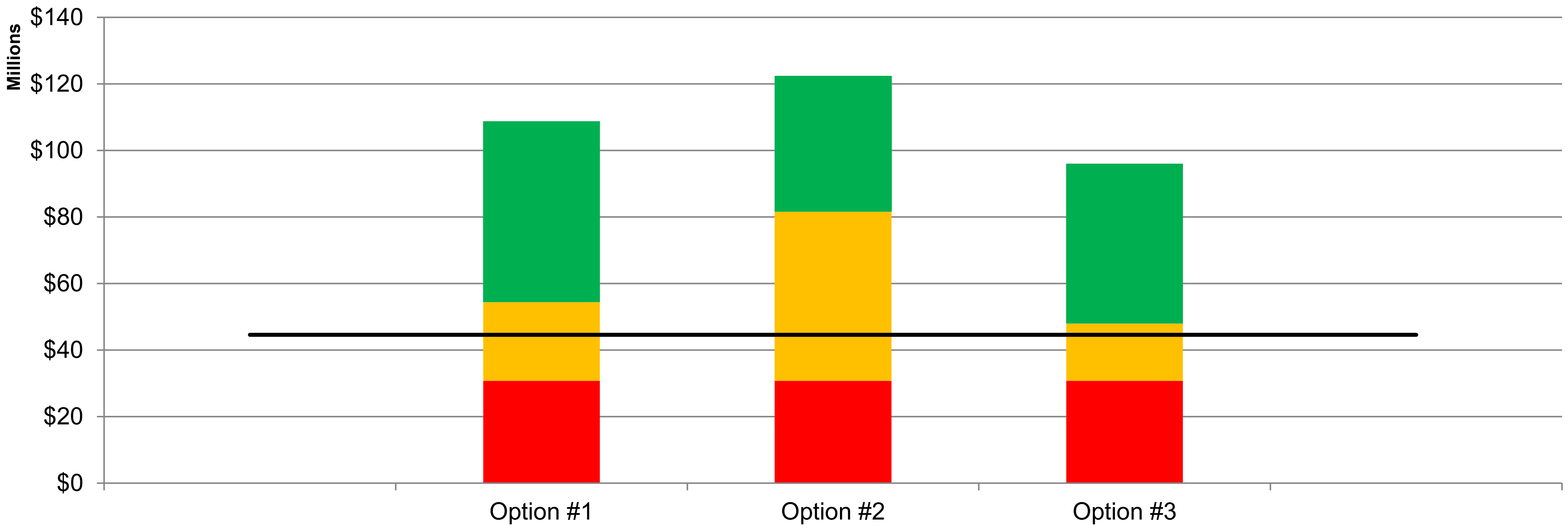
This policy is based on the following capital adequacy measures and guidelines voted on by the Board August 9, 2023:

- The minimum level of capital adequacy is defined as a 1-in-20-year capital event. If the net position is or projected to be below this level ($31 million), immediate corrective action is required to restore the capital adequacy to the minimum level within 12 months.
- The desired risk capital target range is defined as having a lower bound ($54 million) of a 1-in-200-year capital event and an upper bound ($109 million) of 2 times a 1-in-200-year capital event. The lower bound is consistent with the 99.5% confidence level expectation contained in the global insurance regulation. The upper bound is established to recognize there is a point where funding can become excessive based on other financial needs of the membership. Staff will create a funding plan to reach the lower bound over a several year timeframe.
- Once the lower bound has been achieved, staff will create a funding plan to include guidelines on achieving a middle target amount ($81.5 million) over a several year timeframe. The plan will include contingencies for funding sooner than the plan timeframe and criteria for how to allocate any funds that exceed the middle target.

[1]The PricewaterhouseCoopers assessment document resides on the Administration drive with the Pool policy manual.

Passed by unanimous consent of the NMCIA Pool Board of Directors on December 21, 2023.

Target range options



Option #1
Minimum: 1-in-20 year level ($31 million)
Lower bound: 1-in-200 year level ($54 million)
Upper bound: 2 times 1-in-200 year level ($109 million)

Option #2
Minimum: 1-in-20 year level ($31 million)
Lower bound:2 times 1-in-50 year level ($82 million)
Upper bound: 3 times 1-in-50 year level ($122 million)

Option #3
Minimum: 1-in-20 year level ($31 million)
Lower bound:1-in-100 year level ($48 million)
Upper bound: 2 times 1-in-100 year level ($96 million)

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

Item Number:	**Item Title:**
5.B.	Amendments to Multi-Line and Law Enforcement Coverage Agreement
Presenter (s): Grace Philips, Risk Management Director	

Proposed changes to limit consolidation of a series of related claims into one Occurrence to claims made during a single coverage year

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 **during the course of a single coverage year** shall be considered as arising out of one Occurrence.

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 **the continuous or repeated exposure to substantially the same** ~~series of~~ **or** related Wrongful Acts **during the course of a single coverage year** 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~~ one Occurrence and ~~all such Claims~~ shall be subject to ~~the same~~ a single Limit of Coverage.

Part VI-Definitions

"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 **arising out of a continuous or repeated exposure to substantially the same general conditions or** series of similar causes **during the course of a single coverage year** shall be deemed one Occurrence, irrespective of the period of time or area over which such losses occur **except, if there are claims submitted in separate coverage years that arise from the same event, accident or cause, such claims shall be treated as one Occurrence**. There may be multiple Claims or claimants involved in one Occurrence; however only one deductible and one limit of coverage are applicable per Occurrence.

"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 **out of a continuous or repeated exposure to substantially the same or** a series of related Wrongful Acts by one or more Member **during the course of a single coverage year** shall be deemed one Occurrence. Only ~~one Coverage Agreement,~~ one Deductible and one limit of coverage **are** applicable to any one Wrongful Act.

Proposed changes to address limit on coverage if NMC settles an IPRA claim before a court "assessment" of damages

Part III-Exclusions

32. Money Damages either assessed under the Inspection of Public Records Act **or agreed to pursuant to an agreement to settle a claim under the Inspection of Public Records Act and** that are required by statute to be paid from funds of the public body.

Part II-Coverage Conditions

G. Claims Process

7) Named Member acknowledges and agrees that NMCIA has the sole authority to make representations, voluntarily make payments, assume obligations, **negotiate settlements**, or incur expenses **for the purpose of mitigating potential losses to a Member and/or to the Pool**.

Sheriff Claims: APD and 3rd Party Auto

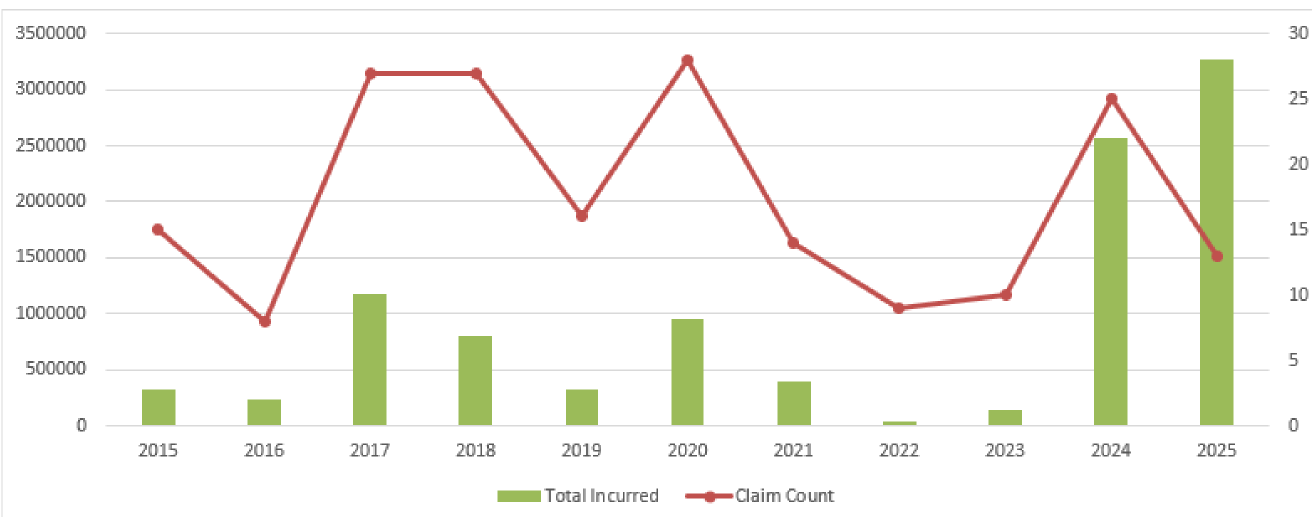
	Number of Claims		Total Incurred	
	All Other	Sheriff	All Other	Sheriff
Total	2,066	1,905	16,507,361	18,587,887

3rd Party Auto Claims				
	Number of Claims		Total Incurred	
Year	All Other	Sheriff	All Other	Sheriff
2016	58	34	1,348,355	367,952
2017	42	47	270,578	1,466,965
2018	56	56	215,905	2,102,658
2019	67	47	226,902	446,533
2020	33	42	151,381	487,267
2021	71	69	1,952,848	1,619,190
2022	61	55	342,135	1,140,280
2023	106	66	703,683	1,009,910
2024	114	58	1,623,078	708,028
2025	71	72	451,805	1,990,570
Total	679	546	7,286,669	11,339,355

1st Party Auto Claims				
	Number of Claims		Total Incurred	
Year	All Other	Sheriff	All Other	Sheriff
2016	107	60	738,631	348,524
2017	73	102	828,804	454,362
2018	55	77	491,936	438,414
2019	50	106	309,739	613,956
2020	50	71	328,200	446,692
2021	63	74	529,864	666,619
2022	227	234	1,232,910	1,099,206
2023	297	215	1,476,297	1,088,767
2024	229	198	2,064,372	917,268
2025	236	222	1,219,938	1,174,725
Total	1387	1359	9,220,692	7,248,533

Sheriff only Claims 2015-2025 as of 6/2026

Sheriffs	Claim Count	Incurred	Cost per Claim
LE Breach of Duty	613	7,794,496	12,715
LE Due Process	329	13,912,576	42,287
LE Failure to Protect	35	476,774	13,622
LE False Arrest	244	5,945,628	24,367
LE False Imprisonment	8	50,000	6,250
LE Inadequate Medical Treatment	15	238,788	15,919
LE Inadequate Mental Health Treatment	1	15,285	15,285
LE Sexual Misconduct	8	4,427,974	553,497
LE Use of Force	467	47,968,303	102,716
LE Vehicle Pursuit	193	10,206,077	52,881



Policy Year	Claim Count	Total Incurred	Cost Per Claim
2015	15	322,961	21,531
2016	8	231,514	28,939
2017	27	1,174,498	43,500
2018	27	800,247	29,639
2019	16	319,563	19,973
2020	28	948,849	33,887
2021	14	392,229	28,016
2022	9	40,635	4,515
2023	10	136,868	13,687
2024	25	2,567,744	102,710
2025	13	3,269,969	251,536

Recent pursuit settlements:

- Estate of Franzoy v Luna County ($7M; $3M from county)
- Estate of Teresa Begay v McKinley County ($1,925,000)
- Madge Duus / Santa Fe County ($1,050,000)
- Estate of Alexandria Gerard v Bernalillo County ($2M)
- Estate of Roger Wiley v Otero County ($400,000)
- Estate of Nicolas Romero v Taos County ($100,000)

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

Item Number:	**Item Title:**
5.C.	Realignment of Multi-Line and Law Enforcement Program Inception Dates
Presenter (s): Grace Philips, Risk Management Director John Chino, Area Vice President, Gallagher	

Realignment of Policy Period Inception Dates for Law Enforcement and Multi-line

July 1 – June 30 in lieu of Jan 1 – December 31

Since 2020 loss costs have been increasing for all claims and especially law enforcement and civil rights liability; it has become increasingly obvious the Pool must offer members options to increase deductibles by certain lines of coverage to avoid "dollar-swapping." Dollar swapping occurs when deductibles are set too low and a greater percentage of claims are paid by the Pool on behalf of members. The result is member contributions are prone to significant rises year after year. In addition, it is a very inefficient use of Pool resources and interferes with control of counties as to their ability to use risk management to reduce costs.

Since the Property program is renewed at first July and the liability coverages renew at first of January, there is a six-month period which makes analysis of claims by line of coverage unnecessarily complicated as a large number of occurrences trigger multiple claims i.e. auto liability claims often include first party and third-party coverages whereby only one deductible applies. Having the policy periods aligned would assist county members to make their decision as to their deductible selection <u>once a year</u> without having to speculate as to what their deductible for different coverage might be in six months.

Opportunities

Members select their deductible levels for all coverages once a year instead of every six months.

Cleaner reporting with all policy periods and deductible choices lined up.

Once consolidated renewal for members with payments due at the same time.

NMCRe would match the Hannover treaty.

Challenges

Communicating changes to resistant members.

System/Process Changes on Staff: actuarial reporting, updates to policies in Origami Risk, finance systems, values collection changes.

Process Changes on Members: values collection cycle change, change in when invoices are due.

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

Item Number:	**Item Title:**
5.D.	Strategic Retreat
Presenter (s): Grace Philips, Risk Management Director	

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

Item Number:	**Item Title:**
6.	Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7) • Estate of Herrera v Sandoval County • Estate of Quintero v Bernalillo County • Silas v Taos County • Brian Johnston v Dona Ana County • Andrea Ferrales-Narvaez v Dona Ana County • Eric & Eden Flores v Dona Ana County • Claims with material reserve adjustments during the last 6 months • Broker Services RFP

Presenter (s):

Lance Pyle, Chair

A motion may be made to go into Executive Session to discuss pending and threatened litigation in accordance with the Open Meetings Act.

Motion In by: Seconded by:

Roll Call Vote:

Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher, Anthony Dimas

Motion Out by: Seconded by:

Roll Call Vote:

Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher, Anthony Dimas

Certified by: … that the only thing discussed was pending and threatened litigation

Motion by: Seconded by:

Roll Call Vote:

Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Shirley Ragin, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher, Anthony Dimas

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

Item Number:	**Item Title:**
7.A.	Executive Director Update
Presenter (s): Joy Esparsen, Executive Director	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: August 19, 2026
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

The New Mexico Counties (NMC) Annual Conference in Gallup was a resounding success, drawing 565 registered participants, sponsors, and exhibitors. NMC would like to recognize McKinley County for its outstanding work as this year's host county — from dedicated volunteers to elected officials who went above and beyond to make the event fun, engaging, and memorable for all who attended.

On June 22nd and 23rd, I participated in the Inspection of Public Records Act (IPRA) Task Force listening sessions in Alamogordo and Las Cruces on behalf of the NMC representative and Sandoval County Attorney Michael Eshleman. The IPRA Task Force finalized its statewide meetings to gather information on August 5th and will prepare a report on their findings for a September legislative committee hearing. Counties are still encouraged to share their feedback, statistics, and recommendations through the IPRA Task Force website at https://nmdoj.gov/get-help/ipra-task-force/.

In response to feedback from the NMC Annual Conference, the Statutory Amendment Working Group met on June 29th to streamline the legislative proposal, narrowing its focus to statutory structure for county government and removing several more contentious items. On July 6th, the Commissioners Affiliate convened via Zoom and agreed to take the lead on this initiative through the NMC legislative process. The Working Group reconvened on July 27th to consider additional amendments raised during subsequent affiliate meetings.

On July 9th, the Legislative Review Committee met to discuss proposed legislative initiatives generated during the conference, vetting fifteen affiliate proposals in preparation for the August 6th Board legislative meeting. In addition, NMC staff identified three House Bill 2 ongoing appropriation requests and provided an update on the continued efforts to amend IPRA.

Government Relations Katherine Carroll and Risk Management Director Grace Philips continue to meet individually with legislative leadership to discuss potential amendments to the Civil Rights Act. This priority legislation was approved by the Board of Directors during the May meeting. At this time, it appears that the proposal will have a very narrow approach focused on removal of the CPI index and removal of the ability to stack CRA and tort claims.

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NMC's legislative team members have recently met with several stakeholder groups such as Housing Economics that are planning to bring forward affordable housing legislation. Our goal has been to educate these advocacy groups on how tax credits specifically affect county revenues and services, the need for the county to have the final determination on the tax credit, and that legislation must truly provide affordable housing and is not simply a benefit for the developers.

On August 3rd, I presented to the Federal Funding Stabilization Interim Committee in Taos Ski Valley. This was NMC's second year presenting to the committee, and several legislators noted how helpful the financial information has been in their legislative decision-making. My presentation covered county federal revenue streams such as Payment in Lieu of Taxes and Secure Rural Schools, and I also updated committee members on the status of county gross receipts and property tax revenues, including the potential impacts of the disabled veterans' exemption.

Approximately 60 New Mexico county members attended the NACo Annual Conference from July 16th–22nd in New Orleans. Key discussion topics included the proposed OMB rule, data centers, property taxes and affordable housing, artificial intelligence, election security, and public lands. At the NACo Annual Business Meeting, Arizona Supervisor Sarah Benatar was elected NACo 2nd Vice President. As many of you may recall, Supervisor Benatar attended our Annual Conference in Gallup, and she will undoubtedly be a strong champion for western states and the challenges unique to the Southwest. NACo will also host an energy symposium September 23rd–25th in Amarillo, TX, focusing on energy development, grid reliability, infrastructure, economic development, land use, and community impacts.

On Thursday, July 23rd, DFA issued a memo to New Mexico counties outlining recent rule changes for Assessors and Treasurers regarding property tax certification processes. Because DFA did not notify affected stakeholders in advance, Assessors immediately raised concerns about the timing, potential unfunded mandates, new responsibilities outside statutory obligations, and related issues. On August 13th, after a series of meetings with DFA and the Governor's Office, the Governor's Chief of Staff agreed to prohibit enforcement of the Rule with the expectation that the counties would prepare statutory language for the upcoming 60-day session to clarify authorities and oversight of the property tax process. Once the language is drafted, the counties will meet with DFA to negotiate amendments.

On August 12th, during the National Interest Electric Transmission Corridors (NIETC) meeting in Chaves County, the Department of Energy announced that it would not proceed with the designation of three NIETC areas. The proposed NIETC map had identified more than 2 million acres — 24% of the state of New Mexico — along with a corridor area in southeastern Colorado. Agricultural production alone in the affected areas contributes $1.9 billion annually in New Mexico and another $504 million annually across the three affected Colorado counties. Eight New Mexico counties, Chaves, Curry, Eddy, Lea, Otero, Quay, Roosevelt, and Union, actively opposed the proposed NIETC designation, which would have relied on federal eminent domain to seize 1,841,000 acres from these counties.

In response to audit recommendations and tax structure changes for the New Mexico County Insurance Authority, several NMC senior staff recently participated in the NM EDGE Certified Public Procurement Training. Risk Management Director Grace Philips and Finance Director Richard Garcia both earned their Certified Procurement Officer certification, while General Counsel Mark Allena and I sat in on the training. Moving forward, NMC will ensure at least one CPO-certified staff member is on hand at all times.

NMC Finance Director Richard Garcia last day with the organization was on August 5th. We are grateful for his many contributions over the past seven years. NMC interviewed three potential candidates and selected Alex Lundy as the new Finance Director. Mr. Lundy will assume his new role on August 24th. In the meantime, a temporary senior accountant has been brought on to help ensure a seamless transition.

NMC recently awarded a contract for additional HVAC repairs at the Albuquerque office and will also be adding a staircase railing for safety. On a positive note, the roof projects at both buildings appear to have resolved the ongoing leaks, and NMML has agreed to extend their lease for another year — we're grateful for their continued partnership.

Additional Meetings & Initiatives:
NACo Annual Conference
NACo Energy Symposium Planning
NACo Steering Committee Appointments
NACo National Public Lands Center Contribution from Rio Arriba
NACo EDGE Quarterly Meeting
NACo Public Surplus Program Partnership
NCCAE Education Committee
NCCAE Resolution Review
NCCAE OMB Proposed Rule Analysis
Representative Stansbury Behavioral Health Survey
NMFA Board of Directors
NMFA Audit, Finance, and Public Lending Committees
Water Trust Board Project Review Committee
DFA County Government Presentation
DFA Property Tax Rule Changes
NMML Conference Planning
Wildfire Resiliency Training Center Meeting
NMCIA Board of Directors
NMCIA Claims Committee
Bernalillo County Withdrawal from Workers' Compensation Pool
NMC Re Board of Directors
Legislative Team Meeting
Senior Staff Meetings
Grant Policy Updates
BIPO Conference Planning
Gathering of Counties Planning
New Affiliate Officer Orientation
Affiliate Bylaw and Financials Review
Suicide Prevention Month Coordination with Health Services Affiliate
New Mexico Legislative Reports Contract
Government Relations Contract
IPRA Reponses
PERA Query

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 any time.

June 17, 2026

Honorable Russell T. Vought, Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Joel Savary & Andrew Reisig
OMB Office of Federal Financial Management
725 17th Street, NW
Washington, DC 20503

Re: 45-Day Extension Request for Response to Federal Register Notice, OMB-2026-0034, Regulation of Federal Financial Assistance

Dear Director Vought, Mr. Reisig and Mr. Savary:

The undersigned organizations – representing counties, cities, towns, villages, state legislatures, regional planning and development organizations, metropolitan planning organizations, and public finance officials across the United States – respectfully request a 45-day extension of the public comment period for the proposed revisions to Title 2 of the Code of Federal Regulations (2 CFR), Subtitle A (Federal Register Notice 2026-10817, 91 FR 32198). The current comment period closes on July 13, 2026. This 45-day window is insufficient to meaningfully analyze and respond to a rulemaking of this scope and consequence.

The proposed rule spans 108 pages of the Federal Register (FR 32197 through 32304) and represents a government-wide rewrite of 2 CFR Part 200 — the regulation governing every federal grant, cooperative agreement, and pass-through award. It was issued as a joint rulemaking by OMB together with every federal grantmaking agency, and conditions an estimated $1 trillion or more in annual federal grant outlays affecting states, tens of thousands of local governments, and a broad range of nonprofit and community subrecipient organizations nationwide. The rule's substantive changes include new policy requirements, modifications to the grant termination framework, integration of federal grants administration with the Treasury Do Not Pay (DNP) system at § 200.305, and — most significantly — the reclassification of 2 CFR Subtitle A from guidance to binding regulation.

State and local governments are not only recipients of federal grants — we are the primary implementing layer through which federally appropriated funds reach communities for public safety, public health, transportation, housing, workforce development, child welfare, and emergency management. The proposed rule's changes will affect state and local government program design and service delivery in substantial ways that require careful operational review before the comment period closes.

Adequate time for stakeholder engagement is essential to ensure that comments submitted reflect the on-the-ground realities of implementing federal programs at the local level. A 45-day extension would enable state and local governments, and our subrecipient partners, to provide OMB with the substantive input that a rulemaking of this magnitude warrants.

While we recognize the proposed rule's October 1, 2026 implementation target, the substantive scope of the proposed changes requires additional time for stakeholder engagement before the rule is finalized. Granting a 45-day extension remains consistent with that implementation timeline and would yield a more complete administrative record.

For these reasons, we urge OMB to grant at least a 45-day extension of the comment period. A more complete record will serve the interests of both the public and the agency and help ensure that policy changes of this magnitude are informed by a full understanding of their practical consequences.

Respectfully,

Clarence E. Anthony
CEO and Executive Director
National League of Cities

Tim Storey
Executive Director
National Conference of State Legislatures

Matthew D. Chase
Executive Director/CEO
National Association of Counties

David Atkins
Executive Director/CEO
The Council of State Governments

Tom Cochran
CEO and Executive Director
United States Conference of Mayors

Julia D. Novak
CEO and Executive Director
International City/County Management Association

Chris Morrill
Executive Director/CEO
Government Finance Officers Association

Joe McKinney
Executive Director
National Association of Development
Organizations

Bill Keyrouze
Executive Director
Association of Metropolitan Planning
Organizations

Erich Zimmermann
Executive Director
National Association of Regional Councils

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

Item Number: 7.B.	**Item Title:** Financial Reports
Presenter (s): Joy Esparsen, Executive Director	

New Mexico County Insurance Authority Pool

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

6 / 30 / 2026

		June 30, 2026		June 30, 2025
Assets				
Current Assets				
Cash and Cash Equivalents		$ 10,676,112		$ 11,880,060
Accounts Receivable - Members		103		515
Accounts Receivable - Deductibles		888,740		329,844
Accounts Receivable - Claims		750,000		1,000,000
Accounts Receivable - LE Accreditation Fee		2,500		5,000
Accounts Receivable - Reinsurance		-		21,117
Accounts Receivable - Hi Ded Counties		384,852		65,546
Accounts Receivable - Other		409,422		372,575
Note Receivable		1,070,989		1,167,933
Prepaid Expenses		2,276,987		3,637,216
Subscription Assets		1,113,604		1,730,585
Total Current Assets		17,573,308		20,210,392
Investments				
Exchange Traded Funds	29,813,989		19,009,608	
US Government Bonds	57,780,209		71,382,164	
Mutual Funds	1,694,601		6,920,822	
Unrealized Gain / Loss	(410,974)	88,877,825	601,417	97,914,011
County Reinsurance Pool Equity		1,587,574		856,467
County Reinsurance Property Plus Equity		6,223,573		5,457,809
Captive Reinsurance Equity		15,217,931		13,064,435
Total Investments		111,906,903		117,292,722
Total Assets		**$ 129,480,211**		**$ 137,503,114**
Liabilities and Pool Net Position				
Current Liabilities				
Accounts Payable		$ 117,052		$ 605,090
Subscription Liabilities		1,166,299		1,753,077
Unearned Capital Adequacy Contributions		190,836		188,983
Unearned Member Contributions		11,453,487		20,275,488
Total Current Liabilities		12,927,674		22,822,639
Long Term Liabilities				
Reserve for Future Claims				
Multi-Line Program		11,915,934		12,738,348
Law Enforcement Program		43,644,349		54,463,950
Workers' Compensation Program		18,066,242		17,458,362
Total Long Term Liabilities		$ 73,626,525		$ 84,660,660
Total Liabilities		**$ 86,554,199**		**$ 107,483,299**
Fund Balance		42,469,256		7,194,795
Current Year Pool Net Position		456,755		22,825,019
Total Pool Net Position		**$ 42,926,011**		**$ 30,019,815**
Total Liabilities and Net Position		**$ 129,480,211**		**$ 137,503,114**

New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
Income / Budget Statement (Unaudited)
6 / 30 / 2026

		2026 Budget		Jan 01, 2026 through Jun 30, 2026	50% of Budget
Income					
Member Contributions	$	39,346,624	$	19,701,992	50%
Capital Adequacy Contributions				2,323,304	
Accreditation Fees				10,000	
Total Income	**$**	**39,346,624**	**$**	**22,035,295**	**56%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	25,438,345	$	23,255,769	55%
Nurse Case Manager				(45,303)	
Claims Reserves				(1,348,726)	
Recoveries - Deductibles				(4,962,015)	
Recoveries - Reinsurance				(1,982,894)	
Recoveries - County Settlements				(859,991)	
Recoveries - Subrogation & Salvage				(188,307)	
Reinsurance		6,434,178		3,982,845	62%
Brokerage Fees		100,000		46,818	47%
Total Claims & Claim Adjusting	**$**	**31,972,523**	**$**	**17,898,196**	**56%**
Risk Mitigation Expense					
Administrative Fee-NMAC	$	583,782	$	291,887	50%
Special Projects		90,000		24,867	28%
EDGE Detention Scholarships		5,000		-	0%
Online Training Program		200,000		55,204	28%
Loss Incentive Program		50,000		25,809	52%
Legal Advice Program		50,000		24,083	48%
Lexipol		255,000		136,472	54%
Law Enforcement Accreditation		76,000		29,654	39%
Total Risk Mitigation Expense	**$**	**1,309,782**	**$**	**587,976**	**45%**
Administrative & Other					
Administrative Fee-NMAC	$	4,335,640	$	2,167,823	50%
Actuary		54,000		13,700	25%
Financial Audit		72,000		30,404	42%
Investment Advisor Expense		45,000		11,250	25%
Payroll Audit		55,000		54,979	100%
Property Appraisal Fees		180,000		69,846	39%
Legal Expense		42,500		-	0%
Software Support, Licensing, Training		486,800		191,432	39%
AI Software & Training		100,000		263	0%
Board Training & Education		30,000		-	0%
Board D&O Insurance		129,000		60,161	47%
Miscellaneous		13,000		-	0%
Total Admin & Other	**$**	**5,542,940**	**$**	**2,599,859**	**47%**
Total Expenses	**$**	**38,825,245**	**$**	**21,086,031**	**54%**
Operating Income	**$**	**521,379**	**$**	**949,264**	
Investment Income		3,372,880		1,665,360	
Net Change in Fair Value of Investments				(1,054,984)	
Interest Income on Note Receivable				21,993	
Miscellaneous Income				4,320	
Earnings from Investment in Captive Reinsurance				(1,129,198)	
Total Non-Operating Revenue	**$**	**3,372,880**	**$**	**(492,509)**	
Net Position	**$**	**3,894,259**	**$**	**456,755**	

New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
6 / 30 / 2026

Cash	Current Yield		Amount		Est. Annual Income
Banks, Money Market Accts & State Treas LGIP	**3.53%**	**$**	**10,713,671**	**$**	**284,854**

Securities	Est. Ann. Yld		Ending Market Val		Cost		Market Gain / Loss *
Exchange Traded Funds	**4.79%**		29,989,305		29,813,989		175,316
Certificates of Deposit	**0.00%**		-		-		-
Government Bonds	**3.26%**		54,345,444		54,442,353		(96,908)
Govt Asset Backed Sec	**4.49%**		2,870,747		3,337,856		(467,110)
Mutual Funds	**7.02%**		1,672,330		1,694,601		(22,271)
Total Investments	**3.89%**	**$**	**88,877,826**	**$**	**89,288,799**	**$**	**(410,973)**
Total Cash & Investments	**3.75%**	**$**	**99,591,497**	**$**	**100,002,470**		

Estimated Annual Income on Cash & Investments $ 3,733,322

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	97%	$	97,358,308
First National Santa Fe	3%		2,640,722
State Treasurers LGIP	0%		3,441
	100%	**$**	**100,002,470**

* 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)
6 / 30 / 2026

	June 30, 2026		June 30, 2025	
Assets				
Current Assets				
Cash and Cash Equivalents		$ 2,603,288		$ 3,328,398
Accounts Receivable - Deductibles		682,179		102,000
Accounts Receivable - Claims		750,000		1,000,000
Accounts Receivable - LE Accreditation Fee		2,500		5,000
Accounts Receivable - Reinsurance		-		6,117
Prepaid Expenses		1,829,670		3,123,873
Subscription Assets		898,316		1,300,011
Total Current Assets		6,765,953		8,865,398
Investments				
Exchange Traded Funds	$ 9,068,262		$ 5,171,225	
US Government Bonds	17,847,007		31,565,158	
Mutual Funds	682,401		2,751,892	
Unrealized Gain / Loss	(282,438)	27,315,233	194,607	39,682,881
Captive Reinsurance Equity		15,288,783		13,296,275
Total Investments		42,604,016		52,979,157
Total Assets		**$ 49,369,968**		**$ 61,844,555**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable		$ 44,011		$ 141,065
Subscription Liabilities		930,035		1,306,821
Unearned Capital Adequacy Contributions		125,736		124,515
Unearned Member Contributions		8,640,438		13,512,331
Total Current Liabilities		9,740,220		15,084,732
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 22 - 2016	$ 76,162		$ 80,203	
Fund Year 23 - 2017	370,013		1,564,183	
Fund Year 24 - 2018	-		16,407	
Fund Year 25 - 2019	435,779		540,379	
Fund Year 26 - 2020	2,384,362		1,185,031	
Fund Year 27 - 2021	2,300,975		2,322,774	
Fund Year 28 - 2022	4,434,910		9,186,110	
Fund Year 29 - 2023	11,465,016		12,180,157	
Fund Year 29 - 2024	6,611,931		17,126,963	
Fund Year 30 - 2025	8,099,970		7,668,222	
Fund Year 31 - 2026	5,240,836		-	
Claims Mgmt Fees-Future	2,224,395		2,593,521	
Total Long Term Liabilities		$ 43,644,349		$ 54,463,950
Total Liabilities		**$ 53,384,569**		**$ 69,548,683**
Fund Balance		$ (4,893,906)		$ (28,606,301)
Current Year Net Position		879,304		20,902,173
Total Net Position		**$ (4,014,601)**		**$ (7,704,128)**
Total Liabilities and Net Position		**$ 49,369,968**		**$ 61,844,555**

NEW MEXICO COUNTIES
33 STRONG

Law Enforcement Program

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

6 / 30 / 2026

	2026 Budget		Jan 1, 2026 through Jun 30, 2026		50% of Budget
Income					
Member Contributions	$	17,280,877	$	8,640,438	50%
Capital Adequacy Contributions				1,150,492	
Accreditation Fees				10,000	
Total Income	**$**	**17,280,877**	**$**	**9,800,930**	**57%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	10,768,306	$	12,554,909	50%
Claims Reserves				(3,067,945)	
Recoveries - Deductibles				(1,977,820)	
Recoveries - Reinsurance				(1,500,000)	
Recoveries - County Settlements				(624,991)	
Reinsurance - all (up to $2MM for IMMH)		2,876,139		1,307,336	45%
Brokerage Fees		35,000		15,909	45%
Total Claims & Claim Adjusting Expense	**$**	**13,679,445**	**$**	**6,707,398**	**49%**
Risk Mitigation Expense					
Administrative Fee-NMC	$	155,704	$	77,848	50%
Special Projects		45,000		24,867	55%
EDGE Detention Scholarships		5,000		-	0%
Online Training Program & Benchmark		70,000		35,891	51%
Law Enforcement Accreditation		76,000		29,654	39%
Legal Advice Program		30,000		24,083	80%
Lexipol		255,000		136,472	54%
Loss Incentive Program		15,000		9,665	64%
Total Risk Mitigation Expense		**651,704**		**338,479**	**52%**
Administrative & Other Expense					
Administrative Fee-NMC	$	1,823,892	$	911,950	50%
Actuary		20,000		4,250	21%
Financial Audit		30,000		10,135	34%
Investment Advisor Expense		15,000		3,750	25%
Legal Expense		20,000		-	0%
Software Support, Licensing, Training		145,000		59,276	41%
Board Training and Education		7,500		-	0%
Board D&O Insurance		43,000		4,756	11%
Miscellaneous		4,000		-	0%
Total Admin & Other Expense	**$**	**2,108,392**	**$**	**994,117**	**47%**
Total Expenses	**$**	**16,439,541**	**$**	**8,039,994**	**49%**
Operating Income	**$**	**841,336**	**$**	**1,760,936**	
Investment Income		916,499		543,432	
Net Change in Fair Value of Investments				(397,493)	
Earnings from Investment in Captive Reinsurance				(1,027,570)	
Total Non-Operating Revenue	**$**	**916,499**	**$**	**(881,631)**	
Net Position	**$**	**1,757,835**	**$**	**879,304**	

Law Enforcement Program
Administered by New Mexico Counties
Schedule of Investments 6 / 30 / 2026

Cash	**Current Yield**		**Amount**		**Est. Annual Income**
Banks, Money Market Accts & State Treas LGIP	**3.53%**	**$**	**2,626,678**	**$**	**24,204**

Securities	**Est. Ann. Yld**		**Ending Market Val**		**Cost**		**Market Gain / Loss ***
Exchange Traded Funds	**4.79%**		9,010,255		9,068,262		(58,007)
Certificates of Deposit	**0.00%**		-		-		-
Government Bonds	**3.23%**		16,852,143		16,937,595		(85,452)
Govt Asset Backed Sec	**4.49%**		778,213		909,412		(131,200)
Mutual Funds	**6.82%**		674,623		682,401		(7,779)
Total Investments	**3.87%**	**$**	**27,315,233**	**$**	**27,597,671**	**$**	**(282,438)**
Total Cash & Investments	**3.61%**	**$**	**29,941,911**	**$**	**30,224,349**		

Estimated Annual Income on Cash & Investments $ 1,081,242

By Institution:			
Wells Fargo / Salmon Hauger Wealth Mgmt.	94%	$	28,283,345
First National Santa Fe	6%		1,940,280
State Treasurers LGIP	0%		725
	100%	**$**	**30,224,349**

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

NEW MEXICO COUNTIES
33 STRONG

Multi-Line Program

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

6 / 30 / 2026

		June 30, 2026		June 30, 2025
Assets				
Current Assets				
Cash and Cash Equivalents		$ 4,518,733		$ 5,571,247
Accounts Receivable - Members		103		515
Accounts Receivable - Deductibles		206,561		227,844
Accounts Receivable - Other		348,849		-
Note Receivable		1,070,989		1,167,933
Prepaid Expenses		261,945		348,236
Subscription Assets		107,644		215,287
Total Current Assets		6,514,824		7,531,062
Investments				
Exchange Traded Funds	$ 10,987,624		$ 6,682,717	
US Government Bonds	22,380,980		21,534,574	
Mutual Funds	571,392		2,298,546	
Unrealized Gain / Loss	(147,416)	33,792,581	142,494	30,658,331
County Reinsurance Pool Equity		461,735		249,714
County Reinsurance Property Plus Equity		6,223,573		5,457,809
Captive Reinsurance Equity		(70,852)		(231,840)
Total Investments		40,407,037		36,134,014
Total Assets		**$ 46,921,860**		**$ 43,665,075**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable - Other		$ 33,698		$ 78,559
Subscription Liabilities		118,132		223,128
Unearned Capital Adequacy Contributions		39,924		39,536
Unearned Member Contributions		2,813,049		6,763,157
Total Current Liabilities		3,004,803		7,104,380
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 14 - 2002	$ 150		$ -	
Fund Year 16 - 2004	2,600		-	
Fund Year 21 - 2009	1,615		1,615	
Fund Year 26 - 2014	-		10,001	
Fund Year 29 - 2017	19,096		18,657	
Fund Year 30 - 2018	(64)		(64)	
Fund Year 31 - 2019	40,884		173,511	
Fund Year 32 - 2020	313,146		450,550	
Fund Year 33 - 2021	1,600,163		800,110	
Fund Year 34 - 2022	(354,720)		1,151,531	
Fund Year 35 - 2023	1,388,039		1,552,047	
Fund Year 36 - 2024	2,322,225		3,919,814	
Fund Year 37 - 2025	2,563,852		4,052,829	
Fund Year 38 - 2026	3,465,314		-	
Claims Mgmt Fees-Future	553,635		607,747	
Total Long Term Liabilities		$ 11,915,934		$ 12,738,348
Total Liabilities		**$ 14,920,736**		**$ 19,842,728**
Fund Balance		31,358,282		24,802,238
Current Year Net Position		642,842		(979,891)
Total Net Position		**$ 32,001,124**		**$ 23,822,347**
Total Liabilities and Net Position		**$ 46,921,860**		**$ 43,665,075**

NEW MEXICO COUNTIES
33 STRONG

Multi-Line Program

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

6 / 30 / 2026

		2026 Budget		Jan 01, 2026 through Jun 30, 2026	50% of Budget
Income					
Member Contributions	$	9,799,939	$	6,986,889	71%
Capital Adequacy Contributions				645,216	
Total Income	**$**	**9,799,939**	**$**	**7,632,105**	**78%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	5,514,862	$	6,064,500	70%
Claims Reserves				292,103	
Recoveries - Deductibles				(1,727,060)	
Recoveries - Subrogation & Salvage				(185,928)	
Recoveries - Reinsurance				(366,793)	
Recoveries - County Settlements				(235,000)	
Reinsurance		2,462,437		2,306,991	94%
Brokerage Fees		35,000		15,909	45%
Total Claims & Claim Adjusting Expense	**$**	**8,012,299**	**$**	**6,164,721**	**77%**
Risk Mitigation Expense					
Administrative Fee-NMC	$	128,313	$	64,156	50%
Special Projects		45,000		-	0%
Online Training Program		60,000		19,313	32%
Legal Advice Program		10,000		-	0%
Total Risk Mitigation Expense	**$**	**243,313**	**$**	**83,470**	**34%**
Administrative & Other Expense					
Administrative Fee-NMC	$	1,399,784	$	699,892	50%
Actuary		20,000		5,150	26%
Financial Audit		30,000		10,135	34%
Investment Advisor Expense		15,000		3,750	25%
Property Appraisal Fees		180,000		69,846	39%
Legal Expense		20,000		-	0%
Software Support, Licensing, Training		145,000		59,276	41%
Board Training & Education		7,500		-	0%
Board D&O Insurance		43,000		50,649	118%
Miscellaneous		4,000		-	0%
Total Admin & Other Expense	**$**	**1,864,284**	**$**	**898,698**	**48%**
Total Expenses	**$**	**10,119,896**	**$**	**7,146,888**	**71%**
Operating Income	**$**	**(319,957)**	**$**	**485,216**	
Investment Income		1,277,075		587,174	
Net Change in Fair Value of Investments				(349,913)	
Interest Income on Note Receivable				21,993	
Earnings from Investment in Captive Reinsurance				(101,628)	
Total Non-Operating Revenue & Expenses	**$**	**1,277,075**	**$**	**157,626**	
Net Position	**$**	**957,119**	**$**	**642,842**	

Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 6 / 30 / 2026

Cash	Current Yield		Amount		Est. Annual Income
Banks, Money Market Accts & State Treas LGIP	**3.53%**	**$**	**4,528,405**	**$**	**143,083**

Securities	Est. Ann. Yld		Ending Market Val		Cost		Market Gain / Loss *
Exchange Traded Funds	**4.79%**		11,091,878		10,987,624		104,254
Certificates of Deposit	**0.00%**		-		-		-
Government Bonds	**3.12%**		21,128,159		21,141,598		(13,439)
Govt Asset Backed Sec	**4.50%**		1,009,459		1,239,383		(229,923)
Mutual Funds	**7.11%**		563,084		571,392	$	(8,308)
Total Investments	**3.77%**	**$**	**33,792,581**	**$**	**33,939,997**	**$**	**(147,416)**
Total Cash & Investments	**3.70%**	**$**	**38,320,986**	**$**	**38,468,402**		

Estimated Annual Income on Cash & Investments $ 1,418,492

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	99%	$	37,993,331
First National Santa Fe	1%		474,566
State Treasurers LGIP	0%		505
	100%	**$**	**38,468,402**

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

NEW MEXICO COUNTIES
33 STRONG

Workers' Compensation Program

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

6 / 30 / 2026

	6 / 30 / 2026			6 / 30 / 2025		
Assets						
Current Assets						
Cash and Cash Equivalents		$ 3,554,090			$ 2,980,415	
Accounts Receivable-Reinsurance		-			15,001	
Accounts Receivable-Hi Ded Counties		384,852			65,546	
Accounts Receivable-Other		60,573			372,575	
Prepaid Expenses		185,372			165,108	
Subscription Assets		107,644			215,287	
Total Current Assets		4,292,531			3,813,932	
Investments						
Exchange Traded Funds	9,758,103			7,155,666		
US Government Bonds	17,552,221			18,282,432		
Mutual Funds	440,808			1,870,385		
Unrealized Gain / Loss	18,880	27,770,012		264,316	27,572,799	
County Reinsurance Limited Equity		1,125,839			606,753	
Total Investments		28,895,851			28,179,552	
Total Assets		**$ 33,188,382**			**$ 31,993,483**	
Liabilities and Surplus						
Current Liabilities						
Accounts Payable		$ 39,343			$ 385,466	
Subscription Liabilities		118,132			223,128	
Unearned Capital Adequacy Contrib		25,176			24,932	
Total Current Liabilites		182,651			633,526	
Long Term Liabilities						
Reserves for Future Claims:						
Claims Reserves FY 5 - 1991 / 92	$ 75,757			$ 2,550		
Claims Reserves FY 6 - 1992 / 93	25,940			19,839		
Claims Reserves FY 8 - 1994 / 95	10,093			7,720		
Claims Reserves FY 9 - 1995 / 96	23,319			23,128		
Claims Reserves FY 11 - 1997 / 98	18,706			14,307		
Claims Reserves FY 12 - 1998 / 99	(8)			-		
Claims Reserves FY 14 - 2000 / 01	16,636			11,172		
Claims Reserves FY 15 - 2001 / 02	57,622			62,809		
Claims Reserves FY 16 - 2002 / 03	13,982			7,259		
Claims Reserves FY 17 - 2003 / 04	31,098			-		
Claims Reserves FY 18 - 2004 / 05	258,524			272,525		
Claims Reserves FY 19 - 2005 / 06	50,155			55,715		
Claims Reserves FY 20 - 2006 / 07	55,917			88,775		
Claims Reserves FY 21 - 2007 / 08	339,549	Bernalillo County	Other HDC's	403,415	Bernalillo County	Other HDC's
Claims Reserves FY 22 - 2008 / 09	246,178	-	-	259,180	-	-
Claims Reserves FY 23 - 2009 / 10	7,230	-	-	4,559	-	-
Claims Reserves FY 24 - 2010 / 11	77,238	-	-	95,112	-	-
Claims Reserves FY 25 - 2011 / 12	190,675	-	-	13,119	-	-
Claims Reserves FY 26 - 2012 / 13	185,886	-	-	271,685	-	-
Claims Reserves FY 27 - 2013 / 14	116,203	-	-	202,907	-	-
Claims Reserves FY 28 - 2014 / 15	188,201	(43,519)	-	260,732	(62,422)	-
Claims Reserves FY 29 - 2015 / 16	769,945	(140,666)	-	835,045	(146,331)	-
Claims Reserves FY 30 - 2016 / 17	438,051	-	-	538,547	-	-
Claims Reserves FY 31 - 2017 / 18	100,542	-	-	118,821	-	-
Claims Reserves FY 32 - 2018 / 19	371,529	(6,806)	-	467,823	(7,465)	-
Claims Reserves FY 33 - 2019 / 20	736,914	-	-	810,360	-	-
Claims Reserves FY 34 - 2020 / 21	1,510,317	-	-	1,762,635	(13,824)	-
Claims Reserves FY 35 - 2021 / 22	737,961	-	(42,818)	865,179	-	(62,642)
Claims Reserves FY 36 - 2022 / 23	868,686	-	-	1,394,198	-	-
Claims Reserves FY 37 - 2023 / 24	2,586,169	-	(32,741)	3,732,470	-	(45,933)
Claims Reserves FY 38 - 2024 / 25	2,615,248	-	(219,873)	4,807,839	-	(443,797)
Claims Reserves FY 39 - 2025 / 26	6,363,324	(1,162,188)	(165,073)	-	-	-
Claims Mgmt Fees-Future	792,339	-	-	831,351	-	-
Total Reserve for Future Claims	$ 19,879,926	$ (1,353,179)	$ (460,505)	$ 18,240,776	$ (230,042)	$ (552,372)
Total Long Term Liabilites		18,066,242			17,458,362	
Total Liabilities		**$ 18,248,893**			**$ 18,091,888**	
Fund Balance		16,004,880			10,998,858	
Current Year Net Position		(1,065,391)			2,902,737	
Total Net Position		**$ 14,939,489**			**$ 13,901,595**	
Total Liabilities and Net Position		**$ 33,188,382**			**$ 31,993,483**	

NEW MEXICO COUNTIES
33 STRONG

Workers' Compensation Program

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

6 / 30 / 2026

		2026 Budget		Jan 1, 2026 through 6 / 30 / 2026	50% of Budget
Income					
Member Contributrions	$	12,265,808	$	4,074,665	33%
Capital Adequacy Contributions				527,596	
Total Income	**$**	**12,265,808**	**$**	**4,602,261**	**38%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	9,155,177	$	4,636,359	51%
Claims Reserves				1,427,116	
Recoveries- Deductibles				(1,257,134)	
Recoveries- Reinsurance				(116,101)	
Recoveries- Subrogation				(2,378)	
Nurse Case Manager				(45,303)	
Reinsurance		1,095,602		368,518	34%
Brokerage Fees		30,000		15,000	50%
Total Claims & Claim Adjusting Expense	**$**	**10,280,779**	**$**	**5,026,077**	**49%**
Risk Mitigation Expense					
Administrative Fee-NMAC	$	299,765	$	149,883	50%
Legal Advice Program		10,000		-	0%
Loss Incentive Program		35,000		16,144	46%
Online Training Program		70,000		-	0%
Total Risk Mitigation Expense	**$**	**414,765**	**$**	**166,027**	**40%**
Administrative & Other Expense					
Administrative Fee-NMAC	$	1,111,964	$	555,981	50%
Actuary		14,000		4,300	31%
Financial Audit		12,000		10,135	84%
Payroll Audit		55,000		54,979	100%
Investment Advisor Expense		15,000		3,750	
Legal Expense		2,500		-	0%
Software Support, Licensing, Training		196,800		72,879	37%
AI Software & Training		100,000		263	0%
Board Training and Education		15,000		-	0%
Board D&O Insurance		43,000		4,756	11%
Miscellaneous Expenses		5,000		-	0%
Total Admin & Other Expense	**$**	**1,570,264**	**$**	**707,043**	**45%**
Total Expenses	**$**	**12,265,808**	**$**	**5,899,148**	**48%**
Operating Income	**$**	**-**	**$**	**(1,296,887)**	
Interest Income Investments		1,179,306		534,754	
Net Change in Fair Value of Investments				(307,578)	
Miscellaneous Income				4,320	
Total Non-Operating Revenue	**$**	**1,179,306**	**$**	**231,496**	
Net Position	**$**	**1,179,306**	**$**	**(1,065,391)**	

Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 6 / 30 / 2026

Cash	Current Yield	Amount	Est. Annual Income
Banks, Money Market Accts & State Treas LGIP	**3.53%**	**$ 3,558,588**	**$ 117,567**

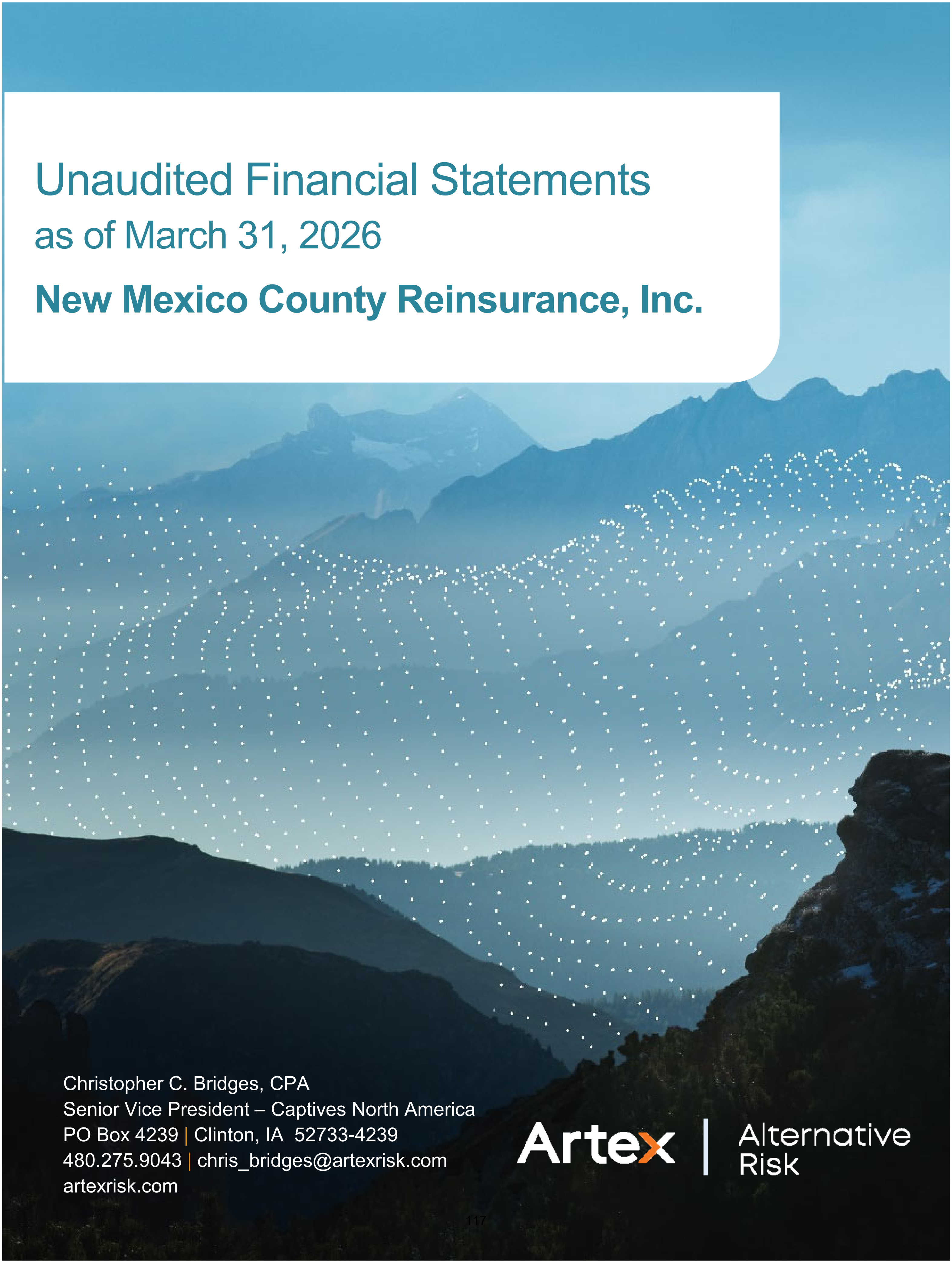
Securities	Est. Ann. Yld	Ending Market Val	Cost	Market Gain / Loss *
Exchange Traded Funds	**4.79%**	9,887,172	9,758,103	129,069
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**3.44%**	16,365,143	16,363,160	1,983
Govt Asset Backed Sec	**4.47%**	1,083,075	1,189,061	(105,986)
Mutual Funds	**7.11%**	434,623	440,808	(6,185)
Total Investments	**4.02%**	**$ 27,770,012**	**$ 27,751,132**	**$ 18,880**
Total Cash & Investments	**3.94%**	**$ 31,328,600**	**$ 31,309,720**	

Estimated Annual Income on Cash & Investments $ 1,233,588

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	99%	$ 31,081,633
First National Santa Fe	1%	225,876
State Treasurers LGIP	0%	2,211
	100%	**$ 31,309,720**

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



Unaudited Financial Statements

as of March 31, 2026

New Mexico County Reinsurance, Inc.

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Artex | Alternative Risk

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
March 31, 2026

Contents

For Internal Use Only

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

		Unaudited March 31, 2026	Audited December 31, 2025
Assets:			
Cash & Cash Equivalents	*Exhibit 1*	$ 1,120,029.67	$ 1,026,024.83
Investments	*Exhibit 2*	28,339,887.42	27,295,022.93
Accrued Investment Interest		219,775.11	248,140.03
Premium receivable		213,467.00	213,467.00
Ceded Unearned Premium Reserve	*Exhibit 6*	997,260.00	1,983,561.64
Prepaid Expenses	*Exhibit 3*	8,269.36	-
Total Assets		**$ 30,898,688.56**	**$ 30,766,216.43**
Liabilities:			
Assumed Incurred But Not Reported		$ 8,164,804.00	$ 8,717,617.00
Assumed Outstanding Loss Reserves		7,736,533.00	6,404,500.00
Recoverable Incurred But Not Reported		(5,488,139.00)	(6,612,139.00)
Recoverable Outstanding Losses		(3,124,000.00)	(2,000,000.00)
Net Unpaid Loss Reserves	*Exhibit 7*	7,289,198.00	6,509,978.00
Accounts Payable & Accrued Expenses	*Exhibit 4*	154,949.79	143,452.12
Reinsurance Premium Payable	*Exhibit 5*	800,000.00	2,000,000.00
Funds Withheld Account		5,003,970.00	4,159,801.00
Losses Payable		-	1,500,000.00
Unearned Premium Reserve	*Exhibit 6*	2,432,640.00	105,856.00
Total Liabilities		**15,680,757.79**	**14,419,087.12**
Shareholder's Equity:			
Contributed Capital & Surplus		15,600,000.00	15,600,000.00
Retained Earnings		(382,069.23)	-
Retained Earnings - Prior Year		-	747,129.31
Total Shareholder's Equity		15,217,930.77	16,347,129.31
Total Liabilities and Shareholder's Equity		**$ 30,898,688.56**	**$ 30,766,216.43**

For Internal Use Only

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

		Current	Prior	
		Year-to-Date	*Year-to-Date*	*Year*
		January 1, 2026 - March 31, 2026	**January 1, 2025 - March 31, 2025**	**January 1, 2025 - December 31, 2025**
Assumed Premium Written		$ 3,158,139.00	$ 6,240,574.00	$ 6,454,041.00
Provision for Unearned Assumed Premium Reserve		(2,326,784.00)	(4,701,802.00)	(105,856.00)
Assumed Premium Earned		831,355.00	1,538,772.00	6,348,185.00
Reinsurance Ceded Premium Written		-	-	(4,000,000.00)
Provision for Unearned Ceded Premium Reserve		(986,301.64)	(986,301.73)	(0.36)
Reinsurance Ceded Premium Earned		(986,301.64)	(986,301.73)	(4,000,000.36)
Net Premium Earned	*Exhibit 6*	**(154,946.64)**	**552,470.27**	**2,348,184.64**
Ceding Commission		-	-	-
Interest Expense		(41,666.67)	(41,666.66)	(166,666.66)
Net Ceding Commission		(41,666.67)	(41,666.66)	(166,666.66)
Assumed Losses & Losses Adjustment Expenses Paid		-	-	3,500,000.00
Assumed Change in Outstanding Reserves		1,332,033.00	-	(349,565.00)
Assumed Change in IBNR		(552,813.00)	1,306,212.00	3,976,336.00
Total Assumed Losses Incurred		779,220.00	1,306,212.00	7,126,771.00
Ceded Change in Outstanding Reserves		(1,124,000.00)	-	-
Ceded Change in IBNR		1,124,000.00	(1,116,112.00)	(6,386,013.00)
Total Ceded Losses Incurred		-	(1,116,112.00)	(6,386,013.00)
Net Losses Incurred	*Exhibit 7*	779,220.00	190,100.00	740,758.00
Placement Fees		30,000.00	30,000.00	30,000.00
Underwriting Expense		**809,220.00**	**220,100.00**	**770,758.00**
Net Underwriting Profit (Loss)		**(1,005,833.31)**	**290,703.61**	**1,410,759.98**
Audit and Tax Fees		-	-	13,500.00
Actuarial Fees		6,500.00	6,250.00	6,250.00
Captive Management		15,000.00	15,000.00	60,000.00
Legal Fee		-	200.00	6,442.25
License & Fees		7,518.00	7,510.00	7,510.00
D&O Insurance Expense		2,706.33	2,706.33	10,975.69
Directors Fees		200.00	-	-
Outsourced Service Fees		4,879.68	4,977.50	19,616.54
Operating Expenses		**36,804.01**	**36,643.83**	**124,294.48**
Investment Income		313,277.99	263,909.13	1,221,525.99
Realized Gain (Loss)		34,837.24	300.00	95,155.12
Unrealized Gain (Loss)		(419,446.21)	304,374.40	743,085.48
Investment Expenses		(15,230.24)	(16,441.38)	(63,538.09)
Other Income (Expense)		**(86,561.22)**	**552,142.15**	**1,996,228.50**
Net Income (Loss)		**$ (1,129,198.54)**	**$ 806,201.93**	**$ 3,282,694.00**

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statement of Cash Flow
For the Period Ended March 31, 2026

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Net Income (Loss)	$ (1,129,198.54)
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Net Unrealized (Gains) Losses on Investments	419,446.21
Bond Amortization	(32,585.57)
(Decrease) Increase in:	
Accrued Investment Interest	28,364.92
Ceded Unearned Premium Reserve	986,301.64
Prepaid Expenses	(8,269.36)
Accounts Payable & Accrued Expenses	11,497.67
Losses Payable	(1,500,000.00)
Funds Withheld Account	844,169.00
Reinsurance Premium Payable-Prepaid	(1,200,000.00)
Unearned Premium Reserve	2,326,784.00
Assumed Incurred But Not Reported	(552,813.00)
Assumed Outstanding Loss Reserves	1,332,033.00
Recoverable Incurred But Not Reported	1,124,000.00
Recoverable Outstanding Losses	(1,124,000.00)
Total adjustments	2,268,067.87
Net Cash Provided (Used) By Operating Activities	1,525,729.97
Cash Provided (Used) by Financing Activities	
Net Cash Provided (Used) by Financing Activities	-
Cash Provided (Used) by Investing Activities	
Purchase of Investments	(3,480,390.24)
Proceeds from Sale of Marketable Securities	2,083,502.35
Realized (Gain) Loss on Sales of Marketable Securities	(34,837.24)
Net Cash Provided (Used) by Investing Activities	(1,431,725.13)
Net Increase (Decrease) in Cash & Cash Equivalents	94,004.84
Cash & Cash Equivalents at Beginning of Period	1,026,024.83
Cash & Cash Equivalents at End of Period	$ 1,120,029.67

For Internal Use Only

New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations
as of March 31, 2026

	Assumed						Ceded		
	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**	Program Yr. 5 **1/1/2026-1/1/2027**	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**	**Total**
Premium Written	$ 333,000.00	$ 3,855,000.00	$ 3,726,064.00	$ 6,240,574.00	$ 3,158,139.00	$ 213,467.00	$ (4,000,000.00)	$ (4,000,000.00)	$ 9,526,244.00
Provision for Unearned Premium Reserve	-	-	-	-	(2,379,419.00)	(53,221.00)	-	997,260.00	(1,435,380.00)
Net Premium Earned	**333,000.00**	**3,855,000.00**	**3,726,064.00**	**6,240,574.00**	**778,720.00**	**160,246.00**	**(4,000,000.00)**	**(3,002,740.00)**	**8,090,864.00**
Ceding Commission	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	(166,666.67)	(125,000.00)	(291,666.67)
Net Ceding Commission	**-**	**-**	**-**	**-**	**-**	**-**	**(166,666.67)**	**(125,000.00)**	**(291,666.67)**
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	2,054,000.00	1,070,000.00	-	-	(3,124,000.00)	-	4,612,533.00
Change in IBNR	-	487,467.00	2,998,151.00	3,793,732.00	778,720.00	106,734.00	(828,152.00)	(4,659,987.00)	2,676,665.00
Net Losses Incurred	900,000.00	8,000,000.00	5,052,151.00	4,863,732.00	778,720.00	106,734.00	(3,952,152.00)	(4,659,987.00)	11,089,198.00
Placement fees	-	30,000.00	30,000.00	30,000.00	30,000.00	-	-	-	120,000.00
Underwriting Expense	**900,000.00**	**8,030,000.00**	**5,082,151.00**	**4,893,732.00**	**808,720.00**	**106,734.00**	**(3,952,152.00)**	**(4,659,987.00)**	**11,209,198.00**
Net Underwriting Profit (Loss)	**(567,000.00)**	**(4,175,000.00)**	**(1,356,087.00)**	**1,346,842.00**	**(30,000.00)**	**53,512.00**	**(214,514.67)**	**1,532,247.00**	**(3,410,000.67)**
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	6,500.00	-	-	-	38,500.00
Captive Management	60,000.00	60,000.00	60,000.00	60,000.00	15,000.00	-	-	-	255,000.00
Legal Fee	75.00	26,843.15	-	6,442.25	-	-	-	-	33,360.40
Regulatory exam	-	-	-	-	-	-	-	-	-
License & Fees	6,375.00	45,518.00	7,510.00	7,510.00	7,518.00	-	-	-	74,431.00
D&O Insurance Expense	4,137.63	10,906.88	8,780.56	10,975.69	2,706.33	-	-	-	37,507.09
Directors Fees	-	200.00	200.00	-	200.00	-	-	-	600.00
Outsourced Service Fees	-	-	9,769.21	19,616.54	4,879.68	-	-	-	34,265.43
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**	**36,804.01**	**-**	**-**	**-**	**511,473.82**
Investment Income	8,295.70	641,712.89	1,026,424.23	1,221,525.99	313,277.99	-	-	-	3,211,236.80
Realized Gain (Loss)	-	3,000.49	6,490.18	95,155.12	34,837.24	-	-	-	139,483.03
Unrealized Gain (Loss)	-	212,935.84	(189,737.41)	743,085.48	(419,446.21)	-	-	-	346,837.70
Investment Expenses	(692.94)	(30,428.05)	(48,262.95)	(63,538.09)	(15,230.24)	-	-	-	(158,152.27)
Other Income (Expense)	**7,602.76**	**827,221.17**	**794,914.05**	**1,996,228.50**	**(86,561.22)**	**-**	**-**	**-**	**3,539,405.26**
Net Income (Loss)	**$ (630,349.57)**	**$ (3,510,892.06)**	**$ (677,482.72)**	**$ 3,218,776.02**	**$ (153,365.23)**	**$ 53,512.00**	**$ (214,514.67)**	**$ 1,532,247.00**	**$ (382,069.23)**

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

	Paid Losses	OSLR	IBNR	Ultimate Losses		Aggregate	Under (Over) Aggregate
Contract Year 1: 7/1/2024-7/1/2025	-	(3,124,000.00)	(828,152.00)	(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)	Pro-rated Note (1)	(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	-	(3,124,000.00)	(5,488,139.00)	(8,612,139.00)		(16,000,000.00)	7,387,861.00

Note (1): Contract Year 2 utlimate loss was provided by the actuary as of 12/31/2025 for the period 7/1/2025-7/1/2026; a full year ultimate was not provided. Therefore the prorated ultimate will be used until the earlier of (a) the next available actuary study or (b) such time as when paid losses and OSLR exceed the acturial pro-rated ultimate loss estimate.

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2026

Exhibit 1 **Cash & Cash Equivalents**

	Current Quarter End	Prior Fiscal Year-end
Wells Fargo Advisors #2932 Investment Account - Cash	$ 1,087,001.33	$ 810,645.50
Wells Fargo Advisors #2932 Investment Account - Money Market	-	193,289.00
Wells Fargo Advisors #1288 Investment Account - Cash	26,328.34	2,251.95
Wells Fargo Advisors #1288 Investment Account - Money Market	6,700.00	19,838.38
Total	$ 1,120,029.67	$ 1,026,024.83

Exhibit 2 **Investments**

	Current Quarter End - Amortized [Original] Cost	Current Quarter End - Market Value	Prior Fiscal Year-end - Market Value
Wells Fargo Advisors #2932 Investment Account	$ 27,993,049.72	$ 28,339,887.42	$ 27,295,022.93
Total	$ 27,993,049.72	$ 28,339,887.42	$ 27,295,022.93

Exhibit 3 **Prepaid Expenses**

	Current Quarter End	Prior Fiscal Year-end
D&O Insurance Expense	$ 8,269.36	$ -
Total	$ 8,269.36	$ -

Exhibit 4 **Accounts Payable & Accrued Expenses**

	Current Quarter End	Prior Fiscal Year-end
Amelie-Rio Ventures, LLC	$ 3,253.12	$ 3,253.12
Glickman Consulting LLC	6,500.00	-
Minimum Interest Credit Accrual	107,696.67	110,199.00
Utah Insurance Department	7,500.00	-
Artex Risk Solutions, Inc. (Management Fees)	30,000.00	30,000.00
Total	$ 154,949.79	$ 143,452.12

Exhibit 5 **Ceded Premiums Payable (Prepaid)**

	Current Quarter End	Prior Fiscal Year-end
Reinsurer - Three Year Excess of Loss Reinsurance Contract	$ 800,000	$ 2,000,000
Total	$ 800,000	$ 2,000,000

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2026

	A	B	C	D	E	F	G
Exhibit 6		Written Prior Fiscal Year(s)	Written Current Fiscal Year			Current Quarter-End	Prior Fiscal-Year End
Premiums	Policy Effective Date	Policy Premium	Policy Premium	# Days Earned this Year	Premium Earned Current Year-to-date	Premium Unearned	Premium Unearned
Grand Total, Policies In Force		**$ 6,368,105.00**	**$ 3,158,139.00**		**$ (154,946.64)**	**$ 1,435,380.00**	**$ (1,877,705.64)**
			Premium written on P&L		*Premium earned on P&L*	*UEPR on balance sheet*	*UEPR on balance sheet*
Assumed Coverage	12/31/2022						
Law Enforcement Liability Reinsurance - All counties	1/1/2022	$ 333,000.00	$ -	0	$ -	$ -	$ -
Law Enforcement Liability Reinsurance - All counties	1/1/2023	3,375,000.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - Specific Counties	1/1/2023	480,000.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - All counties	1/1/2024	2,824,455.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024	367,231.00	-	0	-	-	-
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024	64,378.00	-	0	-	-	-
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024	470,000.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - All counties ($2MM excess of $2MM)	1/1/2025	4,464,639.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - Only Bernalillo, Sandoval & Sante Fe (2nd Excess of Loss, 50% $1MM excess $4MM)	1/1/2025	638,684.00	-	0	-	-	-
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services (50% $2MM excess of $2MM)	1/1/2025	667,251.00	-	0	-	-	-
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2025	470,000.00	-	0	-	-	-
Workers' Compensation Reinsurance-all counties except San Juan	7/1/2025	213,467.00	-	90	52,635.00	53,221.00	105,856.00
Law Enforcement Liability Reinsurance - All counties ($2MM excess of $2MM)	1/1/2026		2,213,339.00	90	545,755.00	1,667,584.00	-
Law Enforcement Liability Reinsurance - Only Bernalillo, Sandoval & Sante Fe (2nd Excess of Loss, 50% $1MM excess $4MM)	1/1/2026		108,180.00	90	26,675.00	81,505.00	-
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services (50% $2MM excess of $2MM)	1/1/2026		554,620.00	90	136,756.00	417,864.00	-
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2026		282,000.00	90	69,534.00	212,466.00	-
	Total	$ 14,368,105.00	$ 3,158,139.00		$ 831,355.00	$ 2,432,640.00	$ 105,856.00
Ceded Coverage							
Law Enforcement Liability 3 Year Loss Reinsurance - Year 1	7/1/2024	$ (4,000,000.00)	$ -	0	$ -	$ -	$ -
Law Enforcement Liability 3 Year Loss Reinsurance - Year 2	7/1/2025	(4,000,000.00)	-	90	(986,301.64)	(997,260.00)	(1,983,561.64)
	Total	$ (8,000,000.00)	$ -		$ (986,301.64)	$ (997,260.00)	$ (1,983,561.64)

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended March 31, 2026

Exhibit 7

Losses & Loss Reserves

Coverage Description	Policy Effective Date	A Full Year Premium	B (C /A) Loss Ratio	C Ultimate Losses (1/1) or Pro-rata Ultimate Losses (7/1)	D # Days Earned this Year	E (C / 365 * D) Ultimate Pro-rata	F Prior Year's Pro-rata Ultimate	G (E - F) Current Year-to-Date Provision for Loss	H Inception to Date Paid Losses	I Case Reserves (OSLR)	J (E - H - I) IBNR Reserves	K (I+J) Net Unpaid Loss Reserves
Grand Total, Policies In Force: January 1-January 1		$ 9,526,244.00	141.4%	$ 13,468,617.00		$ 11,089,198.00	$ 10,309,978.00	$ 779,220.00	$ 3,800,000.00	$ 4,612,533.00	$ 2,676,665.00	
								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	270.3%	$ 900,000.00	0	$ 900,000.00	$ 899,500.00	$ 500.00	$ 300,000.00	600,000.00	$ -	$ 600,000.00
$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	7,500,000.00	-	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%	4,022,922.00	0	4,022,922.00	4,022,922.00	-	-	2,054,000.00	1,968,922.00	4,022,922.00
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	0	3,601,255.00	3,601,255.00	-	-	1,070,000.00	2,531,255.00	3,601,255.00
1st Excess of Loss $2,000,000 Excess of $2,000,000	1/1/2026	2,213,339.00	100.0%	2,213,339.00	90	545,755.00	-	545,755.00	-	-	545,755.00	545,755.00
Total Assumed Coverage 1	Total	$ 13,210,433.00	138.1%	$ 18,237,516.00		$ 16,569,932.00	$ 16,023,677.00	$ 546,255.00	$ 3,800,000.00	$ 7,724,000.00	$ 5,045,932.00	$ 12,769,932.00
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	$ 500,000.00	$ -	$ -	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	365,474.00	-	-	-	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	0	580,242.00	580,242.00	-	-	-	580,242.00	580,242.00
2nd Excess of Loss 50% of $1,000,000 Excess of $4,000,000	1/1/2026	108,180.00	100.0%	108,180.00	90	26,675.00	-	26,675.00	-	-	26,675.00	26,675.00
Total Assumed Coverage 2	Total	$ 1,622,662.00	95.8%	$ 1,553,896.00		$ 1,472,391.00	$ 1,445,716.00	$ 26,675.00	$ -	$ 12,533.00	$ 1,459,858.00	$ 1,472,391.00
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	$ 563,755.00	$ -	$ -	$ -	$ 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	0	478,490.00	478,490.00	-	-	-	478,490.00	478,490.00
50% share of $2,000,000 Excess of $2,000,000	1/1/2026	554,620.00	100.0%	554,620.00	-275	136,756.00	-	136,756.00	-	-	136,756.00	136,756.00
Total Assumed Coverage 3	Total	$ 1,257,682.00	127.0%	$ 1,596,865.00		$ 1,179,001.00	$ 1,042,245.00	$ 136,756.00	$ -	$ -	$ 1,179,001.00	$ 1,179,001.00
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	$ 100,000.00	$ -	$ -	$ -	$ 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	0	203,745.00	203,745.00	-	-	-	203,745.00	203,745.00
$1,000,000 Excess of $1,000,000	1/1/2026	282,000.00	100.0%	282,000.00	90	69,534.00	-	69,534.00	-	-	69,534.00	69,534.00
Total Assumed Coverage Package Policy	Total	$ 1,222,000.00	47.9%	$ 585,745.00		$ 373,279.00	$ 303,745.00	$ 69,534.00	$ -	$ -	$ 373,279.00	$ 373,279.00
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	0	$ 106,734.00	$ 106,734.00	$ -	$ -	$ -	$ 106,734.00	$ 106,734.00
Total Assumed Workers' Compensation	Total	$ 213,467.00	50.0%	$ 106,734.00		$ 106,734.00	$ 106,734.00	$ -	$ -	$ -	$ 106,734.00	$ 106,734.00
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)	$ (3,952,152.00)	$ -	$ -	$ (3,124,000.00)	$ (828,152.00)	$ (3,952,152.00)
$2,500,000 per Occurrence	7/1/2025	(4,000,000.00)	116.5%	(4,659,987.00)	0	(4,659,987.00)	(4,659,987.00)	-	-	-	(4,659,987.00)	(4,659,987.00)
Total Ceded Coverage 1	Total	$ (8,000,000.00)	107.7%	$ (8,612,139.00)		$ (8,612,139.00)	$ (8,612,139.00)	$ -	$ -	$ (3,124,000.00)	$ (5,488,139.00)	$ (8,612,139.00)
		$ 9,526,244.00	141.4%	$ 13,468,617.00		$ 11,089,198.00	$ 10,309,978.00	$ 779,220.00	$ 3,800,000.00	$ 4,612,533.00	$ 2,676,665.00	$ 7,289,198.00
Summary by Policy Period												
Assumed Policies Incepting on	1/1/2022	$ 333,000.00	270.3%	$ 900,000.00		$ 900,000.00	$ 899,500.00	$ 500.00	$ 300,000.00	$ 600,000.00	$ -	$ 600,000.00
Assumed Policies Incepting on	1/1/2023	3,855,000.00	207.5%	8,000,000.00		8,000,000.00	8,000,000.00	-	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%	5,052,151.00		5,052,151.00	5,052,151.00	-	-	2,054,000.00	2,998,151.00	5,052,151.00
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	-	-	1,070,000.00	3,793,732.00	4,863,732.00
Assumed Policies Incepting on	1/1/2026	3,158,139.00	100.0%	3,158,139.00		778,720.00	-	778,720.00	-	-	778,720.00	778,720.00
Assumed Policies Incepting on	7/1/2025	213,467.00	50.0%	106,734.00		106,734.00	106,734.00	-	-	-	106,734.00	106,734.00
Ceded Policies Incepting on	7/1/2024	$ (4,000,000.00)	98.8%	$ (3,952,152.00)		$ (3,952,152.00)	$ (3,952,152.00)	$ -	$ -	$ (3,124,000.00)	$ (828,152.00)	$ (3,952,152.00)
Ceded Policies Incepting on	7/1/2025	$ (4,000,000.00)	116.5%	$ (4,659,987.00)		$ (4,659,987.00)	$ (4,659,987.00)	$ -	$ -	$ -	$ (4,659,987.00)	$ (4,659,987.00)

For Internal Use Only

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

Item Number: 7.C.	**Item Title:** Risk Management Update
Presenter (s): Grace Philips, Risk Management Director	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: August 14, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: RM Update

- Lori Urban and I obtained our CPO certification.
- Staff and the pool's broker traveled to Las Cruces for a meeting with Dona Ana County staff including the new risk management director.
- Pinnacle Actuarial Services has begun work on the coming renewal funding studies.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

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

Item Number: 7.D.	**Item Title:** Loss Ratio Reports
Presenter (s): Lori Urban, Assistant Risk Management Director	

As of 7/31/26

NMCIA LAW ENFORCEMENT
LOSS RATIO SUMMARY

COUNTY	FY 22 2016	FY 23 2017	FY 24 2018	FY 25 2019	FY 26 2020	FY 27 2021	FY 28 2022	FY 29 2023	FY 30 2024	FY 31 2025	FY 22-31 Pool Avg.	FY 32 2026
Bernalillo	61.69%	140.44%	70.93%	93.45%	178.42%	147.94%	397.83%	249.50%	153.01%	96.47%	**164.16%**	0.00%
Catron	0.00%	0.00%	0.00%	0.00%	288.39%	0%	528.62%	0.00%	0.00%	67.30%	**81.70%**	0.00%
Chaves	198.73%	209.23%	0.00%	42.38%	234.47%	1205.37%	395.03%	67.12%	49.04%	51.27%	**241.83%**	5.42%
Cibola	557.92%	292.82%	0.00%	0.00%	36.67%	0%	0.00%	0.00%	0.00%	131.74%	**125.86%**	0.00%
Colfax	0.00%	0.00%	0.00%	0.00%	0.00%	4584.09%	0.00%	4.93%	34.85%	0.00%	**462.39%**	0.00%
Curry	580.16%	0.04%	0.00%	168.02%	9.18%	323%	0.69%	5.15%	33.77%	39.69%	**114.55%**	4.89%
De Baca	0.00%	0.00%	0.00%	0.00%	897.37%	1953.92%	0.00%	0.00%	0.00%	0.00%	**285.13%**	0.00%
Dona Ana	101.61%	74.45%	4.08%	16.54%	21.12%	75%	48.88%	226.54%	232.34%	25.55%	**84.23%**	6.85%
Eddy	0.00%	0.00%	0.00%	732.29%	134.83%	342.35%	67.01%	57.11%	7.15%	171.07%	**188.65%**	3.02%
Grant	407.53%	50.73%	160.61%	25.84%	0.00%	0%	0.00%	50.11%	87.96%	7.40%	**78.28%**	0.00%
Guadalupe	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	232.20%	0.00%	**23.22%**	0.00%
Harding	0.00%	0.00%	0.00%	0.00%	0.00%	0%	0.00%	0.00%	0.00%	0.00%	**0.00%**	0.00%
Hidalgo	0.00%	0.00%	0.00%	251.76%	0.00%	0.00%	0.00%	2.01%	25.12%	0.00%	**47.48%**	0.00%
Lincoln	0.00%	216.47%	58.67%	71.73%	0.08%	57%	0.00%	365.84%	58.93%	0.00%	**100.28%**	39.37%
Luna	261.10%	13.90%	3.02%	137.75%	0.00%	26.99%	0.00%	1694.48%	0.61%	0.00%	**213.79%**	0.00%
McKinley	91.82%	0.00%	0.00%	13.26%	0.00%	0%	1127.32%	51.20%	0.00%	443.37%	**138.69%**	42.51%
Mora	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**	0.00%
Otero	18.94%	5.01%	547.71%	0.00%	0.00%	31%	0.00%	117.58%	824.00%	0.00%	**157.30%**	40.67%
Quay	0.00%	95.65%	0.00%	0.00%	0.00%	55.47%	0.00%	0.00%	0.00%	6.29%	**15.11%**	84.04%
Roosevelt	159.11%	0.00%	956.17%	0.00%	234.68%	0%	32.84%	0.00%	35.27%	24.40%	**168.70%**	0.00%
San Miguel	151.78%	0.00%	18.07%	16.36%	34.18%	609.11%	261.74%	14.48%	1319.26%	31.23%	**313.34%**	0.00%
Sandoval	16.82%	37.93%	22.59%	46.54%	64.14%	0%	57.99%	33.38%	158.67%	3.64%	**70.84%**	0.38%
Santa Fe	97.97%	8.34%	3.40%	180.86%	0.00%	155.93%	172.88%	107.91%	333.05%	221.17%	**119.94%**	160.43%
Sierra	336.26%	0.00%	0.00%	0.00%	0.00%	0%	21.82%	0.00%	0.00%	0.00%	**35.81%**	0.00%
Socorro	282.88%	511.68%	4.14%	219.75%	0.00%	3.22%	104.67%	450.66%	933.28%	0.00%	**252.23%**	0.00%
Taos	486.57%	0.00%	0.00%	9.21%	25.91%	60%	0.00%	370.96%	433.33%	18.54%	**159.69%**	22.27%
Torrance	0.00%	0.00%	6.89%	0.00%	0.00%	628.89%	310.13%	0.00%	34.19%	0.00%	**117.05%**	0.00%
Union	0.00%	0.00%	0.00%	617.89%	0.00%	0%	0.00%	0.00%	0.00%	0.00%	**61.79%**	0.00%
Valencia	27.61%	6.31%	45.58%	13.82%	29.72%	18.23%	393.50%	0.00%	252.94%	4.97%	**87.11%**	25.13%
TOTAL	**130.88%**	**69.53%**	**54.74%**	**95.11%**	**81.11%**	**175.72%**	**218.20%**	**196.57%**	**188.65%**	**76.81%**	**134.93%**	**17.93%**

NMCIA LAW ENFORCEMENT
LOSS RATIOS

	FY 22 2016 SIR $1M						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$2,090,665	$1,289,810	61.69%	0	121	0	$0
Catron	$18,977	$0	0.00%	0	2	0	$0
Chaves	$138,243	$274,736	198.73%	0	4	0	$0
Cibola	$272,617	$1,520,976	557.92%	0	8	1	$4,033,977
Colfax	$34,831	$0	0.00%	0	5	0	$0
Curry	$368,197	$2,136,148	580.16%	0	13	1	$934,616
DeBaca	$60,803	$0	0.00%	0	1	0	$0
Dona Ana	$1,270,449	$1,290,945	101.61%	0	29	0	$0
Eddy	$295,037	$0	0.00%	0	15	0	$0
Grant	$239,248	$975,000	407.53%	0	3	1	$7,399
Guadalupe	$16,375	$0	0.00%	0	1	0	$0
Harding	$9,321		0.00%				
Hidalgo	$126,418	$0	0.00%	0	1	0	$0
Lincoln	$76,578	$0	0.00%	0	2	0	$0
Luna	$151,461	$395,469	261.10%	0	4	0	$0
McKinley	$220,620	$202,565	91.82%	0	9	0	$0
Mora	$33,895		0.00%				
Otero	$358,082	$67,822	18.94%	0	18	0	$0
Quay	$74,164	$0	0.00%	0	2	0	$0
Roosevelt	$128,802	$204,939	159.11%	0	5	0	$0
San Miguel	$152,818	$231,947	151.78%	1	4	0	$0
Sandoval	$374,253	$62,944	16.82%	0	10	0	$0
Santa Fe	$617,297	$604,792	97.97%	0	28	0	$0
Sierra	$128,007	$430,439	336.26%	0	3	0	$0
Socorro	$99,379	$281,120	282.88%	0	8	0	$0
Taos	$237,171	$1,153,994	486.57%	0	9	0	$0
Torrance	$81,795	$0	0.00%	0	1	0	$0
Union	$11,980	$0	0.00%	0	2	0	$0
Valencia	$1,028,833	$284,080	27.61%	0	13	0	$0
TOTAL at 7/31/2026	**$8,716,317**	**$11,407,726**	**130.88%**	**1**	**321**	**3**	**$4,975,993**
TOTAL at 12/31/25		**$11,407,726**	**130.88%**	**1**			
Open Reserves		**$80,811**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

	FY 23 2017 SIR $1M						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$2,234,393	$3,138,011	140.44%	0	105	1	$2,676,890
Catron	$19,615	$0	0.00%	0	1	0	$0
Chaves	$148,441	$310,585	209.23%	0	1	0	$0
Cibola	$306,405	$897,220	292.82%	0	5	0	$0
Colfax	$36,002	$0	0.00%	0	2	0	$0
Curry	$413,832	$169	0.04%	0	11	0	$0
DeBaca	$62,847	$0	0.00%	0	1	0	$0
Dona Ana	$1,287,669	$958,694	74.45%	0	17	0	$0
Eddy	$331,604	$0	0.00%	0	6	0	$0
Grant	$254,495	$129,105	50.73%	0	3	0	$0
Guadalupe	$18,076	$0	0.00%	0	1	0	$0
Harding	$9,634		0.00%				
Hidalgo	$142,086	$0	0.00%	0	1	0	$0
Lincoln	$81,459	$176,333	216.47%	0	2	0	$0
Luna	$170,233	$23,667	13.90%	0	3	0	$0
McKinley	$237,547	$0	0.00%	0	7	0	$0
Mora	$38,096		0.00%				
Otero	$402,463	$20,167	5.01%	0	11	0	$0
Quay	$78,408	$75,000	95.65%	0	2	0	$0
Roosevelt	$139,596	$0	0.00%	0	2	0	$0
San Miguel	$168,692	$0	0.00%	0	4	0	$0
Sandoval	$378,681	$143,623	37.93%	0	13	0	$0
Santa Fe	$681,416	$56,811	8.34%	0	19	0	$0
Sierra	$143,873	$0	0.00%	0	1	0	$0
Socorro	$105,923	$541,986	511.68%	1	3	0	$0
Taos	$269,169	$0	0.00%	0	5	0	$0
Torrance	$91,932	$0	0.00%	0	4	0	$0
Union	$12,383		0.00%				
Valencia	$1,146,023	$72,273	6.31%	0	11	0	$0
TOTAL at 7/31/2026	**$9,410,996**	**$6,543,646**	**69.53%**	**1**	**241**	**1**	**$2,676,890**
TOTAL at 12/31/25		**$6,795,646**	**72.21%**	**1**			
Open Reserves		**$4,126**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 24 2018 SIR $1.5M						
	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$2,752,806	$1,952,626	70.93%	0	78	0	$0
Catron	$22,905	$0	0.00%	0	1	0	$0
Chaves	$173,340	$0	0.00%	0	3	0	$0
Cibola	$127,352	$0	0.00%	0	3	0	$0
Colfax	$42,041	$0	0.00%	0	3	0	$0
Curry	$483,247	$0	0.00%	0	8	0	$0
DeBaca	$73,389		0.00%				
Dona Ana	$1,503,657	$61,303	4.08%	0	29	0	$0
Eddy	$419,199	$0	0.00%	0	12	0	$0
Grant	$297,184	$477,301	160.61%	0	9	0	$0
Guadalupe	$21,108	$0	0.00%	0	1	0	$0
Harding	$11,250		0.00%				
Hidalgo	$171,979	$0	0.00%	0	3	0	$0
Lincoln	$95,122	$55,806	58.67%	0	3	0	$0
Luna	$198,788	$6,004	3.02%	0	2	0	$0
McKinley	$277,393	$0	0.00%	0	2	0	$0
Mora	$44,486		0.00%				
Otero	$178,589	$978,151	547.71%	0	5	0	$0
Quay	$91,560	$0	0.00%	0	3	0	$0
Roosevelt	$163,011	$1,558,669	956.17%	0	8	1	$2,571,477
San Miguel	$196,988	$35,592	18.07%	0	10	0	$0
Sandoval	$486,825	$109,993	22.59%	0	11	0	$0
Santa Fe	$839,515	$28,528	3.40%	0	18	0	$0
Sierra	$177,254		0.00%				
Socorro	$123,690	$5,124	4.14%	0	3	0	$0
Taos	$314,319	$0	0.00%	0	4	0	$0
Torrance	$107,353	$7,399	6.89%	0	2	0	$0
Union	$14,460		0.00%				
Valencia	$1,375,085	$626,760	45.58%	0	20	0	$0
TOTAL at 7/31/2026	**$10,783,895**	**$5,903,259**	**54.74%**	**0**	**241**	**1**	**$2,571,477**
TOTAL at 12/31/25		**$5,903,259**	**54.74%**	**0**			
Open Reserves		**$0**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

	FY 25 2019 SIR $1.5M						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$3,207,381	$2,997,339	93.45%	1	69	2	$6,119,157
Catron	$23,664		0.00%				
Chaves	$201,321	$85,313	42.38%	0	2	0	$0
Cibola	$131,570	$0	0.00%	0	1	0	$0
Colfax	$48,970	$0	0.00%	0	5	0	$0
Curry	$547,885	$920,578	168.02%	1	8	0	$0
DeBaca	$75,819	$0	0.00%	0	1	0	$0
Dona Ana	$1,479,606	$244,673	16.54%	1	28	0	$0
Eddy	$454,312	$3,326,866	732.29%	0	11	1	$143,176
Grant	$307,026	$79,330	25.84%	0	5	0	$0
Guadalupe	$21,807		0.00%				
Harding	$11,623		0.00%				
Hidalgo	$211,694	$532,970	251.76%	0	1	0	$0
Lincoln	$98,273	$70,493	71.73%	0	3	0	$0
Luna	$205,371	$282,893	137.75%	0	5	0	$0
McKinley	$286,580	$38,001	13.26%	0	3	0	$0
Mora	$45,959		0.00%				
Otero	$184,504	$0	0.00%	0	3	0	$0
Quay	$94,592		0.00%				
Roosevelt	$180,830	$0	0.00%	0	3	0	$0
San Miguel	$214,410	$35,082	16.36%	0	10	0	$0
Sandoval	$567,050	$263,891	46.54%	0	7	0	$0
Santa Fe	$919,882	$1,663,669	180.86%	1	28	0	$0
Sierra	$188,511	$0	0.00%	0	2	0	$0
Socorro	$127,787	$280,817	219.75%	0	4	0	$0
Taos	$324,729	$29,899	9.21%	0	6	0	$0
Torrance	$110,908	$0	0.00%	0	2	0	$0
Union	$14,939	$92,305	617.89%	0	1	0	$0
Valencia	$1,426,654	$197,137	13.82%	0	12	0	$0
TOTAL at 7/31/2026	**$11,713,656**	**$11,141,255**	**95.11%**	**4**	**220**	**3**	**$6,262,333**
TOTAL at 12/31/25		**$10,647,128**	**90.90%**	**6**			
Open Reserves		**$953,061**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 26 2020 SIR $2M Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$3,324,820	$5,932,204	178.42%	2	55	1	$702,538
Catron	$24,530	$70,742	288.39%	0	1	0	$0
Chaves	$201,806	$473,165	234.47%	0	7	0	$0
Cibola	$136,388	$50,011	36.67%	0	2	0	$0
Colfax	$50,763	$0	0.00%	0	1	0	$0
Curry	$544,810	$50,028	9.18%	0	9	0	$0
DeBaca	$78,595	$705,292	897.37%	0	1	0	$0
Dona Ana	$1,497,881	$316,342	21.12%	1	17	0	$0
Eddy	$470,946	$634,985	134.83%	0	10	0	$0
Grant	$318,268	$0	0.00%	0	7	0	$0
Guadalupe	$22,605	$0	0.00%	0	2	0	$0
Harding	$12,049		0.00%				
Hidalgo	$219,445		0.00%				
Lincoln	$101,871	$84	0.08%	0	6	0	$0
Luna	$212,891	$0	0.00%	0	3	0	$0
McKinley	$297,073	$0	0.00%	0	3	0	$0
Mora	$47,642	$0	0.00%	0	2	0	$0
Otero	$191,259	$0	0.00%	0	2	0	$0
Quay	$98,056	$0	0.00%	0	1	0	$0
Roosevelt	$182,561	$428,442	234.68%	1	4	0	$0
San Miguel	$212,488	$72,630	34.18%	0	5	0	$0
Sandoval	$587,813	$377,013	64.14%	1	7	0	$0
Santa Fe	$819,946	$0	0.00%	1	21	0	$0
Sierra	$195,413	$0	0.00%	0	2	0	$0
Socorro	$132,466	$0	0.00%	0	2	0	$0
Taos	$336,619	$87,223	25.91%	0	4	0	$0
Torrance	$114,969	$0	0.00%	0	1	0	$0
Union	$15,486		0.00%				
Valencia	$1,404,947	$417,522	29.72%	0	10	0	$0
TOTAL at 7/31/2026	**$11,854,404**	**$9,615,683**	**81.11%**	**6**	**185**	**1**	**$702,538**
TOTAL at 12/31/25		**$9,723,669**	**82.03%**	**6**			
Open Reserves		**$1,625,138**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 27 2021 SIR $2M						
	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$3,118,304	$4,613,180	147.94%	4	64	1	$3,015,974
Catron	$17,003	$0	0.00%	0	1	0	$0
Chaves	$175,318	$2,113,225	1205.37%	1	13	1	$172,508
Cibola	$121,825	$0	0.00%	0	2	0	$0
Colfax	$43,982	$2,016,174	4584.09%	0	2	1	$72,328
Curry	$476,524	$1,539,269	323.02%	0	6	0	$0
DeBaca	$68,097	$1,330,566	1953.92%	0	1	0	$0
Dona Ana	$1,090,518	$816,951	74.91%	1	24	0	$0
Eddy	$412,248	$1,411,341	342.35%	0	8	0	$0
Grant	$278,599	$0	0.00%	0	2	0	$0
Guadalupe	$19,586	$0	0.00%	0	4	0	$0
Harding	$8,266		0.00%				
Hidalgo	$199,999		0.00%				
Lincoln	$88,264	$50,000	56.65%	1	2	0	$0
Luna	$184,455	$49,789	26.99%	0	3	0	$0
McKinley	$205,914	$0	0.00%	0	3	0	$0
Mora	$32,683	$0	0.00%	0	1	0	$0
Otero	$165,712	$51,484	31.07%	0	5	0	$0
Quay	$67,966	$37,702	55.47%	0	3	0	$0
Roosevelt	$158,045		0.00%				
San Miguel	$184,829	$1,125,807	609.11%	1	6	0	$0
Sandoval	$514,548	$0	0.00%	0	2	0	$0
Santa Fe	$810,829	$1,264,346	155.93%	4	17	0	$0
Sierra	$169,311	$0	0.00%	0	1	0	$0
Socorro	$114,772	$3,693	3.22%	0	8	0	$0
Taos	$291,656	$173,802	59.59%	0	7	0	$0
Torrance	$99,612	$626,450	628.89%	0	10	0	$0
Union	$10,734	$0	0.00%	0	1	0	$0
Valencia	$750,200	$136,797	18.23%	0	17	0	$0
TOTAL at 7/31/2026	**$9,879,799**	**$17,360,578**	**175.72%**	**12**	**213**	**3**	**$3,260,810**
TOTAL at 12/31/25		**$15,317,995**	**155.04%**	**16**			
Open Reserves		**$3,045,252**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

	FY 28 2022 SIR $2M						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$3,184,252	$12,667,823	397.83%	8	79	2	$6,131,150
Catron	$17,106	$90,425	528.62%	0	5	0	$0
Chaves	$190,579	$752,842	395.03%	0	6	0	$0
Cibola	$134,133	$0	0.00%	0	2	0	$0
Colfax	$44,249	$0	0.00%	0	2	0	$0
Curry	$518,402	$3,552	0.69%	0	10	0	$0
DeBaca	$73,991		0.00%				
Dona Ana	$1,195,828	$584,578	48.88%	2	28	0	$0
Eddy	$423,040	$283,488	67.01%	0	8	0	$0
Grant	$297,426		0.00%				
Guadalupe	$19,704	$0	0.00%	0	2	0	$0
Harding	$8,316		0.00%				
Hidalgo	$201,210		0.00%				
Lincoln	$88,799	$0	0.00%	0	2	0	$0
Luna	$185,572	$0	0.00%	0	2	0	$0
McKinley	$207,161	$2,335,375	1127.32%	0	5	1	$3,120,741
Mora	$26,304		0.00%				
Otero	$176,719	$0	0.00%	0	3	0	$0
Quay	$68,378		0.00%				
Roosevelt	$162,447	$53,354	32.84%	0	5	0	$0
San Miguel	$185,951	$486,717	261.74%	1	7	0	$0
Sandoval	$500,108	$290,000	57.99%	2	8	0	$0
Santa Fe	$747,989	$1,293,090	172.88%	3	15	0	$0
Sierra	$136,270	$29,737	21.82%	0	2	0	$0
Socorro	$127,014	$132,946	104.67%	1	6	0	$0
Taos	$305,160	$0	0.00%	0	11	0	$0
Torrance	$100,216	$310,804	310.13%	1	5	0	$0
Union	$10,799		0.00%				
Valencia	$603,795	$2,375,912	393.50%	1	9	0	$0
TOTAL at 7/31/2026	**$9,940,919**	**$21,690,644**	**218.20%**	**19**	**222**	**3**	**$9,251,891**
TOTAL at 12/31/25		**$18,191,440**	**183.00%**	**25**			
Open Reserves		**$7,223,566**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 29 2023 SIR $2M						
	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$4,547,542	$11,346,291	249.50%	10	83	1	$3,124,991
Catron	$25,917	$0	0.00%	0	1	0	$0
Chaves	$289,977	$194,645	67.12%	0	3	0	$0
Cibola	$134,997	$0	0.00%	0	2	0	$0
Colfax	$67,040	$3,303	4.93%	0	2	0	$0
Curry	$522,475	$26,882	5.15%	1	6	0	$0
DeBaca	$74,468		0.00%				
Dona Ana	$1,163,990	$2,636,923	226.54%	3	17	1	$2,175,065
Eddy	$640,938	$366,023	57.11%	2	10	0	$0
Grant	$299,342	$150,000	50.11%	1	3	0	$0
Guadalupe	$19,832	$0	0.00%	0	2	0	$0
Harding	$8,369		0.00%				
Hidalgo	$190,886	$3,828	2.01%	0	1	0	$0
Lincoln	$89,371	$326,955	365.84%	1	5	0	$0
Luna	$281,155	$4,764,132	1694.48%	1	6	2	$3,036,295
McKinley	$208,496	$106,740	51.20%	1	5	0	$0
Mora	$24,197		0.00%				
Otero	$267,743	$314,816	117.58%	0	5	0	$0
Quay	$99,309	$0	0.00%	0	1	0	$0
Roosevelt	$233,718	$0	0.00%	0	2	0	$0
San Miguel	$188,384	$27,276	14.48%	0	7	0	$0
Sandoval	$464,335	$155,000	33.38%	1	11	0	$0
Santa Fe	$567,091	$611,937	107.91%	5	25	0	$0
Sierra	$125,350	$0	0.00%	0	1	0	$0
Socorro	$192,437	$867,238	450.66%	1	3	0	$0
Taos	$280,707	$1,041,299	370.96%	2	12	0	$0
Torrance	$92,186	$0	0.00%	0	3	0	$0
Union	$16,361		0.00%				
Valencia	$555,412	$0	0.00%	0	4	0	$0
TOTAL at 7/31/2026	**$11,672,027**	**$22,943,287**	**196.57%**	**29**	**220**	**4**	**$8,336,351**
TOTAL at 12/31/25		**$19,717,906**	**168.93%**	**37**			
Open Reserves		**$9,368,047**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 30 2024 SIR $2M Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$6,185,434	$9,464,566	153.01%	15	71	3	$161,203
Catron	$31,672	$0	0.00%	0	1	0	$0
Chaves	$357,405	$175,256	49.04%	1	6	0	$0
Cibola	$109,770	$0	0.00%	0	3	0	$0
Colfax	$86,077	$30,000	34.85%	1	3	0	$0
Curry	$566,001	$191,111	33.77%	2	7	0	$0
DeBaca	$91,005		0.00%				
Dona Ana	$1,105,064	$2,567,478	232.34%	7	25	0	$0
Eddy	$699,400	$50,000	7.15%	1	5	0	$0
Grant	$284,209	$250,000	87.96%	1	2	0	$0
Guadalupe	$21,533	$50,000	232.20%	1	2	0	$0
Harding	$6,805		0.00%				
Hidalgo	$207,256	$52,066	25.12%	0	1	0	$0
Lincoln	$84,853	$50,000	58.93%	1	9	0	$0
Luna	$305,268	$1,862	0.61%	0	2	0	$0
McKinley	$226,377	$0	0.00%	0	3	0	$0
Mora	$19,675		0.00%				
Otero	$312,604	$2,575,861	824.00%	2	7	1	$2,090,000
Quay	$94,289	$0	0.00%	0	1	0	$0
Roosevelt	$297,675	$105,000	35.27%	1	5	0	$0
San Miguel	$211,711	$2,793,025	1319.26%	3	7	0	$0
Sandoval	$441,189	$700,017	158.67%	3	7	0	$0
Santa Fe	$615,525	$2,050,000	333.05%	2	20	1	$54,000
Sierra	$101,926	$0	0.00%	0	1	0	$0
Socorro	$208,940	$1,950,000	933.28%	0	6	1	$91,618
Taos	$266,516	$1,154,883	433.33%	2	7	0	$0
Torrance	$100,092	$34,221	34.19%	0	7	0	$0
Union	$19,548	$0	0.00%	0	1	0	$0
Valencia	$603,045	$1,525,317	252.94%	2	13	0	$0
TOTAL at 7/31/2026	**$13,660,867**	**$25,770,661**	**188.65%**	**45**	**222**	**6**	**$2,396,821**
TOTAL at 12/31/25		**$16,658,454**	**121.94%**	**57**			
Open Reserves		**$14,257,311**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 31 2025 SIR $2M						
	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$7,216,183	$6,961,608	96.47%	28	95	1	$1,225,000
Catron	$133,727	$90,000	67.30%	1	1	0	$0
Chaves	$794,923	$407,591	51.27%	8	21	0	$0
Cibola	$134,731	$177,500	131.74%	3	6	0	$0
Colfax	$295,438		0.00%				
Curry	$599,845	$238,096	39.69%	7	18	0	$0
DeBaca	$198,785	$0	0.00%	1	1	0	$0
Dona Ana	$2,040,692	$521,426	25.55%	6	20	0	$0
Eddy	$1,242,495	$2,125,499	171.07%	5	13	1	$25,000
Grant	$405,440	$30,000	7.40%	1	11	0	$0
Guadalupe	$20,569	$0	0.00%	0	2	0	$0
Harding	$3,825		0.00%				
Hidalgo	$273,043	$0	0.00%	1	1	0	$0
Lincoln	$172,626	$0	0.00%	1	4	0	$0
Luna	$492,605	$0	0.00%	0	2	0	$0
McKinley	$425,185	$1,885,164	443.37%	1	5	0	$0
Mora	$21,631	$0	0.00%	0	1	0	$0
Otero	$331,367	$0	0.00%	0	3	0	$0
Quay	$159,088	$10,000	6.29%	2	4	0	$0
Roosevelt	$430,317	$105,000	24.40%	2	3	0	$0
San Miguel	$432,319	$135,000	31.23%	3	5	0	$0
Sandoval	$480,121	$17,500	3.64%	4	14	0	$0
Santa Fe	$889,131	$1,966,485	221.17%	6	22	0	$0
Sierra	$157,851		0.00%				
Socorro	$415,925	$0	0.00%	0	2	0	$0
Taos	$316,027	$58,592	18.54%	1	8	0	$0
Torrance	$103,008	$0	0.00%	1	4	0	$0
Union	$49,751	$0	0.00%	0	2	0	$0
Valencia	$1,005,379	$50,000	4.97%	4	11	0	$0
TOTAL at 7/31/2026	**$19,242,029**	**$14,779,461**	**76.81%**	**86**	**279**	**2**	**$1,250,000**
TOTAL at 12/31/25		**$4,959,132**	**25.77%**	**160**			
Open Reserves		**$12,556,191**					

NMCIA LAW ENFORCEMENT
LOSS RATIOS

COUNTY	FY 32 2026 SIR $2M						
	Pro-Rated Loss Fund	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$0	$0	0.00%			0	$0
Catron	$71,527		0.00%				
Chaves	$461,120	$25,000	5.42%	6	8	0	$0
Cibola	$126,412	$0	0.00%	1	2	0	$0
Colfax	$140,936		0.00%				
Curry	$306,489	$15,000	4.89%	0	2	0	$0
DeBaca	$94,350		0.00%				
Dona Ana	$1,315,369	$90,166	6.85%	11	13	0	$0
Eddy	$826,492	$25,000	3.02%	3	6	0	$0
Grant	$261,442	$0	0.00%	2	3	0	$0
Guadalupe	$17,308		0.00%				
Harding	$2,508		0.00%				
Hidalgo	$146,960		0.00%				
Lincoln	$127,010	$50,000	39.37%	2	3	0	$0
Luna	$303,373	$0	0.00%	0	1	0	$0
McKinley	$278,798	$118,518	42.51%	2	2	0	$0
Mora	$21,214	$0	0.00%	1	1	0	$0
Otero	$221,274	$90,000	40.67%	5	6	0	$0
Quay	$86,266	$72,500	84.04%	1	1	0	$0
Roosevelt	$217,966	$0	0.00%	1	1	0	$0
San Miguel	$224,336	$0	0.00%	0	1	0	$0
Sandoval	$317,142	$1,207	0.38%	7	11	0	$0
Santa Fe	$370,796	$594,853	160.43%	9	13	0	$0
Sierra	$54,279		0.00%				
Socorro	$223,970	$0	0.00%	5	7	0	$0
Taos	$224,513	$50,000	22.27%	2	3	0	$0
Torrance	$79,069	$0	0.00%	1	2	0	$0
Union	$33,771		0.00%				
Valencia	$596,864	$150,000	25.13%	3	4	0	$0
TOTAL at 7/31/2026	**$7,151,552**	**$1,282,245**	**17.93%**	**62**	**90**	**0**	**$0**
TOTAL at 12/31/25		**$0**					
Open Reserves		**$1,196,861**					

As of 7/31/2026

NMCIA MULTI-LINE
(Excluding APD & Property)
LOSS RATIO SUMMARY

COUNTY	FY 31 2019	FY 32 2020	FY 33 2021	FY 34 2022	FY 35 2023	FY 36 2024	FY 37 2025	FY 30 - 37 Pool Avg.	FY 38 2026
Bernalillo	57.34%	2.31%	55.40%	84.88%	199.95%	98.50%	84.11%	83.21%	0.00%
Catron	0.00%	14.93%	141.57%	0.00%	330.05%	0.00%	268.05%	107.80%	601.50%
Chaves	0.00%	50.35%	446.91%	519.80%	0.00%	822.67%	67.03%	272.40%	100.30%
Cibola	78.34%	25.83%	0.00%	0.00%	0.00%	373.29%	21.29%	71.25%	64.92%
Colfax	14.67%	2.70%	5.78%	0.00%	13.66%	242.64%	96.43%	53.70%	0.00%
Curry	12.54%	3.27%	7.86%	5.44%	124.64%	0.00%	0.00%	21.96%	67.05%
De Baca	196.94%	0.00%	0.00%	5.81%	62.85%	0.00%	543.32%	115.56%	75.19%
Dona Ana	1.06%	50.16%	149.29%	107.69%	711.88%	106.30%	121.64%	178.29%	52.56%
Eddy	0.00%	20.92%	18.30%	294.04%	384.76%	47.21%	210.75%	139.42%	70.59%
Grant	2.99%	0.00%	0.00%	0.00%	507.65%	0.00%	251.19%	108.83%	107.35%
Guadalupe	0.00%	1.75%	0.00%	59.69%	0.00%	143.51%	0.00%	29.28%	0.00%
Harding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	330.56%	47.22%	0.00%
Hidalgo	37.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.30%	157.48%
Lincoln	3.54%	23.44%	3.51%	75.20%	6.32%	0.11%	100.88%	30.43%	66.31%
Luna	23.48%	0.00%	0.00%	0.00%	27.70%	0.51%	0.00%	7.38%	0.00%
McKinley	0.00%	9.51%	0.00%	0.00%	0.00%	0.00%	5.36%	2.12%	242.31%
Mora	152.25%	0.00%	710.45%	298.41%	3.20%	135.05%	25.02%	189.20%	27.30%
Otero	38.36%	122.65%	552.08%	52.53%	11.67%	7.70%	50.50%	119.36%	27.75%
Quay	25.35%	89.55%	2.74%	383.42%	0.00%	33.49%	88.94%	89.07%	213.77%
Roosevelt	5.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.82%	0.00%
SanMiguel	0.81%	88.28%	0.75%	0.00%	308.04%	50.80%	118.85%	81.07%	19.36%
Sandoval	25.25%	25.28%	10.17%	106.83%	149.53%	404.71%	230.14%	135.99%	124.57%
Santa Fe	38.22%	261.72%	44.54%	162.44%	140.35%	115.64%	62.91%	117.97%	77.23%
Sierra	0.00%	75.88%	1279.99%	0.00%	624.81%	1.45%	1.72%	283.41%	0.00%
Socorro	0.00%	0.93%	0.00%	80.29%	2.43%	114.25%	2.96%	28.69%	432.93%
Taos	2.98%	65.84%	176.81%	1.23%	241.08%	296.31%	11.73%	113.71%	70.89%
Torrance	0.00%	7.80%	21.03%	103.35%	296.32%	281.00%	3.31%	101.83%	65.90%
Union	0.00%	0.00%	335.57%	0.00%	214.16%	0.00%	0.00%	78.53%	395.20%
Valencia	57.18%	37.92%	14.54%	59.25%	151.26%	754.48%	54.92%	161.36%	35.73%
TOTAL	**28.69%**	**44.75%**	**107.40%**	**99.31%**	**218.05%**	**135.87%**	**90.89%**	**103.57%**	**79.39%**

Note 1 > Data is by claim not event.

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

COUNTY	FY 31 2019 SIR $1 Million						
	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$974,635	$558,886	57.34%	1	114	0	$0
Catron	$37,458		0.00%				
Chaves	$168,366	$0	0.00%	0	9	0	$0
Cibola	$108,262	$84,813	78.34%	0	8	0	$0
Colfax	$62,949	$9,234	14.67%	0	8	0	$0
Curry	$140,226	$17,586	12.54%	0	9	0	$0
De Baca	$28,839	$56,797	196.94%	0	7	0	$0
Dona Ana	$501,880	$5,313	1.06%	0	50	0	$0
Eddy	$197,057	$0	0.00%	0	9	0	$0
Grant	$120,846	$3,607	2.99%	0	7	0	$0
Guadalupe	$56,606	$0	0.00%	0	2	0	$0
Harding	$21,762	$0	0.00%	0	1	0	$0
Hidalgo	$48,397	$17,950	37.09%	0	1	0	$0
Lincoln	$167,861	$5,938	3.54%	0	9	0	$0
Luna	$205,923	$48,346	23.48%	0	11	0	$0
McKinley	$197,084	$0	0.00%	0	16	0	$0
Mora	$97,183	$147,957	152.25%	0	9	0	$0
Otero	$194,491	$74,617	38.36%	0	14	0	$0
Quay	$93,298	$23,651	25.35%	0	2	0	$0
Roosevelt	$57,003	$3,254	5.71%	0	4	0	$0
San Miguel	$118,452	$957	0.81%	0	12	0	$0
Sandoval	$261,548	$66,040	25.25%	0	26	0	$0
Santa Fe	$431,354	$164,847	38.22%	0	51	0	$0
Sierra	$59,581	$0	0.00%	0	8	0	$0
Socorro	$129,021	$0	0.00%	0	5	0	$0
Taos	$224,548	$6,695	2.98%	0	21	0	$0
Torrance	$88,648		0.00%				
Union	$18,723		0.00%				
Valencia	$295,217	$168,812	57.18%	1	30	0	$0
TOTAL at 7/31/2026	**$5,107,219**	**$1,465,301**	**28.69%**	**2**	**443**	**0**	**$0**
Total at 12/31/2025		**$1,459,951**	**28.59%**	**1**			
Open Reserves		**$37,972**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

	FY 32 2020 SIR $2 Million						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$975,544	$22,571	2.31%	0	87	0	$0
Catron	$37,493	$5,598	14.93%	0	3	0	$0
Chaves	$168,523	$84,858	50.35%	0	6	0	$0
Cibola	$108,363	$27,990	25.83%	0	8	0	$0
Colfax	$63,007	$1,698	2.70%	0	2	0	$0
Curry	$140,356	$4,586	3.27%	0	8	0	$0
De Baca	$28,866	$0	0.00%	0	2	0	$0
Dona Ana	$590,601	$296,249	50.16%	2	34	0	$0
Eddy	$197,240	$41,262	20.92%	0	11	0	$0
Grant	$120,958	$0	0.00%	0	6	0	$0
Guadalupe	$59,703	$1,044	1.75%	0	2	0	$0
Harding	$21,782		0.00%				
Hidalgo	$53,541		0.00%				
Lincoln	$168,018	$39,389	23.44%	0	11	0	$0
Luna	$206,115	$0	0.00%	0	5	0	$0
McKinley	$197,268	$18,751	9.51%	0	12	0	$0
Mora	$97,274	$0	0.00%	0	9	0	$0
Otero	$194,673	$238,763	122.65%	2	15	0	$0
Quay	$93,385	$83,629	89.55%	0	4	0	$0
Roosevelt	$57,057		0.00%				
San Miguel	$116,494	$102,837	88.28%	0	19	0	$0
Sandoval	$261,792	$66,172	25.28%	0	19	0	$0
Santa Fe	$363,086	$950,260	261.72%	0	47	0	$0
Sierra	$59,637	$45,254	75.88%	0	5	0	$0
Socorro	$129,142	$1,200	0.93%	0	10	0	$0
Taos	$224,757	$147,977	65.84%	0	19	0	$0
Torrance	$88,730	$6,920	7.80%	0	4	0	$0
Union	$18,741	$0	0.00%	0	2	0	$0
Valencia	$295,493	$112,040	37.92%	0	24	0	$0
TOTAL at 7/31/2026	**$5,137,637**	**$2,299,046**	**44.75%**	**4**	**374**	**0**	**$0**
Total at 12/31/2025		**$2,293,569**	**44.64%**	**12**			
Open Reserves		**$261,532**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

	FY 33 2021 SIR $2 Million						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$934,054	$517,457	55.40%	4	133	0	$0
Catron	$34,156	$48,353	141.57%	2	8	0	$0
Chaves	$156,656	$700,115	446.91%	4	18	0	$0
Cibola	$98,717	$0	0.00%	0	7	0	$0
Colfax	$57,399	$3,317	5.78%	0	3	0	$0
Curry	$130,472	$10,259	7.86%	0	8	0	$0
De Baca	$26,297		0.00%				
Dona Ana	$615,259	$918,516	149.29%	1	55	0	$0
Eddy	$183,351	$33,545	18.30%	0	20	0	$0
Grant	$110,192	$0	0.00%	0	3	0	$0
Guadalupe	$53,464	$0	0.00%	0	6	0	$0
Harding	$19,843		0.00%				
Hidalgo	$55,365	$0	0.00%	0	1	0	$0
Lincoln	$156,186	$5,485	3.51%	0	17	0	$0
Luna	$187,769	$0	0.00%	0	1	0	$0
McKinley	$183,377	$0	0.00%	0	15	0	$0
Mora	$88,616	$629,571	710.45%	0	4	0	$0
Otero	$180,965	$999,073	552.08%	0	26	0	$0
Quay	$85,073	$2,332	2.74%	0	1	0	$0
Roosevelt	$51,978	$0	0.00%	0	2	0	$0
San Miguel	$108,290	$815	0.75%	0	12	0	$0
Sandoval	$245,791	$25,000	10.17%	0	18	0	$0
Santa Fe	$345,972	$154,094	44.54%	2	43	0	$0
Sierra	$54,329	$695,403	1279.99%	0	11	0	$0
Socorro	$117,647	$0	0.00%	0	15	0	$0
Taos	$204,751	$362,011	176.81%	0	26	0	$0
Torrance	$82,482	$17,346	21.03%	0	5	0	$0
Union	$17,073	$57,290	335.57%	0	9	0	$0
Valencia	$274,685	$39,941	14.54%	0	41	0	$0
TOTAL at 7/31/2026	**$4,860,206**	**$5,219,924**	**107.40%**	**13**	**508**	**0**	**$0**
Total at 12/31/2025		**$5,491,316**	**112.99%**	**23**			
Open Reserves		**$705,838**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

COUNTY	FY 34 2022 SIR $2 Million Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$860,790	$730,597	84.88%	7	103	0	$0
Catron	$30,179		0.00%				
Chaves	$139,903	$727,209	519.80%	1	13	0	$0
Cibola	$87,223	$0	0.00%	0	6	0	$0
Colfax	$50,716	$0	0.00%	0	2	0	$0
Curry	$115,280	$6,270	5.44%	0	8	0	$0
De Baca	$23,235	$1,349	5.81%	0	2	0	$0
Dona Ana	$540,482	$582,062	107.69%	5	33	0	$0
Eddy	$163,744	$481,468	294.04%	0	12	0	$0
Grant	$97,361	$0	0.00%	0	2	0	$0
Guadalupe	$47,239	$28,196	59.69%	0	5	0	$0
Harding	$17,533		0.00%				
Hidalgo	$47,520		0.00%				
Lincoln	$139,484	$104,889	75.20%	0	11	0	$0
Luna	$165,905	$0	0.00%	0	4	0	$0
McKinley	$163,767	$0	0.00%	0	18	0	$0
Mora	$78,297	$233,651	298.41%	0	12	0	$0
Otero	$161,612	$84,902	52.53%	0	15	0	$0
Quay	$75,167	$288,209	383.42%	3	4	0	$0
Roosevelt	$45,926	$0	0.00%	0	8	0	$0
San Miguel	$96,710	$0	0.00%	0	18	0	$0
Sandoval	$224,176	$239,491	106.83%	2	28	0	$0
Santa Fe	$312,261	$507,239	162.44%	1	66	0	$0
Sierra	$48,003		0.00%				
Socorro	$103,948	$83,455	80.29%	1	13	0	$0
Taos	$180,910	$2,219	1.23%	0	18	0	$0
Torrance	$73,662	$76,131	103.35%	0	8	0	$0
Union	$16,398	$0	0.00%	0	2	0	$0
Valencia	$245,310	$145,335	59.25%	0	24	0	$0
TOTAL at 7/31/2026	**$4,352,741**	**$4,322,673**	**99.31%**	**20**	**435**	**0**	**$0**
Total at 12/31/2025		**$4,086,470**	**93.88%**	**25**			
Open Reserves		**$485,896**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

COUNTY	FY 35 2023 SIR $2 Million Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$379,231	$758,288	199.95%	7	157	0	$0
Catron	$13,296	$43,882	330.05%	0	2	0	$0
Chaves	$61,636	$0	0.00%	0	5	0	$0
Cibola	$34,802	$0	0.00%	0	11	0	$0
Colfax	$22,343	$3,052	13.66%	0	13	0	$0
Curry	$45,997	$57,330	124.64%	0	10	0	$0
De Baca	$10,236	$6,434	62.85%	0	1	0	$0
Dona Ana	$215,652	$1,535,187	711.88%	4	36	0	$0
Eddy	$80,964	$311,514	384.76%	1	31	0	$0
Grant	$38,847	$197,208	507.65%	0	8	0	$0
Guadalupe	$18,848	$0	0.00%	0	4	0	$0
Harding	$6,995		0.00%				
Hidalgo	$24,464		0.00%				
Lincoln	$55,654	$3,515	6.32%	0	5	0	$0
Luna	$66,196	$18,333	27.70%	1	19	0	$0
McKinley	$65,343	$0	0.00%	0	20	0	$0
Mora	$31,241	$1,000	3.20%	0	10	0	$0
Otero	$71,200	$8,311	11.67%	0	14	0	$0
Quay	$29,992	$0	0.00%	0	2	0	$0
Roosevelt	$18,028	$0	0.00%	0	6	0	$0
San Miguel	$38,587	$118,866	308.04%	2	13	0	$0
Sandoval	$69,324	$103,661	149.53%	1	22	0	$0
Santa Fe	$111,831	$156,956	140.35%	3	60	0	$0
Sierra	$21,148	$132,135	624.81%	0	9	0	$0
Socorro	$41,475	$1,007	2.43%	0	8	0	$0
Taos	$72,183	$174,017	241.08%	4	25	0	$0
Torrance	$29,391	$87,092	296.32%	2	17	0	$0
Union	$7,860	$16,834	214.16%	0	1	0	$0
Valencia	$97,879	$148,047	151.26%	2	39	0	$0
TOTAL at 7/31/2026	**$1,780,643**	**$3,882,667**	**218.05%**	**27**	**548**	**0**	**$0**
Total at 12/31/2025		**$3,309,642**	**185.87%**	**34**			
Open Reserves		**$1,176,238**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

COUNTY	FY 36 2024 SIR $1 Million Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$916,173	$902,408	98.50%	15	156	0	$0
Catron	$35,961	$0	0.00%	0	2	0	$0
Chaves	$126,061	$1,037,073	822.67%	4	8	0	$0
Cibola	$17,682	$66,004	373.29%	1	16	0	$0
Colfax	$30,282	$73,477	242.64%	0	19	0	$0
Curry	$81,528	$0	0.00%	0	3	0	$0
De Baca	$27,687		0.00%				
Dona Ana	$229,125	$243,561	106.30%	3	44	0	$0
Eddy	$203,949	$96,283	47.21%	1	20	0	$0
Grant	$66,217	$0	0.00%	0	2	0	$0
Guadalupe	$34,842	$50,000	143.51%	1	10	0	$0
Harding	$8,804		0.00%				
Hidalgo	$17,855		0.00%				
Lincoln	$49,440	$56	0.11%	0	12	0	$0
Luna	$36,090	$184	0.51%	0	7	0	$0
McKinley	$74,286	$0	0.00%	0	17	0	$0
Mora	$49,619	$67,008	135.05%	2	13	0	$0
Otero	$159,428	$12,274	7.70%	0	20	0	$0
Quay	$29,437	$9,859	33.49%	0	2	0	$0
Roosevelt	$46,197	$0	0.00%	0	3	0	$0
San Miguel	$34,560	$17,555	50.80%	0	31	0	$0
Sandoval	$86,770	$351,171	404.71%	7	63	0	$0
Santa Fe	$314,489	$363,680	115.64%	6	75	0	$0
Sierra	$57,200	$831	1.45%	0	11	0	$0
Socorro	$17,506	$20,000	114.25%	1	10	0	$0
Taos	$60,771	$180,072	296.31%	2	22	0	$0
Torrance	$26,146	$73,470	281.00%	2	16	0	$0
Union	$19,800	$0	0.00%	0	2	0	$0
Valencia	$51,415	$387,912	754.48%	5	33	0	$0
TOTAL at 7/31/2026	**$2,909,319**	**$3,952,878**	**135.87%**	**50**	**617**	**0**	**$0**
Total at 12/31/2025		**$2,756,406**	**94.74%**	**69**			
Open Reserves		**$1,858,750**					

As of 7/31/26

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

	FY 37 2025 SIR $1 Million						
COUNTY	Loss Fund Contribution	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$1,202,602	$1,011,501	84.11%	35	134	0	$0
Catron	$40,205	$107,768	268.05%	2	8	0	$0
Chaves	$282,422	$189,317	67.03%	5	14	0	$0
Cibola	$75,156	$16,000	21.29%	1	17	0	$0
Colfax	$53,221	$51,319	96.43%	1	5	0	$0
Curry	$137,216	$0	0.00%	0	7	0	$0
De Baca	$14,771	$80,254	543.32%	2	3	0	$0
Dona Ana	$1,057,004	$1,285,697	121.64%	11	48	0	$0
Eddy	$265,667	$559,898	210.75%	5	20	0	$0
Grant	$72,882	$183,077	251.19%	2	12	0	$0
Guadalupe	$38,298	$0	0.00%	0	3	0	$0
Harding	$6,050	$20,000	330.56%	1	1	0	$0
Hidalgo	$39,151		0.00%			0	$0
Lincoln	$170,016	$171,507	100.88%	1	5	0	$0
Luna	$104,842	$0	0.00%	0	1	0	$0
McKinley	$93,200	$5,000	5.36%	1	17	0	$0
Mora	$81,121	$20,300	25.02%	2	14	0	$0
Otero	$391,665	$197,773	50.50%	6	21	0	$0
Quay	$62,218	$55,335	88.94%	2	9	0	$0
Roosevelt	$29,772	$0	0.00%	0	1	0	$0
San Miguel	$147,673	$175,506	118.85%	3	24	0	$0
Sandoval	$344,875	$793,683	230.14%	3	41	0	$0
Santa Fe	$422,340	$265,712	62.91%	21	83	0	$0
Sierra	$100,962	$1,738	1.72%	0	5	0	$0
Socorro	$38,507	$1,140	2.96%	2	12	0	$0
Taos	$247,190	$29,007	11.73%	1	28	0	$0
Torrance	$84,148	$2,782	3.31%	4	20	0	$0
Union	$23,490	$0	0.00%	0	3	0	$0
Valencia	$305,717	$167,893	54.92%	11	43	0	$0
TOTAL at 7/31/2026	**$5,932,381**	**$5,392,207**	**90.89%**	**122**	**599**	**0**	**$0**
Total at 12/31/2025		**$3,362,273**	**56.68%**	**223**			
Open Reserves		**$3,818,746**					

NMCIA MULTI-LINE
(Excluding APD and Property)
LOSS RATIO SUMMARY

COUNTY	FY 38 2026 SIR $1 Million							
	Loss Fund Contribution	Pro-Rated Loss Fund Cont.	Incurred Losses	Loss Ratio	Open Claims	Total Claim Count	No. of Claims Over SIR	Amt. Over SIR
Bernalillo	$0	$0	$21,300	0.00%	2	4	0	$0
Catron	$47,025	$27,431	$165,000	601.50%	6	7	0	$0
Chaves	$213,655	$124,632	$125,000	100.30%	2	2	0	$0
Cibola	$77,894	$45,438	$29,500	64.92%	2	10	0	$0
Colfax	$45,643	$26,625		0.00%			0	
Curry	$115,057	$67,117	$45,000	67.05%	3	5	0	$0
De Baca	$13,680	$7,980	$6,000	75.19%	2	2	0	$0
Dona Ana	$868,947	$506,886	$266,411	52.56%	12	18	0	$0
Eddy	$262,265	$152,988	$108,000	70.59%	4	4	0	$0
Grant	$79,843	$46,575	$50,000	107.35%	1	5	0	$0
Guadalupe	$35,735	$20,846		0.00%			0	$0
Harding	$6,144	$3,584		0.00%			0	$0
Hidalgo	$33,706	$19,662	$30,963	157.48%	0	1	0	$0
Lincoln	$129,265	$75,405	$50,000	66.31%	2	3	0	$0
Luna	$90,134	$52,578	$0	0.00%	6	8	0	$0
McKinley	$88,435	$51,587	$125,000	242.31%	5	21	0	$0
Mora	$73,674	$42,976	$11,733	27.30%	4	6	0	$0
Otero	$326,194	$190,280	$52,796	27.75%	7	15	0	$0
Quay	$71,584	$41,757	$89,266	213.77%	0	1	0	$0
Roosevelt	$28,113	$16,399	$0	0.00%	0	5	0	$0
San Miguel	$132,827	$77,482	$15,000	19.36%	6	11	0	$0
Sandoval	$353,372	$206,134	$256,786	124.57%	14	43	0	$0
Santa Fe	$509,090	$296,969	$229,343	77.23%	25	49	0	$0
Sierra	$94,945	$55,385	$0	0.00%	2	2	0	$0
Socorro	$43,780	$25,538	$110,562	432.93%	6	7	0	$0
Taos	$266,023	$155,180	$110,000	70.89%	7	9	0	$0
Torrance	$88,054	$51,365	$33,850	65.90%	2	9	0	$0
Union	$21,689	$12,652	$50,000	395.20%	2	3	0	$0
Valencia	$294,186	$171,609	$61,321	35.73%	10	23	0	$0
TOTAL at 7/31/2026	**$4,410,957**	**$2,573,058**	**$2,042,831**	**79.39%**	**132**	**273**	**0**	**$0**
Total at 12/31/2025			**$0**	**0.00%**	**0**			
Open Reserves			**$1,703,979**					

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

Item Number:	**Item Title:**
7.E.	CRL Update
Presenter (s): Grace Philips, Risk Management Director	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: May 4, 2026
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: CRL Update

- CRL will host its board meeting at the Inn of Loretto in Santa Fe September 22-23 and board and staff members are invited to attend. CRL's membership meeting will take place at 4:00 on September 22 and last approximately one hour. On the 23rd there will be a full-day board meeting.
- CRL released it's 2025 annual report which is available online using this link: https://heyzine.com/flip-book/88f7a7d31e.html

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

Item Number:	**Item Title:**
7.F.	NMCRe Update
Presenter (s): Grace Philips, Risk Management Director	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: August 14, 2025
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: NMCRe Update

- The deadline to apply for the open chief operating officer position is August 17, and as of this memo date we have five applicants.
- Ron Lethgo has resigned his position on the board and to date we have two applicants interested in serving on this board.
- Utah regulations require the board to either meet one time in Utah annually or have one non-Utah resident board member travel to Utah to attend one meeting. The board's last two meetings of the year will take place on September 15 and December 15.

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

Item Number:	**Item Title:**
7.G.	Multi-Line Update

Presenter (s):
Robin Martinez, Multi-Line Claims Manager

MEMORANDUM

TO: NMCIA Board of Directors

FROM: Robin Martinez, Multi-Line Claims Manager

DATE: August 14, 2026

RE: ML Department Highlights and Claim Data

This report includes highlights of activities which the Multi-Line Department participated in, as well as Multi-Line and Law Enforcement claim data through August 5, 2026.

- **Claims Committee meetings**: From January through August 2026, we held 13 meetings in which 37 claims were presented by the claims staff and/or defense counsel. Counties are always invited and encouraged to attend and participated in the majority of the meetings.

- **Training**: The ML staff attended the following:

    - Legislative Conference affiliate meetings
    - NMC Webinars by Mark Allen:
        - Writing Effective Disciplinary Actions
        - Workplace Violence
        - Progressive Discipline
        - Employee Termination Best Practices
        - Safety Sensitive positions
        - Whistle While You Work
    - CRL Claims Training – Aligning Purpose, Strategy & Member Impact
    - NIJO: Know the Law – Importance of keeping up with the law pertaining to corrections
    - Webinar: Duty to Intervene/Duty to Protect
    - Claims Committee training:
        - Litigation - Motion to Dismiss vs Motion for Summary Judgment
        - IPRA – damages

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- Presentations:
  - Robin met with new Mora County Attorney Brett Phelps to provide training on ML/LE claims, litigation, process, etc.
  - Robin and Grace co-presented with LE expert Jack Ryan at the Legislative Conference on LE claim data in NM and US
  - Robin and Grace presented to the Sheriff's affiliate at the Legislative Conference re mock trials
  - Robin and Grace attended the 3-panel Arbitration hearing regarding the Bernalillo County/NMCIA one occurrence issue
  - Robin, Grace, Greg, along with John Chino and Naomi Di Martino from AJ Gallagher, met with Dona Ana County staff - Deputy County Manager Deb Weir, Interim County Attorney Alonzo Maestas, HR Director Meg Haines, Safety/Risk Manager Matthew Adam, and safety staff April Deale-Thomas, and Ron Burrick. Information provided included history of NMCIA, pooling vs commercial insurance, claim data, ML/LE claim and litigation processes, trainings, etc.

- IPRA: Responded to and provided information for 15 IPRA requests which NMC received directly or from counties to assist counties in responding to IPRAs they received. These requests typically ask for tort claim notices, lawsuits, and settlement agreements for various categories and/or for specific county departments.

Mediations / Settlement conferences: ML staff attended 27 mediations and settlement conferences on behalf of counties.

Trial: 1 Bench trial in Lincoln County on a LE malicious prosecution case against the Sheriff's Department; awaiting the court's decision.

Independent Audit of PR Claims: CRL requires an audit by an independent firm to evaluate how well property claims are managed. MSN auditors conducted this audit in June 2026 and although we do not have the final report, we have the draft report which indicates an overall score of 91.9% against a 95% benchmark. The auditors review claims for compliance with the Property Coverage Agreement, the Multi-Line Claims Manual, and best practices. Areas reviewed were reserves, coverage, investigation, documentation, and excess reporting.

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Claim Data:

Claims Examiner Claim Count:

Claims Examiner	No. of Claims 8/2025	No. of Claims 8/2026
Jennifer Ortiz	150	108
John Grant	140	117
Randy Chavez	138	100
Tara Veretto	136	85
Velma Herrera	134	109
Kayla Montoya	121	97
Rosa Quintana	118	120
Valerie Dixon	79	113
Robin Martinez	11	1
TOTAL	**1,027**	**850**

The claim load is at a more manageable level and over the past year, the total count has fluctuated between 850 and 870. Of this 850, 388 are litigated claims, which is 45% of the total number of claims. Every Claims Examiner handles litigated claims.

I continue to monitor the claim count and have assigned two ML staff to provide support to Risk Management staff (Lori Urban and Cynthia Stephenson) to address workload demands. Tara Veretto will be NMC's IPRA Records Custodian and Becky Young provides assistance to me in gathering claim information in response to IPRA's. She also provides support to Lori Urban with Origami projects.

Below is additional claim data on (a) the number of claims, total paid towards legal, and total incurred, from 2021 through 2026; (b) the number of NMCRA claims vs federal claims since 2021; and the number of open excess reportable claims.

The ML team continues to work diligently on behalf of counties to mitigate liability exposure.

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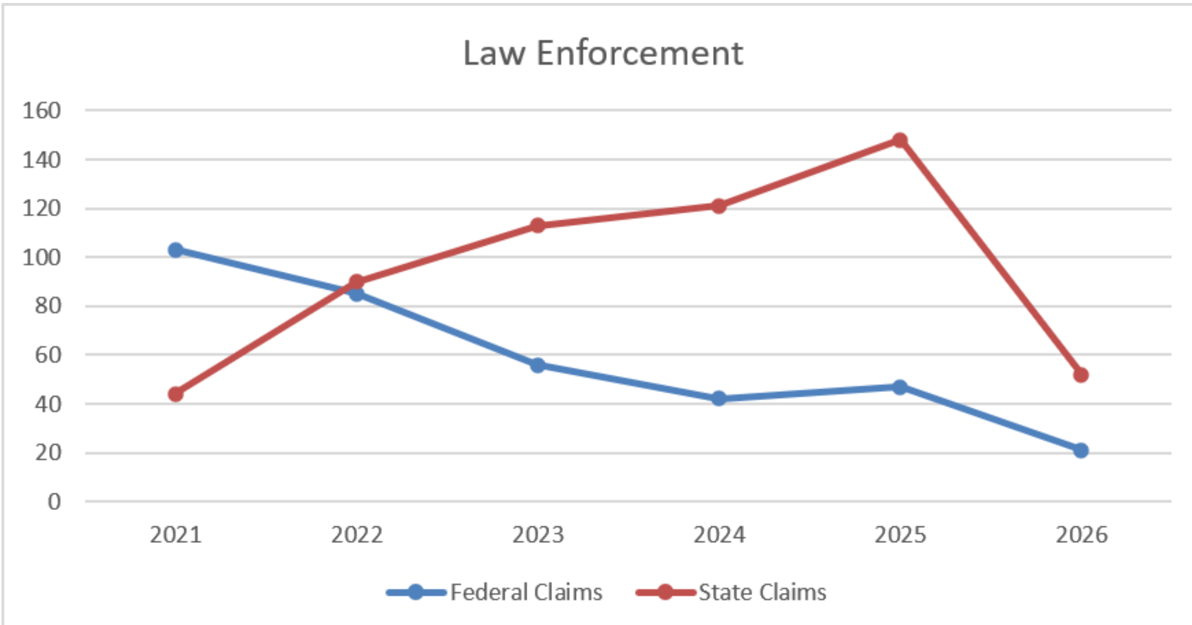
Multi-line Department Data

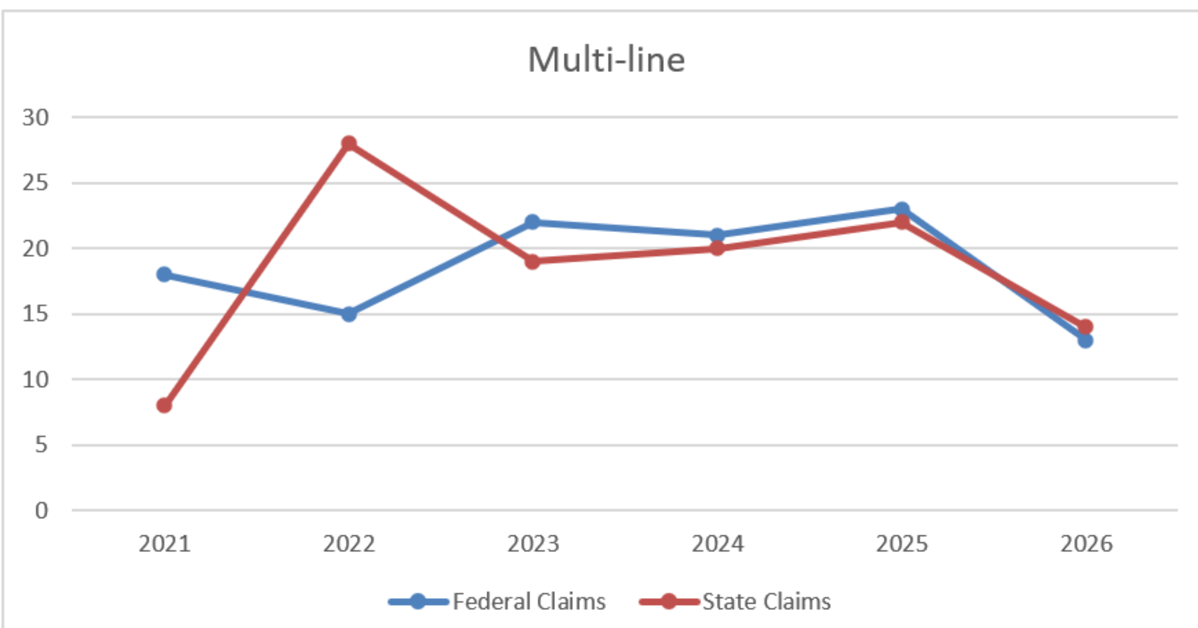
1/1/2021 – 8/5/2026 as of 8/5/2026

	No. of Claims	Paid Legal	Total Incurred
LE	**1,892**	**9,004,148**	**132,605,568**
2021	347	1,838,616	20,848,485
2022	368	2,673,854	32,660,524
2023	335	2,281,854	30,774,255
2024	323	1,582,378	30,260,451
2025	370	604,104	16,573,272
2026	149	23,341	1,488,581

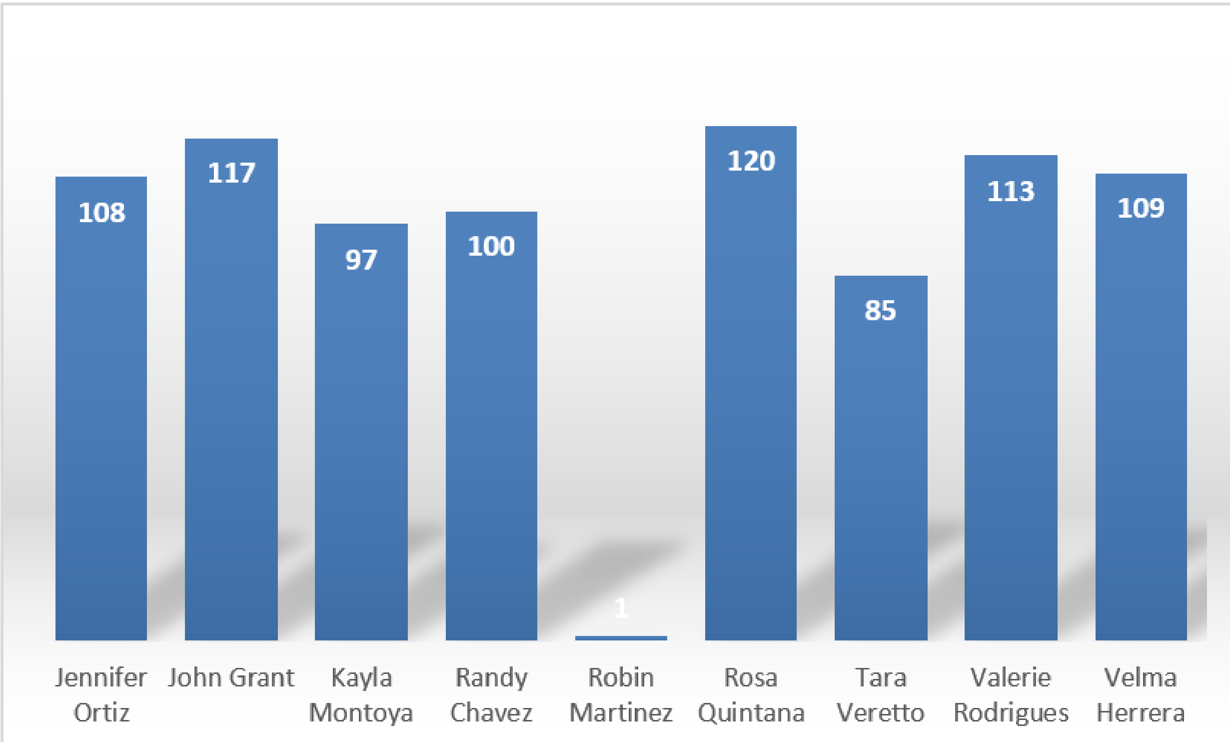
	No. of Claims	Paid Legal	Total Incurred
ML	**5,847**	**6,404,522**	**64,940,828**
2021	723	1,493,533	10,631,461
2022	1023	1,427,756	11,044,340
2023	1249	1,535,441	13,924,413
2024	1249	1,087,825	15,353,333
2025	1264	731,795	10,802,998
2026	339	128,172	3,184,282

Number of NMCRA Claims vs Federal Claims

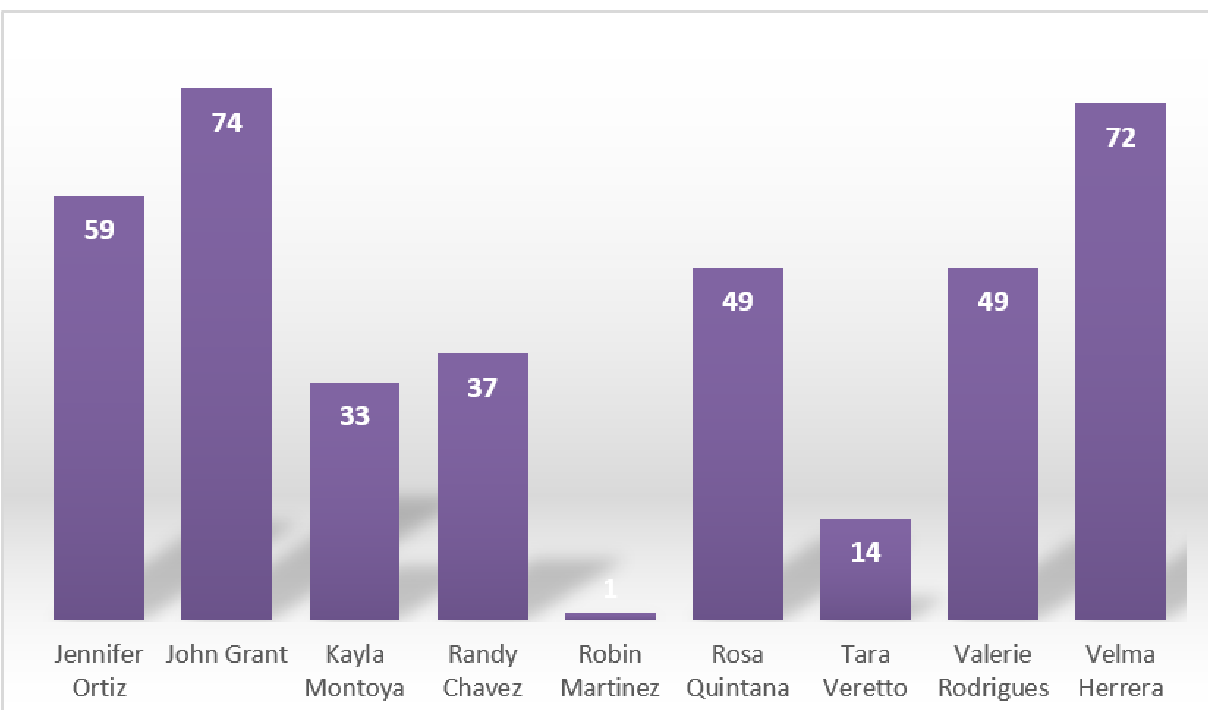




Number of Open Claims by Examiner



Number of Open Litigated Claims by Examiner



Number of Open Excess Reportable Claims

	No. of Claims
LE	**109**
2021	7
2022	14
2023	13
2024	21
2025	37
2026	17

	No. of Claims
ML	**31**
2021	1
2022	4
2023	3
2024	5
2025	8
2026	10

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

Item Number:	**Item Title:**
8.	Other Business
Presenter (s): Lance Pyle, Chair	

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

Item Number:	**Item Title:**
9.	Adjournment
Presenter (s): Lance Pyle, Chair	

Motion to adjourn by: Seconded by:

Adjournment time: