NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

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

Sandoval County
Santa Ana Star Casino Hotel, Tularosa Room
54 Jemez Canyon Dam Rd.
Bernalillo, NM 87004

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

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*	**Lance Pyle** *Curry County Manager*	**Chris Brice** *Luna County Manager*
Cibola, Los Alamos, McKinley, Rio Arriba, Taos, Torrance, Valencia	Colfax, Curry, Guadalupe, Harding, Mora, Quay, San Miguel, Union	Catron, Grant, Hidalgo, Luna, Sierra, Socorro

SOUTHEAST
Roberta Gonzales *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*	**Kate Fletcher** *Cibola County Manager*	**Anthony Dimas, Jr.** *McKinley County Manager*
Catron, Colfax, De Baca, Guadalupe, Harding, Hidalgo, Mora, Quay, Sierra, Torrance and Union	Cibola, Grant, Lincoln, Los Alamos, Luna, Roosevelt, San Miguel, Socorro and Taos	Chaves, Curry, Eddy, Lea, McKinley, Otero, Rio Arriba and Valencia

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
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

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

AGENDA

In Person
Sandoval County
Santa Ana Star Casino Hotel, Tularosa Room
54 Jemez Canyon Dam Rd.
Bernalillo, NM 87004

Video Conference Link for Guests
Meeting ID: 863 3598 4319
Passcode: 631592
One tap mobile:
+12532158782,,86335984319#,,,,*631592# US (Tacoma)
+13462487799,,86335984319#,,,,*631592# US (Houston)

* 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 November 19, 2026, at 8:30 a.m. If the NMCIA Board does, in fact, recess and reconvene this meeting, notice of the date, time, and place of the reconvened meeting will be posted (1) on or near the door of the place where the original meeting was held (if any); (2) at New Mexico Counties' offices (444 Galisteo Street Santa Fe NM 87501); and (3) on New Mexico Counties' website (https://www.nmcounties.org/services/insurance).

If the NMCIA Board completes the agenda on November 18, 2026, it will not meet on November 19, 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 August 19, 2026 and September 10, 2026**	Lance Pyle	Pg. 8
4.	**Board Presentations**		
	A. Gallagher Update	John Chino	Pg. 16
	B. Financial Reports	Alex Lundy	Pg. 18
5.	**Board Action Items**		
	A. Ratify Sheriff Affiliate Ex-officio NMCIA Board Appointment	Lance Pyle	Pg. 32
	B. Appoint NMCIA Designated Representative to Association of Governmental Risk Pools (AGRiP)	Grace Philips	Pg. 34

C.	Board Member Attendance	Lance Pyle	Pg. 36
D.	Approve 2027 Meeting Calendar	Grace Philips	Pg. 37
E.	Approve NMCIA Board 2027 Open Meetings Act Resolution	Mark Allen	Pg. 42
F.	Approve Realignment of Multi-Line and Law Enforcement Program Inception Dates to a Fiscal Year Effective July 1, 2027	Grace Philips	Pg. 49
G.	Approve NMCIA Board Resolution Changing the Pool's Fiscal Year to July 1 – June 30	Alex Lundy	Pg. 50
H.	Approve January 1 – June 30, 2027 Budget	Grace Philips	Pg. 59
I.	Approve January 1 – June 30, 2027 Multi-Line and Law Enforcement Proposed Reinsurance	Grace Philips	Pg. 61
J.	Approve January 1 – June 30, 2027 Pass-through Coverages	Grace Philips	Pg. 63
K.	Approve January 1 – June 30, 2027 Multi-Line Contributions	Grace Philips	Pg. 64
L.	Approve January 1 – June 30, 2027 Law Enforcement Contributions	Grace Philips	Pg. 66
M.	Approve January 1 – June 30, 2027 Liability Coverage Agreement	Grace Philips	Pg. 68
N.	Approve Revised Multi-Line and Law Enforcement Attorney Rates	Robin Martinez	Pg. 145

6. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7) — Lance Pyle — Pg. 148

- Jocelin Sam, et al v Sandoval County
- Alexander Kaldor v Taos County
- John Day v Dona Ana County
- ACLU, et al. v Dona Ana County
- Estate of Joseph Fuentes v Eddy County
- Estate of Violet Denetso v Bernalillo County
- Estate of Colby Atkins v Bernalillo County
- Estate of Matthew Shetima-Joe v Bernalillo County
- MDC Appeal of One Occurrence Application – Arbitration Update

7. Board Reports

A.	Executive Director Update	Joy Esparsen	Pg. 149
B.	Risk Management Update	Grace Philips	Pg. 155
C.	Loss Prevention Update	Greg Rees	Pg. 157
D.	Legal Bureau Update	Brandon Huss	Pg. 160
E.	Workers' Compensation Update	Jamie Dalton	Pg. 161
F.	CRL Update	Grace Philips	Pg. 162
G.	NMCRe Update	Grace Philips	Pg. 184

8. Other Business — Lance Pyle — Pg. 186

9. Adjournment — Lance Pyle — Pg. 187

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

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

Item Number:	**Item Title:**
3.	Approve Board Meeting Minutes of August 19, 2026 and September 10, 2026
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.

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

MINUTES

Call to Order/Pledge of Allegiance/Roll Call/Introductions
Chair Lance Pyle called the meeting to order at 8:32 a.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present
Jhonathan Aragon, Valencia County Manager (arrived at 9:52 near the end of 4.C)
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
Vickie Marquardt, NMC President Elect, Otero County Commissioner
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
Michael Meek, Sandoval County Commissioner
Adan Mendoza, Sheriff Affiliate Representative, Santa Fe County Sheriff

NMC Staff Present
Mark Allen, General Counsel
Randy Chavez, Multi-Line Claims Examiner
Kamie Denton, Workers' Compensation Claims Manger
Joy Esparsen, Executive Director
John Grant, Sr. Multi-Line Examiner
Brandon Huss, Legal Bureau Director
Robin Martinez, Multi-Line Claims Manager
Adolfo Mendez, Legal Bureau Attorney
Grace Philips, Risk Management Director
Rosa Quintana, Multi-Line Claims Examiner
Greg Rees, Loss Prevention Manager
Cynthia Stephenson, Risk Management Specialist

Lori Urban, Assistant Risk Management Director (via video conference)
Aelysea Webb, Administrative Services Director (via video conference)

Guests Present
Daniel Apodaca, Saucedo Harrigan Apodaca Griesmayer Apodaca PC
Nick Autio, NM Local Government Law
Chris Brice, Luna County Manager
Jason Burnette, German Burnette & Associates
John Chino, Gallagher
Sara Woods, Mynatt Springer P.C.

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

Approve Board Meeting Minutes of June 15, 2026 and July 7, 2026
Charlene Webb made a motion to approve the minutes, and Roberta Gonzales seconded the motion, which passed unanimously.

Board Action Items

Acknowledge Receipt of 2025 NMCIA Pool Financial Audit
Josh Trujillo of SJT Group LLC presented the audit which received an unmodified (clean) opinion and noted no material weaknesses. He did identify two significant deficiencies, one a new finding related to procurement, stating there was no CPO on staff in fiscal year 2025 and vendors were paid more than $60,000 without procurement of a competitive sealed bid. The other significant deficiencies he noted were two adjustments corrected during the audit process, recording a subscription-based IT component (Origami) as an asset and another subscription (Lexipol) as a liability under new GAAP accounting standards. He said there were four findings in the 2024 audit and three resolved. Roberta Gonzales made a motion to acknowledge receipt of the 2025 NMCIA financial audit and Charlene Webb seconded the motion, which passed unanimously.

Appoint Member to Fill Southwest Geographic Director Position
Lance Pyle indicated he received two letters of interest, one from Luna County Manager Chris Brice and the other from Socorro County Manager Joe Chavez. Charlene Webb made a motion to appoint Chris Brice to the position effective November 1, 2026, and Lance Pyle seconded the motion, which passed unanimously.

Appoint Board Members to Fill Litigation, Finance and Audit, and Underwriting Committee Vacancies
Kate Fletcher made a motion to appoint Chris Brice to the Litigation Claims Committee effective November 1, 2026 and Amber Hamilton seconded the motion, which passed unanimously. Charlene Webb made a motion to appoint Amber Vaughn to the vacancy on the Finance and Audit Committee and Roberta Gonzales seconded the motion, which passed unanimously. Jhonathan Aragon made a motion to appoint Amber Vaughn to fill a vacancy on the Underwriting Committee and for Roberta Gonzales to replace Charlene Webb as the alternate effective November 1, 2026.

Board Discussion and Direction

Actuarial Report and Capital Adequacy
Grace Philips updated the board on the draft law enforcement actuarial report received from Steven Glicksman Consulting effective June 30, 2026, noting a significant erosion to the net position. She said Mr. Glicksman indicated erosion in the Multi-Line program but had not provided the draft report as of the meeting date. She said she shared the draft with Danny Linton of Pinnacle Actuarial Services and Gallagher, with Mr. Linton noting all of his pooling clients were experiencing similar claims history in law enforcement. She discussed the Board's capital adequacy policy options and after discussion among members, the Board's consensus was to handle it through contributions.

Amendments to Multi-Line and Law Enforcement Coverage Agreement
Grace Philips presented proposed areas of change to the 2027 coverage agreement including changes to limit consolidation of a series of related claims into one Occurrence to claims made during a single year, changes to address limit on coverage if NMC settles an IPRA claim before a court "assessment" of damages, and possible limits of liability on certain sheriff pursuit claims. The Board will consider these changes at its next meeting.

Realignment of Multi-Line and Law Enforcement Program Inception Dates
Grace Philips and John Chino presented a summary of the opportunities and challenges to transition all coverage to a fiscal policy year from currently having only property and workers' compensation on a fiscal cycle. John pointed out the challenge to counties currently in choosing deductible options twice a year for numerous coverages. The transition will include a 6-month renewal on January 1, 2027 and a full-year renewal for the July 1, 2027-June 30, 2028 policy year. The Board agreed with the proposed realignment.

Strategic Retreat
Grace Philips discussed options for the retreat agenda, reminding members of the discussions that took place in 2025 with the deductible program a significant outcome, direction on the Civil Rights Act, and more participation by the sheriff and detention affiliate which resulted in two ex-officio positions created by the Board. Members discussed possibly revisiting the 2023 strategic plan. Lance Pyle asked for a discussion of the impact on Bernalillo County's departure. Members indicated the NMCIA survey results may inform the retreat discussion.

Lance Pyle suggested the Board take a 15-minute break, reconvening at 11:00 a.m., but to first go into executive session.

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

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. Jhonathan Aragon seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, 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. Deborah Weir made a motion to come out of executive session and Roberta Gonzales seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Gregory Shaffer, Amber Vaughn, and Kate Fletcher. Charlene Webb made a motion to approve items as discussed under pending and threatened litigation for cases 2026-8-1, 2026-8-2, 2026-8-3, 2026-8-4, 2026-8-5 and 2026-8-6. Roberta Gonzales seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Roberta Gonzales, Deborah Weir, Gregory Shaffer, Amber Vaughn, and Kate Fletcher.

Board Reports

Executive Director Update

Joy Esparsen let members know the Inspection of Public Records Act (IPRA) Task force listening sessions ended and that IPRA must remain a NMC legislative priority. She said she is hopeful the task force report will recommend structural changes. She also updated the Board on the July 23 DFA memo issued to counties outlining recent rule changes for assessors and treasurers regarding property tax certification processes. The assessors raised immediate concerns because DFA did not notify affected stakeholders in advance, noting the timing, potential unfunded mandates, new responsibilities, outside statutory obligations and related issues. She said newly hired Finance Director Alex Lundy would receive his CPO license, and that Grace Philips and Lori Urban had received theirs this year. She reminded members that the BIPO conference takes place December 6-8 in Albuquerque.

Financial Reports

Joy Esparsen presented the statement of financial position as of June 30, 2026, noting total assets of $129,480,211 (with bonds down), total liabilities of $86,554,199, total pool net position of $42,926,011 (which will be closer to $20 million with the Law Enforcement actuarial draft), and a total liabilities and net position of $129.4 million. She reviewed the budget, noting total income of $22,035,205 at 56% as of June 30, total claims and claims adjusting of $17,898,196 at 56%, total risk mitigation expense of $587,976 at 45%, total expenses of $21,086,031 at 54% and net position of $456,755.

Risk Management Update

Grace Philips let members know Santa Fe County Sheriff Adan Mendoza terms out at the end of the year and that she spoke to him, and he thought having a replacement in place for the final meeting of the year is best. She let the Board know Workers' Compensation Claims Manager Kamie Denton tendered her resignation, and her last day will be September 4. She said Kamie will join Argo which is moving into the New Mexico market and is recruiting for workers' compensation.

Loss Ratio Reports
Lori Urban presented the Law Enforcement loss ratios as of July 31, 2026, noting Bernalillo County's 10-year loss ratio through fiscal year 31 (2025) was 164.16%, with the program's 10-year loss ratio at 134.93%. She said policy years 2021 through 2024 were driving the deterioration. She presented the Multi-Line loss ratios (excluding auto physical damage and property), noting a 103.57% 7-year loss ratio with three members with large loss ratios (Dona Ana 178.29%, Sandoval 135.99% and Santa Fe at 117.97%.) For policy year 2025 she noted a 90.89% loss ratio with 122 open claims and $3.8 million in open reserves.

CRL Update
Grace Philips reminded members 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. She said she invited the CRL board, broker, actuary and financial consultant to her home for dinner on the 21st.

NMCRe Update
Grace Philips let members know Steve Kopelman non-renewed his contract as chief operating officer and that to date they have received six strong applicants for the position. She said the selection committee of Greg Shaffer, Johnnie Miller, herself and Lori Urban hoped to interview candidates next week. She let the Board know Ron Lethgo resigned his position as president and that the bylaws allow between five and seven members. She said with Ron's resignation, the Board would need to fill his position but expressed interest in possibly expanding to seven members.

Multi-Line Update
Robin Martinez provided an update on department highlights and claims data, noting the department hosts claims committee meetings at least once each month, but typically two to three times monthly. She said from January through August the department held 13 meetings in which 37 claims were presented by the claims staff and/or defense counsel. Staff attended numerous training sessions including a CRL claims training, NIJO: Know the Law (regarding corrections), and claims committee trainings on litigation: motion to dismiss vs motion for summary judgment and IPRA damages. Staff attended 27 mediations and settlement conferences and one bench trial. The department received an audit from an independent firm hired by CRL to evaluate how well property claims are managed and received an overall score of 91.9% against a 95% benchmark. Claims examiner counts reduced from 1,027 in August 2025 to 850 in August 2026, with the highest individual claim load reducing from 150 to 108. Of the 850 claims, 388 (45%) are litigated.

Other Business
Lance Pyle instructed staff to include an action item for the Board to consider regarding Anthony Dimas.

Adjournment
Lance Pyle adjourned the meeting at 2:52 p.m.

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' SPECIAL MEETING

September 10, 2026, 8:00 a.m.

Via Zoom

MINUTES

Call to Order/Pledge of Allegiance/Roll Call/Introductions
Vice Chair Gregory S. Shaffer called the meeting to order at 8:00 a.m. Lori Urban called the roll and announced that a quorum was present: Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, and Kate Fletcher.

Board Members Present
Anthony Dimas, Jr., McKinley County Manager (arrived during roll call going into Executive Session)
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Roberta Gonzales, Eddy County Finance Director
Michael Meek, Sandoval County Commissioner
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Amber Vaughn, Sierra County Manager
Deborah Weir, Dona Ana County Assistant Manager

Board Members Absent/Excused
Jhonathan Aragon, Valencia County Manager
Bryan Baker, Detention Administrators Affiliate Representative, Dona Ana County Detention Administrator
Tina Dixon, NMC President, Roosevelt County Commissioner
Vickie Marquardt, NMC President-Elect, Otero County Commissioner
Adan Mendoza, Sheriff Affiliate Representative, Santa Fe County Sheriff
Lance Pyle, Chair, Curry County Manager
Charlene Webb, Grant County Manager

NMC Staff Present
Grace Philips, Risk Management Director
Lori Urban, Assistant Risk Management Director

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

Executive Session Per New Mexico Open Meetings Act 10-15-1(H)(6)

- **Broker Services RFP**

Kate Fletcher made a motion to go into executive session to discuss the contents of competitive sealed proposals as allowed by the Open Meetings Act 10-15-1(H)(6) NMSA 1978. Roberta Gonzales seconded the motion, which passed via a roll call vote: Kate Fletcher, Amber Vaughn, Roberta Gonzales, Michael Meek, Gregory Shaffer, Deborah Weir,

and Anthony Dimas. Kate Fletcher certified that the only thing discussed was the broker services RFP per the Open Meetings Act. Kate Fletcher made a motion to come out of executive session and Roberta Gonzales seconded the motion, which passed via roll call vote: Kate Fletcher, Amber Vaughn, Roberta Gonzales, Michael Meek, Gregory Shaffer, Deborah Weir, and Anthony Dimas.

Board Action Items

Selection of Broker Services
Anthony Dimas made a motion to accept as discussed in Executive Session staff's recommendation to award the broker services contract to the highest rated offeror Gallagher and to authorize staff to move forward with contract negotiations. Kate Fletcher seconded the motion, which passed via roll call vote: Kate Fletcher, Amber Vaughn, Roberta Gonzales, Deborah Weir, Gregory Shaffer, Anthony Dimas, and Michael Meek.

Other Business
No other business was discussed.

Adjournment
Michael Meek made a motion to adjourn the meeting, and Deborah Weir seconded the motion which passed unanimously. The meeting adjourned at 8:21 a.m.

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

Item Number:	**Item Title:**
4.A.	Gallagher Update
Presenter (s): John Chino, Area Vice President, Gallagher Nasreen Kopecky, Account Manager, Gallagher	

Gallagher

Insurance | Risk Management | Consulting

2027 Renewal Premium Summary

Coverage	Coverage Term	Premium	26-27 Premium
Flood	January 1, 2027 – July 1, 2027	$157,355.62 (Extension Premium)	$317,249.42
Crime	January 1, 2027 – July 1, 2027	$29,968 (Extension Premium)	$60,432.00
Boiler & Machinery	January 1, 2027 – July 1, 2027	$23,843 (Extension Premium)	$48,071.00
Cyber Liability (NMCIA Members)	January 1, 2027 – July 1, 2027	$129,256 (Extension Premium)	$260,597.59
Cyber Liability (NMCIA)	January 1, 2027 – July 1, 2027	$4,195 (Extension Premium)	$8,408.00
Directors & Officers	January 1, 2027 – July 1, 2027	$52,852 (Extension Premium)	$109,756.91
Pollution Legal Liability	January 1, 2027 – July 1, 2027	$32,728 (Extension Premium)	$78,548.03
Special Event*	January 1, 2027 – January 1, 2028	$2,000 Minimum Premium	$2,061.00
Storage Tank Liability**	January 1, 2027 – July 1, 2028	$27,913.81	$20,956.99
Public Official Bonds – 29 Counties	January 1, 2027 – July 1, 2030	$38,249.00; 42-month policy term	$33,072; 3-Year Premium
Total		**$498,360.43**	**$939,152.94**

*The Special event policy won't extend this policy. They can cancel and re-write July 1, 2027. The premium remains the same as it is minimum premium

**The Storage Tank policy will move coverage to Crum & Forster. Benefits to moving carriers:

- Dedicated $1mm limits per location – not shared
- Deductible reduced to $5,000 from $10,000 expiring
- Written as 1 master policy for ALL counties. Currently Grant and Cibola counties would have had separate policies outside of the master policy

© 2019 ARTHUR J. GALLAGHER & CO. | AJG.COM

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

Item Number:	**Item Title:**
4.B.	Financial Reports
Presenter (s): Alex Lundy, Finance Director	

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

Date: November 18, 2026

To: NMCIA Board of Directors

From: Alex Lundy, Finance Director

Re: Finance Update – Period Ending 9.30.2026

As you are aware, NMCIA wished Richard Garcia farewell in August, after 7 years of dedicated service within the Finance Department. I am delighted to have been selected as the new Finance Director and look forward to supporting our pool members.

Over the past couple of months, my focus has been on operations and current initiatives, working closely with the finance team and senior staff. I have also held introductory meetings with NMCIA business partners, including our audit firm, banking institutions, brokerage firm, and investment advisor.

The attached preliminary, unaudited financial statements cover the month ending September 2026. They include the Statement of Net Position, Income-Budget Statements, and Investment Statements for the Consolidated Pool, as well as for the Law Enforcement, Multi-Line, and Worker's Compensation Programs. Key financial results include:

- Total Current Assets decreased $5.7 million compared to the same period in FY2026.
- Total Investments decreased ~$2.4 million compared to the same period in FY2026.
- Total Assets decreased ~$8.1 million compared to September 2025.
- Total Liabilities increased ~$3.5 million compared to the same period in FY2026.
- The total Net Position as of September 2026 was $19.7 million, a decrease of ~$11.7 from prior year.
- Total NMCIA Income was $32.6 million, approximately 74% of budget.
- Total Operating Expenses were 121% of annual budgeted amounts.
- Interest Income in Investments was 32,620, but the net change in the fair value of the investments was $(4.7) million.
- The combined NMCIA pool current net position was $(22.8) million.

Looking ahead, the Finance Department anticipates responding to auditor requests beginning in late January. Please do not hesitate to contact me if you have any questions or concerns. I may be reached at alundy@nmcounties.org or 505-820-8140.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

New Mexico County Insurance Authority Pool

Administered by New Mexico Association of Counties

Statement of Financial Position (Unaudited)

9 / 30 / 2026

		September 30, 2026		September 30, 2025
Assets				
Current Assets				
Cash and Cash Equivalents		$ 4,001,626		$ 11,717,493
Accounts Receivable - Members		1,750,808		-
Accounts Receivable - Deductibles		216,595		540,352
Accounts Receivable - Claims		750,000		750,000
Accounts Receivable - Capital Adequacy		1,040,737		377,869
Accounts Receivable - LE Accreditation Fee		2,500		2,500
Accounts Receivable - Reinsurance		1,267,258		4,446
Accounts Receivable - Hi Ded Counties		471,823		136,518
Accounts Receivable - Other		106,438		79,374
Note Receivable		1,046,142		1,144,058
Prepaid Expenses		4,718,296		5,749,713
Subscription Assets		1,113,604		1,730,585
Total Current Assets		16,485,826		22,232,908
Investments				
Exchange Traded Funds	30,962,013		20,262,743	
US Government Bonds	63,698,224		70,975,618	
Mutual Funds	1,786,904		6,542,700	
Unrealized Gain / Loss	(4,223,386)	92,223,754	1,246,959	99,028,020
County Reinsurance Pool Equity		1,587,574		856,467
County Reinsurance Property Plus Equity		6,223,573		5,457,809
Captive Reinsurance Equity		15,983,768		13,064,435
Total Investments		116,018,669		118,406,731
Total Assets		**$ 132,504,494**		**$ 140,639,639**
Liabilities and Pool Net Position				
Current Liabilities				
Accounts Payable		$ 185,178		$ 202,890
Subscription Liabilities		1,166,299		1,753,077
Unearned Capital Adequacy Contributions		1,285,050		1,272,573
Unearned Member Contributions		16,372,171		16,249,741
Total Current Liabilities		19,008,698		19,478,281
Long Term Liabilities				
Reserve for Future Claims				
Multi-Line Program		14,456,492		12,116,642
Law Enforcement Program		60,410,625		59,833,812
Workers' Compensation Program		18,924,892		17,853,098
Total Long Term Liabilities		$ 93,792,009		$ 89,803,553
Total Liabilities		**$ 112,800,706**		**$ 109,281,834**
Fund Balance		42,469,256		7,194,795
Current Year Pool Net Position		(22,765,468)		24,163,009
Total Pool Net Position		**$ 19,703,788**		**$ 31,357,805**
Total Liabilities and Net Position		**$ 132,504,494**		**$ 140,639,639**



New Mexico County Insurance Authority Pool
Administered by New Mexico Association of Counties
Income / Budget Statement (Unaudited)
9 / 30 / 2026

	2026 Budget	Jan 01, 2026 through Sep 30, 2026	75% of Budget
Income			
Member Contributions	$ 43,883,865	$ 28,977,211	66%
Capital Adequacy Contributions		3,608,354	
Accreditation Fees		12,500	
Total Income	**$ 43,883,865**	**$ 32,598,064**	**74%**
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	$ 28,172,202	$ 35,080,436	151%
Adjustment to ULAE		940,579	
Nurse Case Manager		(76,189)	
Claims Reserves		17,876,179	
Recoveries - Deductibles		(6,753,708)	
Recoveries - Reinsurance		(3,315,057)	
Recoveries - County Settlements		(1,000,373)	
Recoveries - Subrogation & Salvage		(240,303)	
Reinsurance	8,402,189	5,516,554	66%
Brokerage Fees	100,000	73,409	73%
Total Claims & Claim Adjusting	**$ 36,674,391**	**$ 48,101,527**	**131%**
Risk Mitigation Expense			
Administrative Fee-NMAC	$ 602,250	$ 447,065	74%
Special Projects	90,000	38,333	43%
EDGE Detention Scholarships	5,000	-	0%
Online Training Program & Benchmark	205,398	83,341	41%
Loss Incentive Program	50,000	33,880	68%
Legal Advice Program	50,000	49,125	98%
Lexipol	255,000	204,708	80%
Law Enforcement Accreditation	76,000	42,273	56%
Total Risk Mitigation Expense	**$ 1,333,648**	**$ 898,726**	**67%**
Administrative & Other			
Administrative Fee-NMAC	$ 4,537,122	$ 3,352,476	74%
Actuary	71,876	25,700	36%
Capital Adequacy Study	7,000	-	0%
Financial Audit	76,318	36,323	48%
Investment Advisor Expense	47,159	33,750	72%
Payroll Audit	55,000	54,979	100%
Property Appraisal Fees	225,000	73,846	33%
Legal Expense	45,379	-	0%
Software Support, Licensing, Training	508,871	286,671	56%
AI Software & Training	50,000	378	1%
Board Training & Education	31,080	-	0%
Board D&O Insurance	135,189	67,295	50%
Miscellaneous	13,576	-	0%
Total Admin & Other	**$ 5,803,570**	**$ 3,931,419**	**68%**
Total Expenses	**$ 43,811,609**	**$ 52,931,672**	**121%**
Operating Income	**$ 72,256**	**$ (20,333,607)**	
Investment Income	3,372,880	2,568,943	
Net Change in Fair Value of Investments		(4,676,542)	
Interest Income on Note Receivable		32,620	
Miscellaneous Income		6,480	
Earnings from Investment in Captive Reinsurance		(363,361)	
Total Non-Operating Revenue	**$ 3,372,880**	**$ (2,431,861)**	
Net Position	**$ 3,445,136**	**$ (22,765,468)**	

New Mexico County Insurance Authority Pool

Administered by New Mexico Association of Counties

Schedule of Investments

9 / 30 / 2026

Cash	Current Yield	Amount	Est. Annual Income
Banks, Money Market Accts & State Treas LGIP	**1.32%**	**$ 4,013,967**	**$ 53,225**

Securities	Est. Ann. Yld	Ending Market Val	Cost	Market Gain / Loss *
Exchange Traded Funds	**5.10%**	29,498,124	30,962,013	(1,463,889)
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**3.87%**	58,330,670	60,438,063	(2,107,393)
Govt Asset Backed Sec	**4.64%**	2,673,094	3,260,160	(587,066)
Mutual Funds	**7.05%**	1,721,865	1,786,904	(65,039)
Total Investments	**4.35%**	**$ 92,223,753**	**$ 96,447,140**	**$ (4,223,387)**
Total Cash & Investments	**4.23%**	**$ 96,237,720**	**$ 100,461,106**	

Estimated Annual Income on Cash & Investments $ 4,047,051

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	97%	$	97,893,843
First National Santa Fe	3%		2,563,790
State Treasurers LGIP	0%		3,473
	100%	**$**	**100,461,106**

* 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 Association of Counties

Statement of Financial Position (Unaudited)

9 / 30 / 2026

		September 30, 2026		September 30, 2025
Assets				
Current Assets				
Cash and Cash Equivalents		$ 938,731		$ 6,274,006
Accounts Receivable - Deductibles		98,399		163,302
Accounts Receivable - Claims		750,000		750,000
Accounts Receivable - Capital Adequacy		592,814		170,349
Accounts Receivable - LE Accreditation Fee		2,500		2,500
Accounts Receivable - Other		-		5,429
Prepaid Expenses		914,835		1,557,969
Subscription Assets		898,316		1,300,011
Total Current Assets		4,195,594		10,223,565
Investments				
Exchange Traded Funds	$ 8,633,626		$ 5,174,114	
US Government Bonds	15,949,291		29,656,258	
Mutual Funds	692,164		2,739,385	
Unrealized Gain / Loss	(1,404,131)	23,870,950	454,296	38,024,054
Captive Reinsurance Equity		15,985,695		13,296,275
Total Investments		39,856,644		51,320,329
Total Assets		**$ 44,052,239**		**$ 61,543,894**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable		$ 80,762		$ 116,333
Subscription Liabilities		930,035		1,306,821
Unearned Capital Adequacy Contributions		646,045		639,772
Unearned Member Contributions		4,320,219		6,756,165
Total Current Liabilities		5,977,061		8,819,091
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 22 - 2016	$ 76,162		$ 80,203	
Fund Year 23 - 2017	13,932		1,560,611	
Fund Year 24 - 2018	-		21,750	
Fund Year 25 - 2019	1,128,880		533,634	
Fund Year 26 - 2020	1,113,471		1,113,721	
Fund Year 27 - 2021	3,670,863		2,076,175	
Fund Year 28 - 2022	4,825,115		9,043,662	
Fund Year 29 - 2023	8,821,300		13,938,606	
Fund Year 29 - 2024	14,128,630		16,004,294	
Fund Year 30 - 2025	17,189,680		12,867,636	
Fund Year 31 - 2026	6,458,195		-	
Claims Mgmt Fees-Future	2,984,397		2,593,521	
Total Long Term Liabilities		$ 60,410,625		$ 59,833,812
Total Liabilities		**$ 66,387,686**		**$ 68,652,904**
Fund Balance		$ (4,893,906)		$ (28,606,301)
Current Year Net Position		(17,441,541)		21,497,291
Total Net Position		**$ (22,335,447)**		**$ (7,109,009)**
Total Liabilities and Net Position		**$ 44,052,239**		**$ 61,543,894**

Law Enforcement Program

Administered by New Mexico Association of Counties

Income / Budget Statement (Unaudited)

9 / 30 / 2026

	2026 Budget	Jan 1, 2026 through Sep 30, 2026	75% of Budget
Income			
Member Contributions	$ 17,280,877	$ 12,960,657	75%
Capital Adequacy Contributions		1,796,537	
Accreditation Fees		12,500	
Total Income	**$ 17,280,877**	**$ 14,769,694**	**85%**
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	$ 10,768,306	$ 18,117,890	252%
Adjustment to ULAE		760,002	
Claims Reserves		12,938,328	
Recoveries - Deductibles		(2,561,403)	
Recoveries - Reinsurance		(1,500,000)	
Recoveries - County Settlements		(650,593)	
Reinsurance - all (up to $2MM for IMMH)	2,876,139	2,091,737	73%
Brokerage Fees	35,000	25,455	73%
Total Claims & Claim Adjusting Expense	**$ 13,679,445**	**$ 29,221,416**	**214%**
Risk Mitigation Expense			
Administrative Fee-NMC	$ 155,704	$ 116,771	75%
Special Projects	45,000	38,333	85%
EDGE Detention Scholarships	5,000	-	0%
Online Training Program & Benchmark	70,000	56,527	81%
Law Enforcement Accreditation	76,000	42,273	56%
Legal Advice Program	30,000	48,936	163%
Lexipol	255,000	204,708	80%
Loss Incentive Program	15,000	9,665	64%
Total Risk Mitigation Expense	**651,704**	**517,213**	**79%**
Administrative & Other Expense			
Administrative Fee-NMC	$ 1,823,892	$ 1,367,926	75%
Actuary	20,000	4,250	21%
Financial Audit	30,000	12,108	40%
Investment Advisor Expense	15,000	11,250	75%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	145,000	89,425	62%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	7,134	17%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	**$ 2,108,392**	**$ 1,492,092**	**71%**
Total Expenses	**$ 16,439,542**	**$ 31,230,722**	**190%**
Operating Income	**$ 841,335**	**$ (16,461,027)**	
Investment Income	916,499	811,311	89%
Net Change in Fair Value of Investments		(1,461,166)	
Earnings from Investment in Captive Reinsurance		(330,659)	
Total Non-Operating Revenue	**$ 916,499**	**$ (980,514)**	
Net Position	**$ 1,757,835**	**$ (17,441,541)**	



Law Enforcement Program
Administered by New Mexico Association of Counties
Schedule of Investments
9 / 30 / 2026

Cash	**Current Yield**		**Amount**		**Est. Annual Income**
Banks, Money Market Accts & State Treas LGIP	**1.43%**	**$**	**943,024**	**$**	**13,509**

Securities	**Est. Ann. Yld**		**Ending Market Val**		**Cost**		**Market Gain / Loss ***
Exchange Traded Funds	**5.10%**		8,112,759		8,633,626		(520,867)
Certificates of Deposit	**0.00%**		-		-		-
Government Bonds	**4.00%**		14,366,598		15,062,097		(695,499)
Govt Asset Backed Sec	**4.65%**		724,455		887,194		(162,739)
Mutual Funds	**6.84%**		667,137		692,164		(25,026)
Total Investments	**4.47%**	**$**	**23,870,950**	**$**	**25,275,081**	**$**	**(1,404,131)**
Total Cash & Investments	**4.36%**	**$**	**24,813,974**	**$**	**26,218,105**		

Estimated Annual Income on Cash & Investments $ 1,081,268

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	98%	$	25,642,405
First National Santa Fe	2%		574,967
State Treasurers LGIP	0%		732
	100%	**$**	**26,218,105**

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



Multi-Line Program

Administered by New Mexico Association of Counties

Statement of Financial Position (Unaudited)

9 / 30 / 2026

		September 30, 2026		September 30, 2025
Assets				
Current Assets				
Cash and Cash Equivalents		$ 1,903,136		$ 1,966,656
Accounts Receivable - Members		1,220,704		-
Accounts Receivable - Deductibles		118,196		377,050
Accounts Receivable - Capital Adequacy		207,059		118,323
Accounts Receivable - Reinsurance		1,237,545		-
Accounts Receivable - Other		816		-
Note Receivable		1,046,142		1,144,058
Prepaid Expenses		3,032,291		3,447,682
Subscription Assets		107,644		215,287
Total Current Assets		8,873,533		7,269,056
Investments				
Exchange Traded Funds	$ 11,332,852		$ 6,535,380	
US Government Bonds	25,439,637		19,124,476	
Mutual Funds	593,154		1,965,220	
Unrealized Gain / Loss	(1,559,730)	35,805,914	339,927	27,965,003
County Reinsurance Pool Equity		461,735		249,714
County Reinsurance Property Plus Equity		6,223,573		5,457,809
Captive Reinsurance Equity		(1,927)		(231,840)
Total Investments		42,489,295		33,440,686
Total Assets		**$ 51,362,828**		**$ 40,709,742**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable - Other		$ 92,106		$ 73,559
Subscription Liabilities		118,132		223,128
Unearned Capital Adequacy Contributions		353,912		350,476
Unearned Member Contributions		7,328,806		3,381,579
Total Current Liabilities		7,892,955		4,028,742
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 14 - 2002	$ 150		$ -	
Fund Year 16 - 2004	1,400		700	
Fund Year 21 - 2009	-		1,615	
Fund Year 26 - 2014	-		10,001	
Fund Year 29 - 2017	19,466		14,105	
Fund Year 30 - 2018	-		(64)	
Fund Year 31 - 2019	50,702		173,255	
Fund Year 32 - 2020	314,335		443,132	
Fund Year 33 - 2021	729,828		800,088	
Fund Year 34 - 2022	675,658		943,148	
Fund Year 35 - 2023	709,846		1,678,843	
Fund Year 36 - 2024	3,523,029		2,376,771	
Fund Year 37 - 2025	3,970,063		5,067,302	
Fund Year 38 - 2026	2,567,821		-	
Fund Year 39 - 2026-27	1,207,709		-	
Claims Mgmt Fees-Future	686,484		607,747	
Total Long Term Liabilities		$ 14,456,492		$ 12,116,642
Total Liabilities		**$ 22,349,447**		**$ 16,145,384**
Fund Balance		31,358,282		24,802,238
Current Year Net Position		(2,344,901)		(237,881)
Total Net Position		**$ 29,013,381**		**$ 24,564,357**
Total Liabilities and Net Position		**$ 51,362,828**		**$ 40,709,742**

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Multi-Line Program

Administered by New Mexico Association of Counties

Income / Budget Statement (Unaudited)

9 / 30 / 2026

	2026 Budget	Jan 01, 2026 through Sep 30, 2026	75% of Budget
Income			
Member Contributions	$ 14,828,837	$ 10,367,507	70%
Capital Adequacy Contributions		999,128	
Total Income	**$ 14,828,837**	**$ 11,366,635**	**77%**
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	$ 8,211,144	$ 10,084,210	104%
Adjustment to ULAE		132,849	
Claims Reserves		2,699,812	
Recoveries - Deductibles		(2,162,669)	
Recoveries - Subrogation & Salvage		(237,925)	
Recoveries - Reinsurance		(1,604,339)	
Recoveries - County Settlements		(349,779)	
Reinsurance	4,473,946	2,812,718	63%
Brokerage Fees	35,000	25,455	73%
Total Claims & Claim Adjusting Expense	**$ 12,720,090**	**$ 11,400,333**	**90%**
Risk Mitigation Expense			
Administrative Fee-NMC	$ 146,782	$ 105,469	72%
Special Projects	45,000	-	0%
Online Training Program & Benchmark	65,398	26,814	41%
Legal Advice Program	10,000	189	2%
Total Risk Mitigation Expense	**$ 267,179**	**$ 132,473**	**50%**
Administrative & Other Expense			
Administrative Fee-NMC	$ 1,601,266	$ 1,150,579	72%
Actuary	29,188	11,650	40%
Capital Adequacy Study	3,500	-	0%
Financial Audit	34,318	12,108	35%
Investment Advisor Expense	17,159	11,250	66%
Property Appraisal Fees	225,000	73,846	33%
Legal Expense	22,879	-	0%
Software Support, Licensing, Training	165,871	88,914	54%
Board Training & Education	8,580	-	0%
Board D&O Insurance	49,189	53,027	108%
Miscellaneous	4,576	-	0%
Total Admin & Other Expense	**$ 2,161,525**	**$ 1,401,374**	**65%**
Total Expenses	**$ 15,148,794**	**$ 12,934,179**	**85%**
Operating Income	**$ (319,957)**	**$ (1,567,544)**	
Investment Income	1,277,075	922,321	72%
Net Change in Fair Value of Investments		(1,699,595)	
Interest Income on Note Receivable		32,620	
Earnings from Investment in Captive Reinsurance		(32,703)	
Total Non-Operating Revenue & Expenses	**$ 1,277,075**	**$ (777,356)**	
Net Position	**$ 957,119**	**$ (2,344,901)**	

Multi-Line Program

Administered by New Mexico Association of Counties

Schedule of Investments

9 / 30 / 2026

Cash	Current Yield	Amount	Est. Annual Income
Banks, Money Market Accts & State Treas LGIP	**1.36%**	**$ 1,906,886**	**$ 25,997**

Securities	Est. Ann. Yld	Ending Market Val	Cost	Market Gain / Loss *
Exchange Traded Funds	**5.10%**	10,830,116	11,332,852	(502,736)
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**3.68%**	23,464,461	24,227,397	(762,936)
Govt Asset Backed Sec	**4.66%**	940,101	1,212,241	(272,139)
Mutual Funds	**7.16%**	571,235	593,154	$ (21,920)
Total Investments	**4.19%**	**$ 35,805,913**	**$ 37,365,644**	**$ (1,559,730)**
Total Cash & Investments	**4.04%**	**$ 37,712,799**	**$ 39,272,530**	

Estimated Annual Income on Cash & Investments	$ 1,524,974	
By Institution:		
Wells Fargo / Salmon Hauger Wealth Mgmt.	97%	$ 38,073,484
First National Santa Fe	3%	1,198,535
State Treasurers LGIP	0%	510
	100%	**$ 39,272,530**

* 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 ASSOCIATION OF COUNTIES
33 STRONG

Workers' Compensation Program
Administered by New Mexico Association of Counties
Statement of Financial Position (Unaudited)
9 / 30 / 2026

	September 30, 2026				September 30, 2026			
Assets								
Current Assets								
Cash and Cash Equivalents		$ 1,159,759				$ 3,476,831		
Accounts Receivable-Members		530,104				-		
Accounts Receivable-Capital Adequacy		240,864				89,198		
Accounts Receivable-Reinsurance		29,712				4,446		
Accounts Receivable-Hi Ded Counties		471,823				136,518		
Accounts Receivable-Other		105,622				73,945		
Prepaid Expenses		771,169				744,062		
Subscription Assets		107,644				215,287		
Total Current Assets		3,416,698				4,740,287		
Investments								
Exchange Traded Funds	10,995,534				8,553,249			
US Government Bonds	22,309,295				22,194,884			
Mutual Funds	501,586				1,838,095			
Unrealized Gain / Loss	(1,259,525)	32,546,890			452,736	33,038,963		
County Reinsurance Limited Equity		1,125,839				606,753		
Total Investments		33,672,729				33,645,716		
Total Assets		**$ 37,089,427**				**$ 38,386,003**		
Liabilities and Surplus								
Current Liabilities								
Accounts Payable		$ 12,311				$ 12,998		
Subscription Liabilities		118,132				223,128		
Unearned Capital Adequacy Contrib		285,093				282,325		
Unearned Member Contributions		4,723,146				6,111,997		
Total Current Liabilites		5,138,681				6,630,448		
Long Term Liabilities								
Reserves for Future Claims:								
Claims Reserves FY 5 - 1991 / 92	$ 25,975				$ (3,040)			
Claims Reserves FY 6 - 1992 / 93	10,656				19,839			
Claims Reserves FY 8 - 1994 / 95	4,146				7,720			
Claims Reserves FY 9 - 1995 / 96	8,559				21,540			
Claims Reserves FY 11 - 1997 / 98	7,684				14,307			
Claims Reserves FY 14 - 2000 / 01	8,075				7,042			
Claims Reserves FY 15 - 2001 / 02	55,479				61,079			
Claims Reserves FY 16 - 2002 / 03	20,147				6,277			
Claims Reserves FY 17 - 2003 / 04	(4,848)				540			
Claims Reserves FY 18 - 2004 / 05	301,566				266,828			
Claims Reserves FY 19 - 2005 / 06	61,685				52,416			
Claims Reserves FY 20 - 2006 / 07	34,447				55,753			
Claims Reserves FY 21 - 2007 / 08	406,659	Bernalillo County	Other HDC's		388,782	Bernalillo County	Other HDC's	
Claims Reserves FY 22 - 2008 / 09	255,990	-	-		255,998	-	-	
Claims Reserves FY 23 - 2009 / 10	2,473	-	-		1,254	-	-	
Claims Reserves FY 24 - 2010 / 11	116,957	-	-		140,997	-	-	
Claims Reserves FY 25 - 2011 / 12	230,654	-	-		9,137	-	-	
Claims Reserves FY 26 - 2012 / 13	191,325	-	-		269,585	-	-	
Claims Reserves FY 27 - 2013 / 14	107,434	-	-		198,648	-	-	
Claims Reserves FY 28 - 2014 / 15	159,949	(32,271)	-		247,611	(62,422)	-	
Claims Reserves FY 29 - 2015 / 16	779,244	(127,149)	-		809,098	(146,331)	-	
Claims Reserves FY 30 - 2016 / 17	428,027	-	-		516,599	-	-	
Claims Reserves FY 31 - 2017 / 18	102,094	-	-		116,609	-	-	
Claims Reserves FY 32 - 2018 / 19	352,050	(6,006)	-		453,944	(7,465)	-	
Claims Reserves FY 33 - 2019 / 20	763,691	-	-		769,733	-	-	
Claims Reserves FY 34 - 2020 / 21	1,565,415	-	-		1,636,031	(13,824)	-	
Claims Reserves FY 35 - 2021 / 22	826,331	-	(27,224)		762,443	-	(62,642)	
Claims Reserves FY 36 - 2022 / 23	907,578	-	-		1,269,166	-	-	
Claims Reserves FY 37 - 2023 / 24	2,500,291	-	(23,816)		3,405,548	-	(45,933)	
Claims Reserves FY 38 - 2024 / 25	1,892,881	-	(34,545)		3,980,116	-	(443,797)	
Claims Reserves FY 39 - 2025 / 26	5,426,169	(1,190,836)	(434,177)		2,062,564	-	-	
Claims Reserves FY 40 - 2026 / 27	2,412,066	-	-		-			
Claims Mgmt Fees-Future	840,067	-	-		831,351	-	-	
Total Reserve for Future Claims	$ 20,800,916	$ (1,356,262)	$ (519,762)		$ 18,635,512	$ (230,042)	$ (552,372)	
Total Long Term Liabilites		18,924,892				17,853,098		
Total Liabilities		**$ 24,063,574**				**$ 24,483,546**		
Fund Balance		16,004,880				10,998,858		
Current Year Net Position		(2,979,027)				2,903,599		
Total Net Position		**$ 13,025,853**				**$ 13,902,457**		
Total Liabilities and Net Position		**$ 37,089,427**				**$ 38,386,003**		

Workers' Compensation Program
Administered by New Mexico Association of Counties
Income / Budget Statement (Unaudited)
9 / 30 / 2026

	2026 Budget	Jan 1, 2026 through Sep 30, 2026	75% of Budget
Income			
Member Contributrions	$ 11,774,151	$ 5,649,047	48%
Capital Adequacy Contributions		812,689	
Total Income	**$ 11,774,151**	**$ 6,461,735**	**55%**
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	$ 9,192,752	$ 6,878,336	74%
Adjustment to ULAE		47,728	
Claims Reserves		2,238,039	
Recoveries- Deductibles		(2,029,637)	
Recoveries- Reinsurance		(210,718)	
Recoveries- Subrogation		(2,378)	
Nurse Case Manager		(76,189)	
Reinsurance	1,052,104	612,098	58%
Brokerage Fees	30,000	22,500	75%
Total Claims & Claim Adjusting Expense	**$ 10,274,856**	**$ 7,479,778**	**73%**
Risk Mitigation Expense			
Administrative Fee-NMAC	$ 299,764	$ 224,825	75%
Legal Advice Program	10,000	-	0%
Loss Incentive Program	35,000	24,216	69%
Online Training Program	70,000	-	0%
Total Risk Mitigation Expense	**$ 414,764**	**$ 249,040**	**60%**
Administrative & Other Expense			
Administrative Fee-NMAC	$ 1,111,964	$ 833,971	75%
Actuary	22,688	9,800	43%
Capital Adequacy Study	3,500	-	0%
Financial Audit	12,000	12,108	101%
Payroll Audit	55,000	54,979	100%
Investment Advisor Expense	15,000	11,250	75%
Legal Expense	2,500	-	0%
Software Support, Licensing, Training	198,000	108,332	55%
AI Software & Training	50,000	378	1%
Board Training and Education	15,000	-	0%
Board D&O Insurance	43,000	7,134	17%
Miscellaneous Expenses	5,000	-	0%
Total Admin & Other Expense	**$ 1,533,652**	**$ 1,037,952**	**68%**
Total Expenses	**$ 12,223,271**	**$ 8,766,771**	**72%**
Operating Income	**$ (449,120)**	**$ (2,305,036)**	
Interest Income Investments	1,179,306	835,311	71%
Net Change in Fair Value of Investments		(1,515,782)	
Miscellaneous Income		6,480	
Total Non-Operating Revenue	**$ 1,179,306**	**$ (673,991)**	
Net Position	**$ 730,185**	**$ (2,979,027)**	



Workers' Compensation Program
Administered by New Mexico Association of Counties
Schedule of Investments
9 / 30 / 2026

Cash	**Current Yield**	**Amount**	**Est. Annual Income**
Banks, Money Market Accts & State Treas LGIP	**1.18%**	**$ 1,164,057**	**$ 13,719**

Securities	**Est. Ann. Yld**	**Ending Market Val**	**Cost**	**Market Gain / Loss ***
Exchange Traded Funds	**5.10%**	10,555,248	10,995,534	(440,286)
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**3.94%**	20,499,611	21,148,569	(648,958)
Govt Asset Backed Sec	**4.63%**	1,008,538	1,160,726	(152,188)
Mutual Funds	**7.16%**	483,493	501,586	(18,093)
Total Investments	**4.38%**	**$ 32,546,890**	**$ 33,806,415**	**$ (1,259,525)**
Total Cash & Investments	**4.27%**	**$ 33,710,947**	**$ 34,970,472**	

Estimated Annual Income on Cash & Investments $ 1,440,809

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	98%	$	34,177,953
First National Santa Fe	2%		790,288
State Treasurers LGIP	0%		2,231
	100%	**$**	**34,970,472**

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

Item Number:	**Item Title:**
5.A.	Ratify Sheriff Affiliate Ex-officio NMCIA Board Appointment
Presenter (s): Lance Pyle, Chair	
Motion by:	Seconded by:

FW: [EXTERNAL SENDER] Re: NMCIA Sheriff position opening - Message (HTML)

File Message Help Acrobat Tell me what you want to do Copilot

Share to Teams All Apps Mark Unread Find Zoom

FW: [EXTERNAL SENDER] Re: NMCIA Sheriff position opening

Summarize

Reply Reply All Forward

LP Lance Pyle <lpyle@currycountynm.gov>
To Cynthia Stephenson

Tue 8/18/2026 9:18 PM

You replied to this message on 9/30/2026 8:34 AM.

From: Steve Miera <steve.miera@taoscountynm.gov>
Sent: Tuesday, August 18, 2026 3:40 PM
To: Lance Pyle <lpyle@currycountynm.gov>
Cc: gphilips@nmcounties.org
Subject: [EXTERNAL SENDER] Re: NMCIA Sheriff position opening

Good afternoon,

I would like to submit a formal interest letter to you. I am in the last year of my first term and have secured my second term during the 2026 Primary (as I have no opponent for the General). I will be in Office for the next 4 years and 4 months. Additionally, being in Taos County, meeting attendance is only an hour and a half away. I am committed to the success of the Association of Counties.

Thank you very much for your consideration.

Sheriff Steve Miera
Taos County Sheriff's Office
Sergeant Joseph Apodaca Bldg.
226 Cruz Alta Rd.
Taos, NM, 87571
Office (575) 737-6480

CONFIDENTIALITY NOTICE: This email, including any attachments, contains information from the Taos County Sheriff's Office, which may be confidential or privileged. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is prohibited. If you have received this email in error, please notify the sender immediately by "reply to sender only" message and destroy all electronic and hard copies of the communication, including attachments.

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

Item Number:	**Item Title:**
5.B.	Appoint NMCIA Designated Representative to Association of Governmental Risk Pools (AGRiP)
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

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

To fully benefit from the services provided by the Association of Governmental Risk Pools (AGRiP), we need to designate a representative to the organization.

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:	**Item Title:**
5.C.	Board Member Attendance
Presenter (s): Lance Pyle, Chair	
Motion by: Seconded by:	

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

Item Number:	**Item Title:**
5.D	Approve 2027 Meeting Calendar
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

2027

January '27

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February '27

Su	M	Tu	W	Th	F	Sa
	1	2	3	5	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March '27

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April '27

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May '27

Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June '27

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July '27

Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August '27

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September '27

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October '27

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November '27

Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December '27

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Holidays
- NACo & WIR
- NMACIA Pool
- NMACRe (Captive Board)
- Board & Executive Committee
- NMAC Conferences
- Legislative Meetings
- NM EDGE
- Advisory Council
- Special Events

NMAC Meetings & Conferences

1/18 - NMCIA Board Meeting 1PM (NMAC Office - Santa Fe County)
1/18 - 1/19 - NM EDGE Classes (Santa Fe County)
1/18 - 1/21 - NMAC Legislative Conference (Santa Fe County)
1/19 - NMCIA Membership Meeting 9AM (Santa Fe County)
1/19 - NMAC Board of Directors Meeting 2PM (Santa Fe County)
1/19 - Legislative Session Begins 12PM
1/22 - County Lobbyist Meeting 8AM (Santa Fe County - NMAC Office)
1/27 - NMAC Executive Committee 11AM (Virtual)
2/3 - NMAC Executive Committee 11AM (Virtual)
2/10 - NMAC Executive Committee 11AM (Virtual)
2/17 - NMAC Executive Committee 11AM (Virtual)
2/18 - Deadline for Bill Introduction
2/19 - 2/23 - NACo Legislative Conference (Washington, DC)
2/27 Saturday - NMAC Board of Directors Meeting 8:30AM (Santa Fe County)
3/3 - NMAC Executive Committee 11AM (Virtual)
3/10 - NMAC Executive Committee 11AM (Virtual)
3/20 - Legislative Session Ends 12PM
3/23 - NMCRe Captive Board Meeting 1PM (+Y22:Y48Virtual)
3/24 - NMCIA Board of Directors Meeting 8:30AM (Santa Fe County - NMAC Office)
4/9 - Legislation not acted upon by Governor pocket vetoed
4/9 - NMAC Executive Committee Budget Meeting 10AM (Virtual)
4/21 - Legislative Regional Meeting 10AM (San Miguel County)
4/22 - Legislative Regional Meeting 10AM (Sandoval County)
4/28 - Legislative Regional Meeting 10AM (Sierra County)
4/29 - Legislative Regional Meeting 10AM (Chaves County)
5/5 - Advisory Council Meeting 10AM (Virtual)
5/7 - NMAC Board of Directors Meeting 8:30AM (Taos County)
5/12 - NMCIA Board of Directors Meeting 8:30AM (Santa Fe County - NMAC Office)
5/25 - 5/28 - WIR Annual Conference (Douglas County, NV)
6/8 - NMCRe Captive Board Meeting 10AM (Virtual)
6/21 - 6/22 - NM EDGE Classes (Eddy County)
6/21 or 6/22 - NMCIA Board of Directors Meeting 1:00PM (Eddy County)
6/21 - 6/24 - NMAC Annual Conference (Eddy County)
6/23 - NMAC Board of Directors Meeting 4PM (Eddy County)
7/8 - Legislative Initiatives Review w/ Legislative Committee 9AM (Virtual)
7/23 - 7/26 - NACo Annual Conference (Chatham County, Savannah, GA)
8/5 - 8/6 - NMAC Board Orientation 11AM, Legislative Meeting 2PM & Board Meeting 8:30AM (Valencia County)
TBD August - Western State Association Meeting (Santa Fe County)
8/18 - NMCIA Board of Directors Meeting 8:30AM (Santa Fe County - NMAC Office)
8/31 - 9/2 - NMML Annual Conference (TBD)
9/14 - NMCRe Captive Board Meeting 1PM (Virtual)
9/16 - Gathering of Counties (Bernalillo County)
10/1 - NMAC Board of Directors Meeting 8:30AM (Luna County)
TBD October - New Mexico Wildland Urban Fire Summit (San Miguel County)
11/4 - NMAC Executive Committee 2PM (Santa Fe County)
11/5 - NMML/NMAC Joint Legislative Meeting 9AM (Santa Fe County)
TBD November - NM Infrastructure Finance Conference
11/17 - 11/18 - NMCIA Board of Directors Meeting & Retreat (TBD)
12/1 - Advisory Council Meeting 2PM (Virtual)
12/14 - NMCRe Captive Board Meeting 1PM (Virtual)

Approved by NMAC Board of Directors 10.2.2026

GROUP	DATE		TIME	LOCATION	NOTES
Board Meeting	**Mon., Jan. 18**	3rd Mon	1:00 - 5:00 PM	NMC Office	
NMCIA Membership	Tue., Jan., 19		9:00 AM - 12:00 PM	Santa Fe CC	
Litigation Committee	Tue., Feb. 16	3rd Tue	10:00 - 11:30 AM	Zoom	
CAPTIVE MEETING	Tue., Mar. 23	4th Tue	1:00 PM	Zoom	
New Board Member Orientation	Tue., Mar. 23		4:00 PM	NMC Office	Chris Brice, Sandoval Rep, Sheriff Affiliate Rep
Board Meeting	**Wed., Mar. 24**	4th Wed	8:30 AM	NMC Office	
Litigation Committee	Tue., April 13	3rd Tue	10:00 - 11:30 AM	Zoom	
Underwriting Committee	Wed., April 28	5th Wed	9:00 - 10:00 AM	Zoom	
Underwriting Committee	Wed., May 5	1st Wed	9:00 - 10:00 AM	Zoom	
Board Meeting	**Wed., May 12**	2nd Wed	8:30 AM	NMC Office	Approve WC reinsurance structure & premium, NMCIA memorandum of coverage Approve CRL property and WC reinsurance premiums (if available) Approve ML LE captive reinsurance Approve pass through coverages (if available)
CAPTIVE MEETING	Tue., June 8	2nd Tue	10:00 AM	Zoom	Approve ML LE WC reinsurance, WC certificate of insurance
Board Meeting	**Mon., June 21 ~~or Tue., June 22~~**	3rd Mon	1:00 PM	Eddy County	Approve final WC NMCRe reinsurance premium (if there's a change from the captive) Approve NMCRe certificate
Litigation Committee	Tue., July 6	3rd Tue	10:00 - 11:30 AM	Zoom	
Board Meeting	**Wed., Aug.18**	3rd Wed	8:30 AM	NMC Office	Acknowledge receipt of 2026 financial audit Review 2027 meeting calendar
Litigation Committee	Tue., Sept. 14	3rd Tue	10:00 - 11:30 AM	Zoom	
CAPTIVE MEETING	Tue., Sep. 14	3rd Tue	1:00 PM	Zoom	
Strategic Planning Committee	Thu., Sep. 16	3rd Thu.	10:00 AM	Zoom	
Litigation Committee	Tue., Oct. 19	3rd Tue	10:00 - 11:30 AM	Zoom	
Board Meeting & Retreat	**Wed., Nov. 17 - Thu., Nov. 18**	3rd Wed	8:30 AM	TBD	
Litigation Committee	Tue., Dec. 14	3rd Tue	10:00 - 11:30 AM	Zoom	
CAPTIVE MEETING	Tue., Dec. 14	3rd Tue	1:00 PM	Zoom	

Board Member County Commission Schedule

Valencia 1st & 3rd Wednesdays 5PM
Curry 2nd & 4th Tuesdays 9AM
Luna County 2nd Tuesdays 2PM
Eddy 1st & 3rd Tuesdays 8:30 AM
Dona Ana 2nd & 4th Tuesdays 9AM
Sandoval 2nd & 4th Wednesdays 6PM
Santa Fe 2nd & last Tuesday 2PM
Sierra County 3rd Tuesday 10AM
Cibola 4th Thursday 5PM
McKinley 2nd & 4th Tuesday 9AM

Membership Meeting	Board Meetings					
January 19	**January 18** Monday 1PM lunch on your own	**March 24**	**May 12**	**June 21**	**August 18**	**November 17**
Action Items: Election of geographic directors	**Executive Session**	**Executive Session**	**Executive Session**	**Executive Session**	**Executive Session**	**Executive Session**
	Action Items: 2027 board retreat location	**Action Items:** Election of board officers Rafity election of bod mbrs (geographic, Sandoval rep, sheriff rep)	**Action Items:** ML, LE, WC enewal items, budget, etc. CRL govern conf attendees Approve retreat loc/date	**Action Items:**	**Action Items:** Acknowledge receipt 2026 financial audit Review 2027 meeting cal	**Action Items:**
Staff Presentations: Executive Director Financials Risk Management Loss Ratios Loss Prevention Workers' Comp Multi-Line Legal Bureau Captive Update	**Staff Presentations:** Executive Director Financials Risk Management Captive Update	**Staff Presentations:** Executive Director Legislative Report Financials Risk Management Captive Update	**Staff Presentations:** Executive Director Financials Workers' Comp Risk Management Captive Update	**Staff Presentations:** Executive Director Financials Loss Prevention Risk Management Captive Update	**Staff Presentations:** Executive Director Financials Multi-Line Risk Management Loss Ratios Captive Update	**Staff Presentations:** Executive Director Financials Risk Management Legal Bureau Captive Update
NOTE: full presentations with graphics as we've done, but staff will also refer to the annual report we'll hand out. Staff will report one additional thorough report during the year and minimal memos or no report for the other meeting dates.	**Other:**	**Other:**	**Other:** Review NMC budget	**Other:**	**Other:**	**Other:**

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

Item Number:	**Item Title:**
5.E.	Approve NMCIA Board 2027 Open Meetings Act Resolution
Presenter (s): Mark Allen, General Counsel	
Motion by:	Seconded by:

THE NEW MEXICO
COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS
OPEN MEETINGS ACT RESOLUTION FOR 2027

WHEREAS, Section 10-15-1(B) of the Open Meetings Act, (NMSA 1978, § 10-15-1 to 10-15-4, "Act") provides that, except as may otherwise be provided in the constitution or the provisions of the Act, all meetings of a quorum of members of any board, commission, or other policy-making body of any state agency, any agency or authority of any county, municipality, district or political subdivision, held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public; and

WHEREAS, any meetings subject to the Act, at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs, shall be held only after reasonable notice to the public; and

WHEREAS, Article VIII of the Joint Powers Agreement requires New Mexico County Insurance Authority Board of Directors ("Board") meetings to comply with the Act;

WHEREAS, Section 10-15-1(D) of the Act requires the Board to determine annually what constitutes a reasonable notice of its public meetings; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board as follows:

Section 1. Regular Meetings.

A. **Time and Place.** From January 1, 2027, through December 31, 2027, regular meetings of the Board will be held at the times, the days and at the place specified in Appendix 1, attached hereto.

B. Notice. This Resolution and Appendix 1 shall be posted in a conspicuous and appropriate place at the New Mexico Association of Counties ("NMAC") Offices located at 444 Galisteo St., Santa Fe, New Mexico and the NMAC website. So long as the meetings are held on the days and times and at the location specified in Appendix 1, posting of this Resolution and Appendix 1 shall constitute reasonable and appropriate notice of each regular meeting of the Board.

C. **Notice of Rescheduled Regular Meeting.** If a regular meeting is rescheduled from the date, time, or location specified in Appendix 1, notice of the rescheduled meeting shall be posted in a conspicuous and appropriate place at the NMAC Offices and on the NMAC website at least ten (10) days prior to the date of the meeting.

D. Notice to Radio, Television and Print Media. Notice of a regular meeting shall be provided to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made written request for such Notice.

E. Locations to Be Determined. For any regular meeting listed in Appendix 1 for which the location is designated "TBD," notice of the specific meeting location shall be posted in a conspicuous and appropriate place at the NMAC Offices and on the NMAC website, and provided to the media described in Section 1.D, at least ten (10) days prior to the meeting.

Formatted: Indent: Hanging: 0.19"

Section 2. Special Meetings.

A. **When Held.** A special meeting of the Board may be called by the Chair or by a majority of the members of the Board upon ~~three days'~~72 hour notice.
B. **Notice of Special Meeting.** Notice of a the date, time, place and agenda of a special meeting and location shall be posted in a conspicuous and appropriate place at the NMAC Offices and on the NMAC website at least seventy-two (72) hours before such meeting.
C. **Notice to Radio, Television and Print Media.** Notice of a special meeting shall be provided to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made written request for such notice.

Section 3. Emergency Meetings.

A. Emergency Meeting, When, Where Held. An emergency meeting of the Board may be called by the Chair or by a majority of the members of the Board to consider unforeseen circumstances that, if not addressed immediately, will likely result in injury or damage to persons or property or substantial financial loss to the Pool. An emergency meeting may be conducted at a time and place as the Chair or a majority of the members of the Board deem appropriate.
B. Notice. If possible given the emergency circumstances, notice of an emergency meeting shall be posted in a conspicuous and appropriate place at the NMAC Offices and on the NMAC website at least twenty-four (24) hours prior to the meeting. If twenty-four (24) hours advance notice cannot be given, notice shall be posted as soon as possible.
C. Notice to Radio, Television and Print Media. Notice of an emergency meeting shall be provided to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made written request for such notice.
D. Required Report. Within ten (10) days of taking action on an emergency matter, the Board shall report to the Attorney General's Office the action taken and the circumstances creating the emergency, except in the event of a declared state or federal emergency.

Section 4. Remote Meetings.

If due to a public health emergency, inclement weather, or any other necessary reason the Board is unable to meet in person as determined by the Chair, the open meeting may be held remotely via a virtual communication platform. Notice of change to a fully virtual meeting setting will be posted on the NMAC website as soon as practicable under the circumstances. Remote meetings are subject to the following conditions:

1. Each Board member participating in the meeting must be identified when speaking, all participants must be able to hear each other at the same time, and the public must be able to

hear any member who speaks during the meeting.

2. Both the notice and the agenda of any virtual meeting shall provide information to the public on how the meeting may be accessed remotely.

3. At any virtual meeting, all votes shall be cast through a roll-call vote. The Chair shall suspend all discussion if the audio is interrupted or becomes unintelligible.

Section 5. Agendas.

Meeting notices shall include an agenda containing a list of specific items of business to be discussed or transacted at the meeting or information on how the public may obtain a copy of such an agenda. If not included in the notice of meeting, a final agenda shall be prepared and posted in a conspicuous and appropriate place at the NMAC Offices and on the NMAC website at least seventy-two (72) hours before the meeting. Except for emergency matters, action shall be taken only on items appearing on the final agenda. The final agendas for meetings held by conference telephone, videoconference, or other similar communications equipment or at which in-person attendance by the public is prohibited shall include information on how the public can attend and listen to, and where public comment is offered, participate in. ~~the meeting remotely.~~

Section 6. Recessed Meetings.

A meeting may be recessed to a later day, if, prior to recessing, the date, time and place for continuation of the meeting is specified, and, immediately following the recessed meeting, notice of the date, time and place for the reconvened meeting is posted on or near the door of the place where the original meeting was held and on the NMAC website. Only matters appearing on the agenda of the original meeting may be discussed at the reconvened meeting. ~~unless notice of the reconvened meeting is provided as otherwise set forth herein.~~ Any additional matter may be considered only if notice and an agenda are provided as required for a regular or special meeting under this Resolution.

Section 7. Cancelled Meetings.

A meeting may be cancelled by posting a notice of cancellation on the NMAC website and in a conspicuous and appropriate place at the NMAC Offices and posting notices of the cancelled meeting on the doors of the building where the meeting was to be held as soon as practicable prior to the time and date of the cancelled meeting.

Section 8. Participation by Conference Telephone, Videoconference, or Similar Communications Equipment.

A member of the Board may participate in a meeting of the Board by means of a conference

telephone, videoconference, or other similar communications equipment, as authorized by Section 10-15-1(C), when it is otherwise difficult or impossible for the member to attend the meeting in person, such as due to ~~emergency public health orders related to the COVID-19~~a public health emergency orders. Any member participating remotely shall be identified when speaking. The Chair shall ensure that all Board members and the public are able to hear any Board member participating remotely.

Section 9. Closed Meetings. A meeting may be closed in the following manner:

A. If the Board is in open ~~session~~meeting when a closed meeting is desired, ~~and authorized by the Act, then~~ the closed meeting shall be approved on motion by a majority vote of a quorum of the Board~~.~~. The motion shall state the specific provision of the Act authorizing the closed meeting and the subjects to be discussed with reasonable specificity as set forth in the agenda. ~~and the authority for the closure shall be stated in the motion.~~ The vote shall be taken in the open meeting, and ~~T~~the vote~~s~~ of ~~the~~each individual member~~s~~ on the motion shall be recorded in the minutes. Only those subjects announced or voted upon prior to closure may be discussed in the closed meeting.

B. If a closed meeting is to be held when the Board is not in an open meeting, the closed meeting shall not be held until public notice (appropriate under the circumstances) stating the specific provision of law authorizing the closed meeting and stating with reasonable specificity the subject to be discussed, is given to the members and to the general public as described in Section 1.D.~~If the Board is not in a public meeting and a closed meeting is desired and authorized, public notice of the closed meeting, appropriate under the circumstances, shall be given stating the authority for the closure.~~

C. Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state that the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure. This statement shall be approved by the Board as part of the minutes. Final action on any matter discussed in a closed meeting shall be taken only in an open meeting.

Section 10. Notice Responsibility.

The New Mexico Association of Counties Risk Management Director shall be responsible for drafting and delivering all notices required herein.

Section 11~~0~~. Authorized Signature.

The Chair of the Board is authorized to sign this resolution on behalf of the Board.

Section 12~~1~~. Prior Resolutions Rescinded.

The Board's prior Open Meetings Act resolutions are hereby rescinded effective January 1, 2027.

Section 132. Disability Accommodation.

All notices shall include the following: "If you are an individual with a disability who is in need of a reader, amplifier, qualified sign or language interpreter, or any other form of auxiliary aid or service to attend or participate in the meeting, please contact the NMAC Risk Management Department at (505) 820-8106.

Section 14. Minutes.

The Board shall keep written minutes of all its meetings. The minutes shall include, at a minimum, the date, time and place of the meeting; the names of members in attendance and those absent; the substance of the proposals considered; and a record of any decisions and votes taken that shows how each member voted. Draft minutes shall be prepared within ten (10) working days after the meeting and shall be available to the public for inspection. The minutes shall be approved, amended or disapproved at the next meeting of the Board at which a quorum is present. Minutes shall not become official until approved by the Board. The New Mexico Association of Counties Risk Management Director shall be responsible for preparing and maintaining the minutes of the Board.

ADOPTED AND APPROVED BY THE BOARD THIS THE EIGHTEENTH DAY OF NOVEMBER, 2026.

Lance a. Pyle

Lance A. Pyle, NMCIA Chair

Michael Eshleman,
Attorney Affiliate Representative

"APPENDIX 1"

NOTICE OF REGULAR MEETINGS OF THE NEW MEXICO COUNTY INSURANCE AUTHORITY POOL BOARD OF DIRECTORS, TO BE HELD FROM JANUARY 1, 2027, TO DECEMBER 31, 2027 AT THE NMAC OFFICES LOCATED AT 444 GALISTEO ST., SANTA FE, NEW MEXICO (UNLESS SPECIFIED OTHERWISE)

January 18, 2027	1:00 p.m.	NMAC Offices
March 24, 2027	8:30 a.m.	NMAC Offices
May 12, 2027	8:30 a.m.	NMAC Offices
June 21, 2027	1:00 p.m.	TBD Eddy County
August 18, 2027	8:30 a.m.	NMAC Offices
November 17-18, 2027	8:30 a.m.	TBD

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

Item Number:	**Item Title:**
5.F.	Approve Realignment of Multi-Line and Law Enforcement Program Inception Dates to a Fiscal Year Effective July 1, 2027

Presenter (s):
Grace Philips, Risk Management Director

At the August 19, 2026 NMCIA Board meeting, the Board agreed to realign the Multi-Line and Law Enforcement program inception dates to a fiscal year effective July 1, 2027.

Motion by: Seconded by:

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

Item Number:	**Item Title:**
5.G.	Approve NMCIA Board Resolution Changing the Pool's Fiscal Year to July 1 – June 30
Presenter (s): Alex Lundy, Finance Director	
Motion by:	Seconded by:

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

Date: November 18, 2026

To: NMCIA Board of Directors

From: Alex Lundy, Finance Director

Re: Approval of Adjustment to the NMCIA Fiscal Year

Staff request the Board's approval of a change to the NMCIA Fiscal Year.

Historically, NMCIA has operated on a fiscal year with a recurring period from January 1 to December 31 each year. Recently, there have been changes to the plan years of each program, which either have already taken effect or will be taking effect on July 1, 2027:

Program Plan Years

- Law Enforcement: July 1 – June 30 (beginning July 1, 2027)
- Multi-Line: July 1 – June 30 (beginning July 1, 2027)
  - Multi-Line - Property: July 1 – June 30
- Worker's Compensation: July 1 – June 30

If the NMCIA fiscal year continues to report a recurring January 1 to December 31 period, it could result in confusion during the budgeting cycle.

The recommendation from staff would align the NMCIA fiscal year by adjusting it to a recurring period from July 1 to June 30, beginning on July 1, 2027. This would also mean that there would be a short, six-month adjustment fiscal year, from January 1 to June 30, 2026. Staff believe that this adjustment would be prudent and would streamline future budget and audit processes.

The attached PowerPoint presentation provides supplementary information regarding this request, and the attached Board Resolution requests Board approval on the following three statements:

1. To adjust the fiscal year to a recurring period from July 1 to June 30.
2. To acknowledge that NMCIA will observe a short, six-month fiscal year.
3. To direct the auditor to coordinate with staff regarding these fiscal year adjustments.

Since the NMCIA Bylaws do not explicitly state a fiscal year, the approval of the Board Resolution would also provide a record of its fiscal year going forward.

Staff believe that the recommendation will improve clarity by aligning the fiscal year with all program plan years, thereby allowing for a clearer comparison through the financial statements.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

NMCIA Fiscal Year Adjustment

NEW MEXICO COUNTIES
33 STRONG

Request

Staff requests the NMCIA Board of Directors' consideration to amend the NMCIA fiscal year as follows:

From: January 1 – December 31
To: July 1 – June 30

This change would align the fiscal year to:

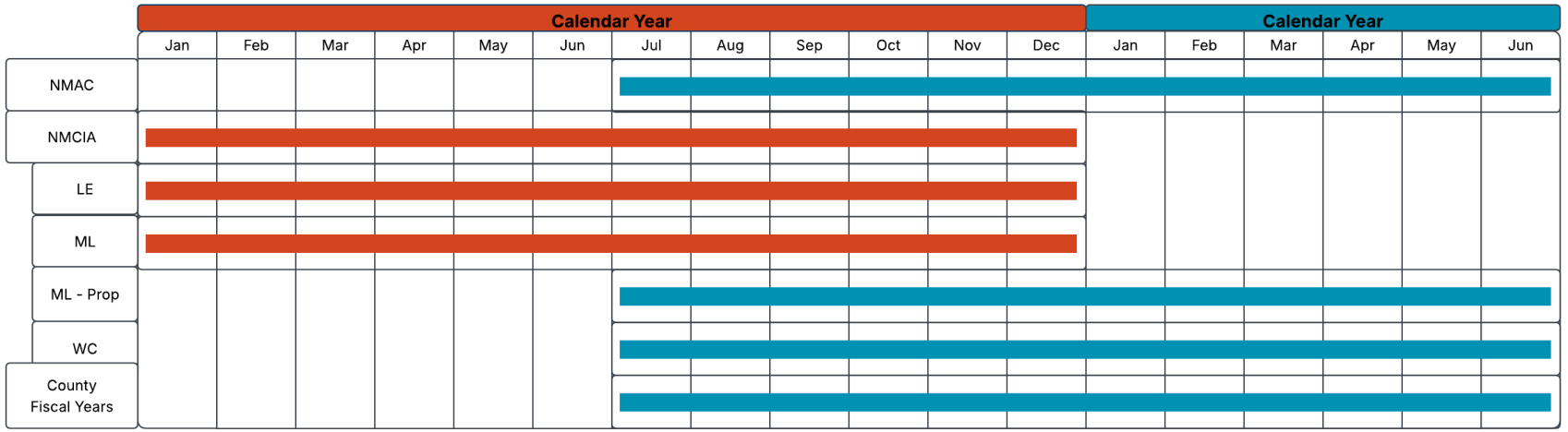
1) **the NMAC budget and audit cycle**
2) **the plan years for all programs in the pool, including:**
    1) **the current plan years for Workers' Compensation and Multi-Line Property**
    2) **the future plan years for Law Enforcement and Multi-Line, as agreed upon during the 8/19/26 Board Meeting, and**
3) **the fiscal year for all counties.**

Staff believe that the change offers the potential for numerous synergies going forward and will reduce future confusion between approved coverage executions and the approved budget.

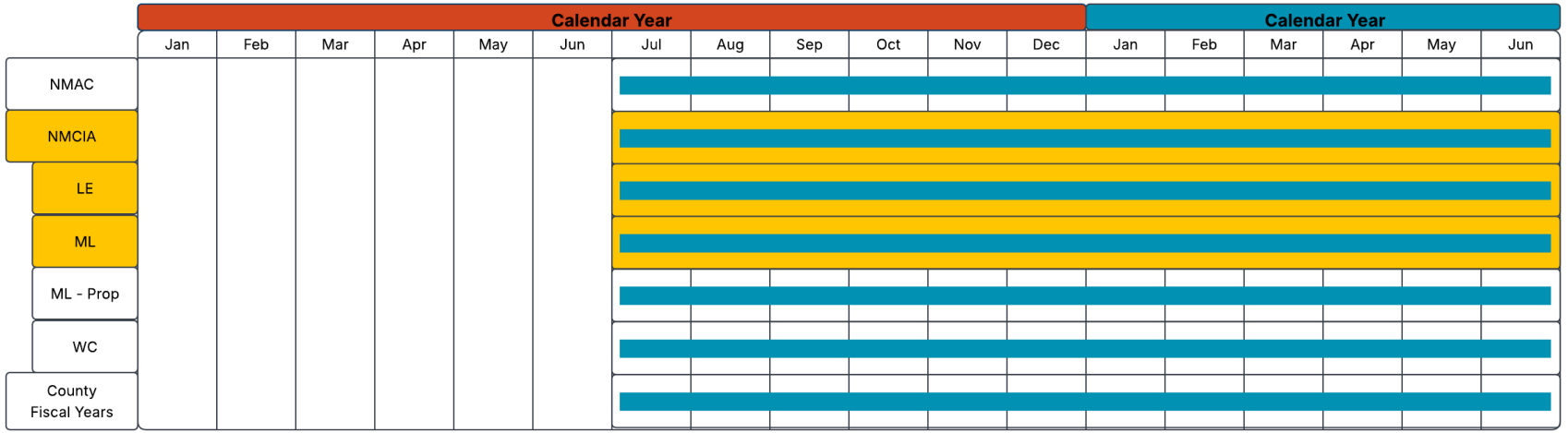
NEW MEXICO COUNTIES
33 STRONG

Current State of Fiscal Years

Actual: As of 9.15.2026



Proposed: If Approved, to Take Effect 07.01.2027



NEW MEXICO COUNTIES
33 STRONG

Is a Change to NMCIA's Bylaws/JPA Required?

When the Pool consolidated in 2019, an amended set of Bylaws, alongside an amended JPA were created.

JPA – Article XIV (Effective Date and Duration)

- **"The effective date of this Agreement shall be January 1, 2020, or upon approval of the New Mexico Secretary of Finance and Administration as provided in the Joint Powers Agreement Act, whichever is later. The Authority and this Agreement shall continue from year to year until dissolved in accordance with the terms of this Agreement."**
- **DFA signed the JPA on July 3, 2019, making the effective date January 1, 2020.**
- **There is no direct mention of a fiscal year period.**

Bylaws

- **The only consideration of a fiscal year within the Bylaws occurs in Section VI (Procedure for Withdrawal of Members), stating that any member may withdraw, either from the Authority or from a particular coverage, at the end of any fiscal year.**
- **Once again, there is no mention of a fiscal year period.**

No Change to the Bylaws or JPA is required.

Drafting a Board Resolution

Given no direct evidence either in the JPA or Bylaws of NMCIA, the determination of fiscal year sits with the period of record as:

1) **established through past financial audits, and**
2) **submitted to the Office of the State Auditor.**

The established period of record shows that the assumed fiscal year for NMCIA has been January 1 thru December 31.

It appears that changes to fiscal year per the OSA can be completed with written notice to the Office of the State Auditor, though Finance staff have not formally reached out at this time. Nevertheless, should the Board adopt the resolution in question, staff would communicate with early and regularly with the Office of the State Auditor to ensure a smooth transition.

- **It should be stated that staff have engaged with NMCIA's auditor, SJT, and the auditor approved of this direction, assuming Board approval.**

RESOLUTION
OF THE
NEW MEXICO COUNTY INSURANCE AUTHORITY TO CHANGE FISCAL YEAR

November 18, 2026

WHEREAS, the Board of Directors ("Board"), is the governing authority of New Mexico County Insurance Authority ("NMCIA") and is responsible under the Bylaws for adopting NMCIA's budget and providing Members an annual audit in accordance with state law;

WHEREAS, NMCIA's fiscal year is currently the calendar year (January 1 – December 31); and

WHEREAS, the plan years of NMCIA's Worker's Compensation program and the Multi-Line Property coverage, and the fiscal years of NMCIA's county members all run July 1 to June 30. and

WHEREAS, the NMCIA Board directed staff at its August 19, 2026, meeting to adjust the plan years of NMCIA's Law Enforcement and the remainder of Multi-Line programs to run July 1 to June 30, beginning on July 1, 2027; and

WHEREAS, aligning NMCIA's fiscal year to July 1 to June 30 will simplify budgeting, coverage administration, and audits;

WHEREAS, this change requires no amendment to statute, the NMCIA Bylaws, or the Joint Powers Agreement among NMCIA's Members;

NOW, THEREFORE, BE IT RESOLVED that:

1. NMCIA's fiscal year is changed to a recurring period of July 1 through June 30, beginning July 1, 2027.

2. To bridge the change, NMCIA will observe a short fiscal year from January 1 to June 30, 2027.

3. The Board directs the independent audit firm to coordinate with staff to audit both the fiscal year ending December 31, 2026, and the short fiscal year ending June 30, 2027, and to notify the state agencies and other parties that receive NMCIA's annual audit of the change.

New Mexico County Insurance Authority Board of Directors:

_____
Lance Pyle, Chair

_____
Gregory S. Shaffer, Vice-Chair

C E R T I F I C A T I O N

I hereby certify that this resolution was considered at a duly called meeting on November 18, 2026, at which a quorum was present, and was approved by a vote of _____ in favor and _____ opposed:

_____

Cynthia Stephenson , Risk Management Specialist

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

Item Number:	**Item Title:**
5.H.	Approve January 1 – June 30, 2027 Budget
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

NEW MEXICO COUNTY INSURANCE AUTHORITY

2026-2027 Budget

Law Enforcement and Multi-line Budget for Approval on 11/18/2026
Amended Workers' Compensation Budget for Approval on 11/18/2026 (previously approved 6/15/2026)

NEW MEXICO COUNTIES
33 STRONG

	1/2 Budget for Approval 11/18/26		1/2 Budget for Approval 11/18/26		Approved by Board 6/15/2026		NEW (without Bern. Co.) Budget Amendment for Approval 11/18	
	January 1-December 31, 2027		January 1-December 31, 2027		July 1 2026-June 30, 2027		July 1 2026-June 30, 2027	
	Law Enforcement	YoY % change	Multi-Line	YoY % change	Property	YoY % change	Workers' Compensation	% Change from Prior Budget
INCOME								
Member Contributions	21,661,899	25%	8,041,790	51%	10,061,323		6,297,528	-48%
Investment Income	-	-100%	-	-100%	-		1,100,000	0%
TOTAL INCOME:	**21,661,899**	**119%**	**8,041,790**	**73%**	**10,061,323**		**7,397,528**	**-44%**
EXPENSES								
Claims Expenses								
PV of Projected Ultimate Limited Losses	14,940,464	39%	5,678,561	70%	5,392,564	(new)	5,078,207	-49%
Reinsurance	3,456,611	32%	356,682	26%	4,023,018	(new)	601,297	-14%
LE Reinsurance-Class A ($1MM x $4MM)	254,044	135%	-		-		-	
LE Reinsurance-Pool Quota Share (xs $2MM)	171,732	16%	-		-		-	
WC Excess Insurance	-		-		-		196,684	-49%
Long-term Program Investment (start 2027)	-		-		-		-	
Brokerage Fees	35,000	0%	35,000	0%	-		30,000	0%
Subtotal Claims Expenses:	**18,857,851**	**38%**	**6,070,243**	**67%**	**9,415,582**		**5,906,188**	**-46%**
Risk Mitigation Expenses								
Administrative Fees to NMC	155,704	0%	128,313	0%	36,938	(new)	299,764	0%
Special Projects	49,500	10%	49,500	10%	-		-	
Loss Incentive Program	15,000	0%	-		-		35,000	0%
EDGE Detention Scholarships	5,000	0%	-		-		-	
Online Training Program	50,000	5%	40,000	7%	11,515	(new)	70,000	0%
Benchmark	22,500	0%	22,500	0%	-		-	
Legal Consultation Program	30,000	0%	10,000	0%	-		10,000	0%
Accreditation Programs	76,000	0%	-		-		-	
Lexipol	260,000	2%	-		-		-	
Subtotal Risk Mitigation Expenses:	**663,704**	**102%**	**250,313**	**3%**	**48,453**		**414,764**	**0%**
Pool Administrative Expenses								
Administrative Fees to NMC	1,823,893	0%	1,399,784	0%	402,963	(new)	1,111,964	0%
Actuarial Studies	25,000	25%	25,000	25%	18,375	(new)	31,375	0%
Capital Adequacy Study					7,000	(new)	7,000	0%
Financial Audit	30,000	0%	30,000	0%	8,636	(new)	12,000	0%
Claims Audit (LE/ML Odd Years)	10,000	100%	10,000	100%	-		-	
Payroll Audit	-		-		-		55,000	0%
Property Appraisal Fees	-		-	-100%	90,000	(new)	-	
Legal Expense	20,000	0%	20,000	0%	5,758	(new)	2,500	0%
Software Licensing & Support	157,250	8%	162,250	12%	46,708	(new)	246,000	0%
AI Software & Training	-		-		-		-	
Board D&O Insurance	43,000	0%	43,000	0%	12,379	(new)	43,000	0%
Board Training & Education	9,700	29%	9,700	29%	-	(new)	17,200	15%
Miscellaneous	4,000	0%	4,000	0%	1,152	(new)	5,000	0%
Investment Advisor	15,000	0%	15,000	0%	4,318	(new)	15,000	0%
40th Anniversary	2,500	(new)	2,500	(new)	-		-	
Legal Bureau operations	-		-		-		-	
Subtotal Pool Administrative Expenses:	**2,140,344**	**2%**	**1,721,234**	**-8%**	**597,288**		**1,546,039**	**0%**
TOTAL EXPENSES:	**21,661,899**	**32%**	**8,041,790**	**39%**	**10,061,323**		**7,866,991**	**-39%**
NET INCOME	**-**		**-**		**-**		**(469,463)**	

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

Item Number:	**Item Title:**
5.I.	Approve January 1 – June 30, 2027 Multi-Line and Law Enforcement Proposed Reinsurance
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

New Mexico County Reinsurance, Inc.

Law Enforcement Liability & Multi-Line Liability
Summary of Projected Losses & Captive Premium
Policy Year 1/1/27-28

Member	Total Expected Losses	Total Expected Losses with Risk Margin	Projected Expenses	Total Indicated Captive Premium
	(1)	(2)	(3)	(4)
Catron County	$27,529	$34,411	$3,674	$38,085
Chaves County	224,019	280,024	3,674	283,697
Cibola County	50,419	63,024	3,674	66,698
Colfax County	46,223	57,778	3,674	61,452
Curry County	106,420	133,025	3,674	136,698
DeBaca County	16,292	20,365	3,674	24,039
Doña Ana County	581,822	727,277	3,674	730,951
Eddy County	173,787	217,234	3,674	220,908
Grant County	83,670	104,587	3,674	108,261
Guadalupe County	15,693	19,617	3,674	23,290
Harding County	2,250	2,812	3,674	6,486
Hidalgo County	31,890	39,863	3,674	43,537
Lincoln County	55,139	68,924	3,674	72,598
Luna County	81,757	102,197	3,674	105,871
McKinley County	133,832	167,290	3,674	170,964
Mora County	18,507	23,133	3,674	26,807
Otero County	175,003	218,754	3,674	222,427
Quay County	33,809	42,262	3,674	45,935
Roosevelt County	51,547	64,434	3,674	68,107
San Miguel County	88,411	110,514	3,674	114,188
Sandoval County	188,752	235,940	3,674	239,614
Santa Fé County	500,902	626,128	3,674	629,801
Sierra County	27,908	34,884	3,674	38,558
Socorro County	92,955	116,194	3,674	119,868
Taos County	124,354	155,442	3,674	159,116
Torrance County	76,115	95,144	3,674	98,818
Union County	11,240	14,050	3,674	17,723
Valencia County	151,335	189,169	3,674	192,842
Total	$3,171,580	$3,964,476	$102,863	$4,067,338

Notes:
(1) Exhibit 1.2, Col (5)
(2) Exhibit 1.2, Col (10)
(3) Provided by NMCRe
(4) = (2) + (3)

DRAFT

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

Item Number:	**Item Title:**
5.J.	Approve January 1 – June 30, 2027 Pass-through Coverages
Presenter (s): Grace Philips, Risk Management Director	
Motion by: Seconded by:	

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

Item Number:	**Item Title:**
5.K.	Approve January 1 – June 30, 2027 Multi-Line Contributions
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

New Mexico County Insurance Authority

Multi-Line Liability
Projected Losses for Policy Year 1/1/2027 - 1/1/2028
Summary of Losses by Member

Member	Discounted Indicated $1,000,000 75th Percentile Losses	NMCRe Indications: $1M x $1M Projected Losses with Risk Margin	NMCRe Indications: Projected Captive Expenses	Projected NMCIA Expenses	Combined Contribution	Prior Combined Contribution	$ Change from Prior	% Change from Prior
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Catron County	$66,306	$3,047	$1,837	$14,500	$85,690	$56,952	$28,738	50.5%
Chaves County	440,984	29,788	1,837	72,695	545,305	258,757	286,548	110.7%
Cibola County	80,582	3,703	1,837	34,392	120,514	94,338	26,176	27.7%
Colfax County	74,901	3,442	1,837	26,263	106,443	55,278	51,165	92.6%
Curry County	78,881	3,625	1,837	46,781	131,124	139,345	(8,221)	-5.9%
DeBaca County	39,003	1,792	1,837	11,168	53,800	16,567	37,233	224.7%
Doña Ana County	1,037,226	50,699	1,837	275,629	1,365,390	1,052,379	313,011	29.7%
Eddy County	538,541	24,748	1,837	170,129	735,255	317,628	417,627	131.5%
Grant County	184,892	8,496	1,837	55,474	250,699	96,698	154,001	159.3%
Guadalupe County	47,161	2,167	1,837	16,634	67,799	43,279	24,520	56.7%
Harding County	15,327	749	1,837	5,516	23,429	7,441	15,988	214.9%
Hidalgo County	51,631	2,373	1,837	24,486	80,327	40,821	39,506	96.8%
Lincoln County	122,912	5,648	1,837	36,851	167,249	156,553	10,696	6.8%
Luna County	63,341	3,096	1,837	80,605	148,879	109,161	39,718	36.4%
McKinley County	42,999	2,414	1,837	85,177	132,427	107,103	25,324	23.6%
Mora County	147,140	6,762	1,837	21,141	176,879	89,226	87,653	98.2%
Otero County	268,323	12,330	1,837	97,205	379,695	395,053	(15,358)	-3.9%
Quay County	115,450	5,305	1,837	20,090	142,682	86,695	55,987	64.6%
Roosevelt County	37,631	1,839	1,837	21,292	62,599	34,047	28,552	83.9%
San Miguel County	131,478	6,042	1,837	35,827	175,184	160,866	14,318	8.9%
Sandoval County	462,817	31,263	1,837	180,891	676,807	427,968	248,839	58.1%
Santa Fé County	502,263	44,050	1,837	374,779	922,929	616,557	306,372	49.7%
Sierra County	130,200	5,983	1,837	29,374	167,394	114,988	52,406	45.6%
Socorro County	74,633	3,430	1,837	29,576	109,476	53,022	56,454	106.5%
Taos County	327,589	15,054	1,837	85,987	430,466	322,180	108,286	33.6%
Torrance County	129,874	5,968	1,837	41,928	179,608	106,642	72,966	68.4%
Union County	37,260	1,712	1,837	10,840	51,650	26,268	25,382	96.6%
Valencia County	429,215	19,724	1,837	101,317	552,092	356,288	195,804	55.0%
Total	$5,678,561	$305,251	$51,431	$2,006,547	$8,041,790	$5,342,100	$2,699,690	50.5%

DRAFT

Notes:

(1) Multi-Line Liability, Exhibit 1.1.1, Col (10)
(2) New Mexico County Reinsurance, Inc., Exhibit 1.2, Col (9)
(3) New Mexico County Reinsurance, Inc., Exhibit 1.1, Col (3), adjusted by 50.0% to reflect Multi-Line Liability portion
(4) Provided by NMCIA, allocated by payroll
(5) = (1) + (2) + (3) + (4)
(6) From Glickman's prior loss & ALAE funding analysis at 8/15/2025
(7) = (5) - (6)
(8) = (5) / (6) - 1

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

Item Number:	**Item Title:**
5.L.	Approve January 1 – June 30, 2027 Law Enforcement Contributions
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

New Mexico County Insurance Authority

Law Enforcement Liability - Combined
Projected Losses for Policy Year 1/1/2027 - 1/1/2028
Summary of Losses by Member

	NMCIA Indications						NMCRe Indications								
Member	Detention Discounted Indicated $2,000,000 75th Percentile Losses	All Other Discounted Indicated $2,000,000 75th Percentile Losses	Combined Discounted Indicated $2,000,000 75th Percentile Losses	Quota Share IMMH $2M x $2M Projected Losses with Risk Margin	Projected NMCIA Expenses	Total NMCIA Contribution	Excl. IMMH $2M x $2M Projected Losses with Risk Margin	IMMH $2M x $2M Projected Losses with Risk Margin	Class A $1M x $4M Projected Losses with Risk Margin	Projected Captive Expenses	Total NMCRe Contribution	Combined Contribution	Prior Combined Contribution	$ Change from Prior	% Change from Prior
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Catron County	$81,962	$82,483	$164,445		$17,206	$181,651	$31,364			$1,837	$33,201	$214,853	$165,445	$49,408	29.9%
Chaves County	687,393	538,687	1,226,080		181,896	1,407,976	250,236			1,837	252,073	1,660,048	1,086,726	573,322	52.8%
Cibola County		227,932	227,932		36,871	264,803	59,321			1,837	61,158	325,961	284,955	41,006	14.4%
Colfax County	187,478	89,449	276,927	8,417	57,764	343,108	45,919	8,417		1,837	56,173	399,282	334,673	64,609	19.3%
Curry County	541,058	124,760	665,818	25,733	124,131	815,682	103,667	25,733		1,837	131,237	946,919	745,379	201,540	27.0%
DeBaca County	90,011	29,598	119,609		29,497	149,105	18,573			1,837	20,409	169,515	220,336	(50,821)	-23.1%
Doña Ana County	1,121,887	1,435,598	2,557,485	50,370	447,365	3,055,220	509,102	50,370	117,107	1,837	678,416	3,733,635	3,182,992	550,643	17.3%
Eddy County	467,069	522,881	989,950		173,292	1,163,243	192,486			1,837	194,323	1,357,566	1,896,114	(538,548)	-28.4%
Grant County	147,210	300,909	448,120		100,780	548,900	96,091			1,837	97,928	646,827	600,667	46,160	7.7%
Guadalupe County		67,047	67,047		9,832	76,879	17,449			1,837	19,286	96,165	40,354	55,811	138.3%
Harding County		7,926	7,926		1,229	9,155	2,063			1,837	3,900	13,055	5,954	7,101	119.3%
Hidalgo County	167,719	66,230	233,949		66,367	300,316	37,490			1,837	39,327	339,644	342,300	(2,656)	-0.8%
Lincoln County		243,127	243,127		41,787	284,913	63,276			1,837	65,112	350,026	286,304	63,722	22.3%
Luna County	129,848	320,531	450,379		180,667	631,045	99,101			1,837	100,938	731,983	705,034	26,949	3.8%
McKinley County	154,992	561,596	716,588		133,964	850,552	164,876			1,837	166,713	1,017,265	641,365	375,900	58.6%
Mora County		62,905	62,905		17,206	80,112	16,372			1,837	18,208	98,320	49,456	48,864	98.8%
Otero County		706,426	706,426		102,009	808,435	206,423			1,837	208,260	1,016,695	534,892	481,803	90.1%
Quay County	93,157	98,774	191,932		44,245	236,177	36,956			1,837	38,793	274,970	200,224	74,746	37.3%
Roosevelt County	222,481	98,898	321,379	9,989	84,803	416,171	52,605	9,989		1,837	64,431	480,602	517,248	(36,646)	-7.1%
San Miguel County	664,997	92,864	757,861		61,451	819,312	104,472			1,837	106,309	925,621	524,163	401,458	76.6%
Sandoval County	297,498	424,935	722,433	14,149	270,385	1,006,967	155,413	14,149	35,116	1,837	206,514	1,213,481	786,531	426,950	54.3%
Santa Fé County	589,932	509,603	1,099,535	47,084	265,469	1,412,088	433,172	47,084	101,821	1,837	583,914	1,996,003	1,160,000	836,003	72.1%
Sierra County	13,791	104,650	118,440		38,100	156,540	28,901			1,837	30,738	187,278	122,354	64,924	53.1%
Socorro County	422,162	237,399	659,560		68,825	728,386	112,764			1,837	114,601	842,987	518,419	324,568	62.6%
Taos County	363,069	370,958	734,027		88,490	822,517	140,388			1,837	142,225	964,741	518,222	446,519	86.2%
Torrance County		342,645	342,645		24,580	367,226	89,176			1,837	91,013	458,239	185,450	272,789	147.1%
Union County		47,404	47,404		12,290	59,694	12,337			1,837	14,174	73,869	77,446	(3,577)	-4.6%
Valencia County	356,175	424,358	780,533	15,991	158,544	955,068	153,453	15,991		1,837	171,281	1,126,350	1,403,783	(277,433)	-19.8%
Total	$6,799,891	$8,140,574	$14,940,464	$171,732	$2,839,047	$17,951,243	$3,233,448	$171,732	$254,044	$51,431	$3,710,656	$21,661,899	$17,136,786	$4,525,113	26.4%

Notes:
(1) Law Enforcement Liability - Detention, Exhibit 1.1.1, Col (10)
(2) Law Enforcement Liability - All Other, Exhibit 1.1.1, Col (10)
(3) = (1) + (2)
(4) New Mexico County Reinsurance, Inc., Exhibit 2.2, Col (6) x New Mexico County Reinsurance, Inc., Exhibit 2.2, Col (7)
(5) Provided by NMCIA, allocated by number officers
(6) = (3) + (4) + (5)
(7) New Mexico County Reinsurance, Inc., Exhibit 1.2, Col (6)
(8) New Mexico County Reinsurance, Inc., Exhibit 1.2, Col (7)
(9) New Mexico County Reinsurance, Inc., Exhibit 1.2, Col (8)
(10) New Mexico County Reinsurance, Inc., Exhibit 1.1, Col (3), adjusted by 50.0% to reflect Law Enforcement Liability portion
(11) = (7) + (8) + (9) + (10)
(12) = (6) + (11)
(13) From Glickman's prior loss & ALAE funding analysis at 8/15/2025
(14) = (12) - (13)
(15) = (12) / (13) - 1

DRAFT

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

Item Number:	**Item Title:**
5.M.	Approve January 1 – June 30, 2027 Liability Coverage Agreement
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

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**.

Proposed New Sublimits for LE

Pursuit/Emergency Response Claims	Sublimit $250,000	Per **Occurrence**
Claims Related to Withdrawal/Detox occurring in a County Detention Center	Sublimit $250,000	Per **Occurrence**

New Definition:

"Pursuit/Emergency Response Claim" Means a claim resulting from the operation of an authorized law enforcement vehicle by an officer who is actively attempting to apprehend or stop a motorist who is knowingly fleeing or evading law enforcement, or the operation of an authorized law enforcement vehicle by an officer who is responding to an emergency situation.

Sheriff Claims: APD and 3rd Party Auto 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

LE Vehicle Pursuit Claims by Year as of 6/2026

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:

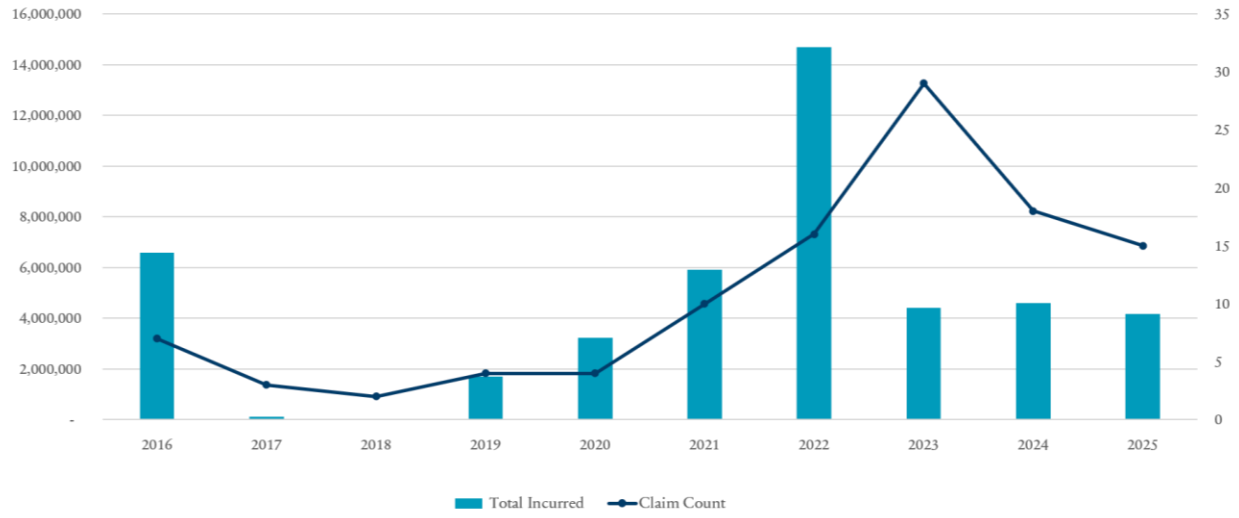
- Estate of Franzoy v Luna County ($7M; $3M from county)
- Estate of Teresa Begay v McKinley County ($1,925,000)
- Madge Duus / Santa Fe County ($1,050,000)
- Estate of Alexandria Gerard v Bernalillo County ($2M)
- Estate of Roger Wiley v Otero County ($400,000)
- Estate of Nicolas Romero v Taos County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

Liability Withdrawal Claims

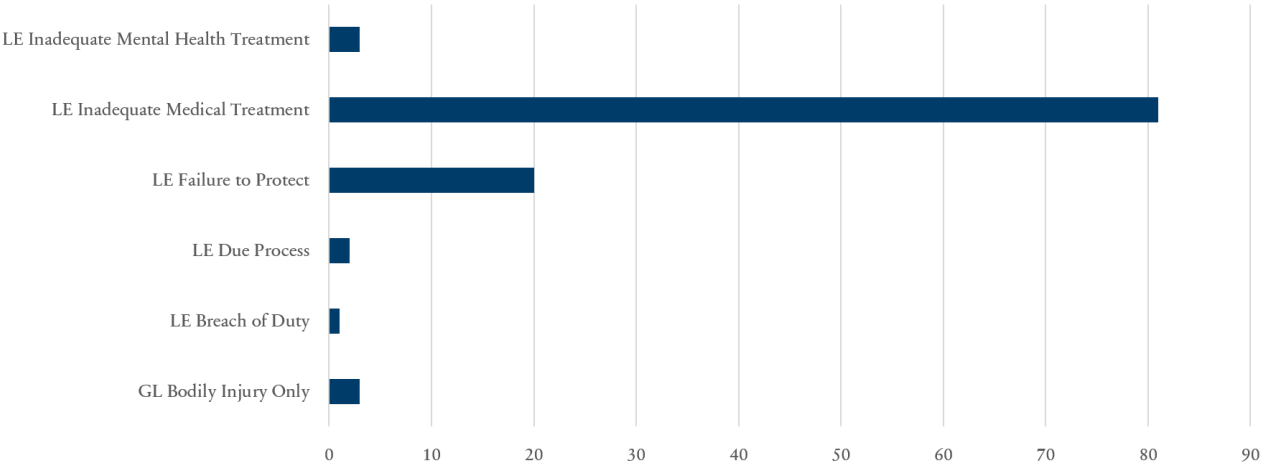
Cost of $45 Million to Counties Over a 10-Year Period

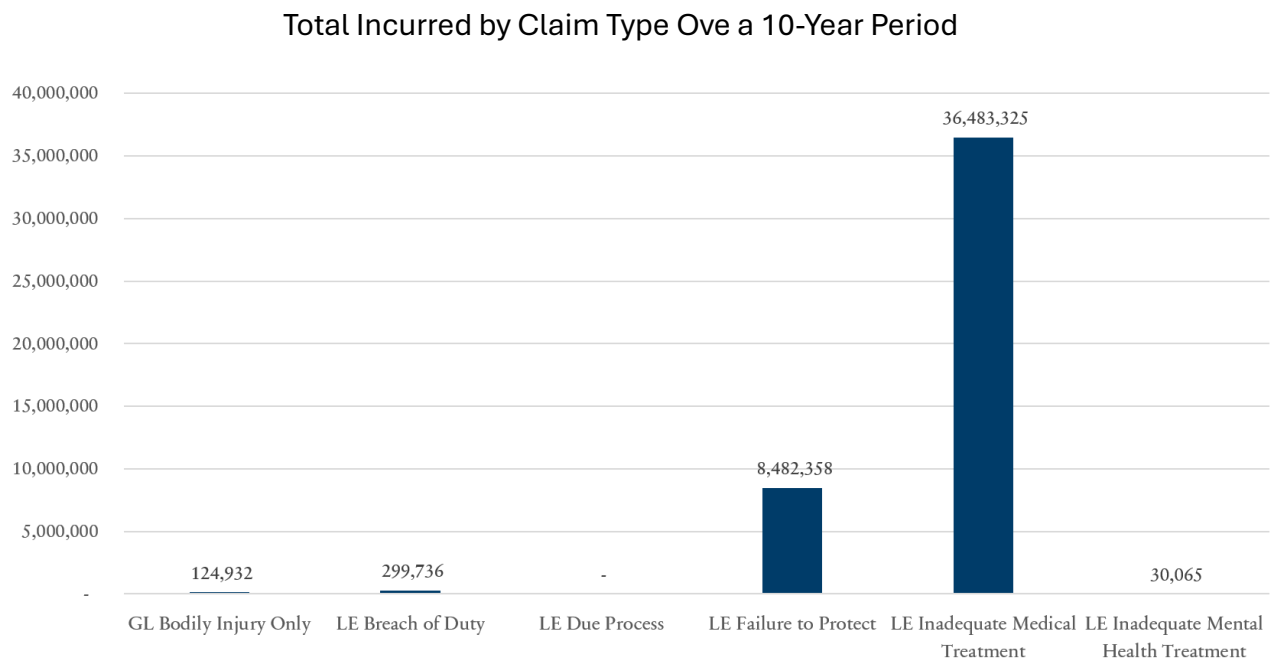
110 Claims, 87 Lives Lost

Claim Count and Total Incurred Over a 10-Year Period



Number of Claims by Claim Type Over a 10-Year Period





Three Claims $5M or Greater:

1. Detainee died allegedly due to failure to provide adequate monitoring while in detox (Bernalillo - 2022)
2. Detainee died allegedly due to failure to provide adequate monitoring while in detox (Bernalillo - 2022)
3. Detainee died allegedly due to failure to provide adequate monitoring while in detox (Bernalillo - 2022)

New Mexico County Insurance Authority (NMCIA)

Multi-Line and Law Enforcement Liability Program

COVERAGE AGREEMENT

Effective: January 1, ~~2026~~2027-~~January~~ July 1, 2027

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

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

~~2026~~ January 1 – July 1, 2027 Coverage Agreement

Table of Contents

Part I

A. General Coverage Declarations ____ p. 3
B. Limits ____ p. 3
C. Named Member (County) ____ p. 7
D. Agreement Period ____ p. 7

Part II Coverage Conditions ____ p. 7

Part III Exclusions ____ p. 12

Part IV General Definitions ____ p. 18

Part V Property ____ p. 24

Part VI Crime ____ p. 25

Part VII Liability ____ p. 26

A. General Liability ____ p. 26
B. Employment Practices Liability ____ p. 27
C. Public Officials Errors and Omissions Liability ____ p. 30
D. Employee Benefits Liability ____ p. 32

Part VIII Automobile Liability ____ p. 34

Part IX Law Enforcement Liability ____ p. 37

Part X Cyber Liability ____ p. 39

Part XI Equipment Breakdown ____ p. 40

Part XII Environmental Liability ____ p. 41

Part XIII Storage Tank Liability ____ p. 42

Endorsements ____ p. 43

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

Member Coverage Agreement

January 1, ~~2026~~2027 – July 1, 2027

Part I

A. General Coverage Declarations

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

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

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

B. Limits

Property

~~Deductible: See Endorsement 7~~

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

Crime

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

THE FOLLOWING COVERAGES ARE PROVIDED ON A CLAIMS MADE BASIS

Liability and Automobile Liability

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

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

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

The above Coverages and Limits are subject to the New Mexico Tort Claims Act where applicable. The above Coverages and Limits are per **Occurrence**, except where otherwise noted.

Law Enforcement Liability

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

Out of State, Federal and Sovereign Nations Coverage for Class A Members (Sandoval and Santa Fe Counties)	$5,000,000 per **Occurrence** ~~(NMCIA reinsurance coverage subject to $4,000,000 annual aggregate per member; and reinsurance liability is limited to a $8,000,000 all members combined annual aggregate)~~	Except as otherwise limited by Endorsements LE-4, LE-5 and LE-6 50%/50% quota share between the Pool and the member for the $1,000,000 xs $4,000,000 layer of coverage
Member's **Deductible**	See Endorsement LE-3	Per Occurrence
Pursuit/Emergency Response Claims	Sublimit $250,000	Per **Occurrence**
Claims Related to Withdrawal/Detox occurring -in a County Detention Center	Sublimit $250,000	Per **Occurrence**

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

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

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

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

Address: **See Schedule A**

Agreement Period

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

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

Part II – Coverage Conditions

A. Limits of Liability

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

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

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

a. All expenses the **Pool** incurs, including all claims expenses as defined in General Definitions, Part IV, "**Claims Expenses**.".

b. The cost of bonds to release attachments and appeal bonds required in any suit the **Pool** defends, but only for bond amounts within the applicable Limit of Insurance. The **Pool** does not have to furnish these bonds.

c. All reasonable expenses incurred by the **Member** at the **Pool**'s request to assist the **Pool** in the investigation or defense of the **claim** or suit. Such expenses do not include salaries of officials or employees of the **Member**.

d. All costs assessed against the **Member** in the suit, unless otherwise excluded.

e. Pre-judgment interest awarded against the **Member** on that part of the judgment the **Pool** pays. If the **Pool** makes an offer to pay the applicable Limit of Insurance, the **Pool** will not pay any pre-judgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before the **Pool** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

g. Expenses incurred by the **Member** for first aid to others at the time of an **occurrence**, for **bodily injury** to which this **Agreement** applies.

3. **Deductible** - at the option and discretion of the **Pool**, the **Pool** may pay all or part of the deductible amounts to effect settlement and upon notification to the **Named Member**. **Named Member** shall promptly reimburse the **Pool** for all such expenditures.

4. **Defense Attorney Fees and Costs** are part of, and not in addition to, the Limits of Liability set forth in the Declarations, and payment by the **Pool** of **Defense Attorney Fees and Costs** shall reduce and may exhaust such Limits of Liability. The Pool has the sole authority to choose defense counsel to represent Member in the defense of a claim or suit.

B. Contribution Payments

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

C. Territorial Scope

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

D. Clash Coverage

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

E. Arbitration

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

Coverage Limit, and any dispute between NMCIA and any **Member** as to the settlement of a **Claim** or **Suit** shall also be subject to binding arbitration. Either party may issue a written demand for arbitration within 90 days of the event triggering the arbitration request.

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

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

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

F. Termination/Suspension of Coverage/Withdrawal

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

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

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

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

G. Claims Process

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

2) If a **Claim** is received by any **Member**, the **Member** shall immediately record the specifics of the **Claim** and the date received and shall immediately notify the **Pool's** claims administrator in writing, but in no event not later than ten (10) business days.

3) The **Member** shall:

   a. Immediately send the **Pool's** claims administrator copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or suit; and

   b. Authorize the claims administrator to obtain records and other information; and
   c. Assist the **Pool**, upon its request, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this **Agreement** may also apply.
   d. **Named Member** shall pay deductibles to NMCIA within 30 days of receipt of invoice.

4) No **Member** shall voluntarily make a payment, assume any obligation or incur any expense, other than for first aid or other bona fide emergency, without the **Pool's** written consent or in any way bind or obligate **NMCIA**.

5) The **Member** shall promptly take at its own expense, except as otherwise provided in this **Agreement**, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any such expense shall not be recoverable under this **Agreement**.

6) A **Member** shall also fully cooperate with the **Pool's** investigation, settlement or defense including if asked to enforce any right against anyone or any organization that may be liable to a **Member** because of a covered injury or damage.

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

8) **Members** shall not discuss any **Claim** with anyone other than **NMCIA**, defense counsel, anyone **NMCIA** deems necessary to the proper administration or defense of a **Claim,** or as required by law or contract.

9) Failure to comply with any of the above 1 through 8 shall constitute a breach of this **Agreement** and may result in sanctions being taken against the **Member** including without limitation a **Claim** denial and no further obligation for the **Pool** to defend or indemnify the **Member** for this **Claim**.

H. Due Diligence

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

I. Inspections, Audits and Verification of Values

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

J. Other Insurance

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

K. Subrogation, Salvage and Recovery

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

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

L. Waiver of Subrogation

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

M. Fraudulent Claims

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

N. Optional Extended Reporting Period

In the event of expulsion, withdrawal or non-renewal of this **Agreement** by the **Pool** or the **Member**, the **Member**, upon payment of an additional contribution to be determined by the **Pool**, shall have the right to extend the period in which a **Claim** which arose during the **Agreement** period, may be reported by the **Named Member** against the **Pool.** Such extended reporting period shall be for a period to be determined by the **Pool** after the expiration date of this **Agreement,** and is only for reporting claims that occurred during the **Agreement** period. The rights contained in this paragraph shall terminate, however, unless written notice of such election, together with the additional contribution due is received by the **Pool** within thirty (30) days after the effective date of cancellation or non-renewal. The additional contribution for the optional extended reporting period shall be fully earned at the inception of the optional extended reporting period. The optional extended reporting period is not cancelable. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of contribution.

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

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

O. Multiple Claims or Claimants

The making of more than one **Claim** or the bringing of suits by more than one person or organization shall not operate to increase Limits of Coverage. Two or more **Claims** arising out of a single **Wrongful Act** or 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~~s~~ of Coverage.

P. Non-Waiver Of Rights

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

Part III – General Coverage Exclusions

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

1. Loss, damage or any type of **Claim**, including mysterious disappearance, caused by or resulting from fraudulent or dishonest acts committed by the

Member, whether working alone or with others, except as provided in Section VI - Crime;

2. Expenses from any cost, civil fine, penalty, sanctions or expense against any **Member** for any compliance or enforcement action from any federal, state or local governmental regulatory agency, court or any alternative dispute resolution process;

3. Any **Claim** for front pay, back pay or other incidents of compensation or benefits due no matter how characterized to a **Named Member's** employees unless provided otherwise by sublimit or endorsement;

4. Any **Claim** arising from **Law Enforcement Activities**, except as provided in Part IX -- Law Enforcement Coverage;

5. Any **Claim** arising out of hospital, nursing home or clinic malpractice, malpractice by a physician, medical doctor, osteopath, nurse practitioner, clinical nurse specialist, physician assistant, chiropractor, resident, extern, intern, psychiatrist, pharmacist, dentist, orthodontist, periodontist, or psychologist, or contract medical service providers and their employees and contractors, except as otherwise provided by endorsement.

6. Any obligation for which the **Member** may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers' liability or under any similar law or to bodily injuries to any employee or to any liability for indemnity or contribution brought by any party for bodily injuries to any employee.

7. Any **Claim** arising from administrative proceedings, declaratory and/or injunctive relief, except as otherwise provided by endorsement.

8. Any **Claim or Suit** arising from any criminal penalties imposed, or provided for, pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized.

9. Except as otherwise provided by endorsement, any **Claim** arising out of the operation of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation proceedings or claims, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into, by or on behalf of the **Member**. Claims alleging civil rights violations arising out of any of the listed proceedings are also excluded. However, liability coverage under this **Agreement** is provided for monetary damages arising from a decision by the **Member** or its officers, agents or employees to issue or not issue building or construction permits, certificates of occupancy, business licenses, alcoholic beverage licenses or other permits and licenses that the **Member** is authorized by law to issue.

10. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever to the property of the **Member** due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

11. **Bodily Injury**, **Personal Injury**, **Property Damage.** Except as otherwise provided by endorsement, any **Claim** arising out of **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields (EMFs), hazardous substances, hazardous materials, waste materials, "low-level radioactive waste", "mixed waste" and medical, red bag, infectious or pathological wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

12. **Bodily Injury**, **Personal Injury**, **Property Damage** or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead in any form. This exclusion applies to **Claims** alleging wrongful acts or public officials' errors or omissions resulting in the presence of asbestos or lead.

13. **Intentional Acts.** Any **Claim** or **Suit** for:

    a. **Bodily Injury** or **Property Damage** that is intended or expected from the standpoint of the **Member**, even if the **Bodily Injury** or **Property Damage** is of a different kind or degree, or is sustained by a different person, than intended. This exclusion shall not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property, including excessive force claims under **Law Enforcement Liability.** However, if any law enforcement **Member** is found or adjudicated to have, or admits to, or pleads no contest to, committing a criminal act, the **Pool** will have no obligation to provide a defense or pay **Money Damages** on behalf of such **Member**; or

    b. **Personal Injury** caused by or at the direction of a **Member** with the knowledge that the act would violate the rights of another; or

    c. **Wrongful Acts**, errors or omissions that are dishonest, fraudulent, criminal or malicious.

14. Any **Claim** or **Suit** for criminal proceedings and criminal defense costs, except as specifically provided in this **Agreement**, including but not limited to those:

    a. Arising from any criminal charges or proceedings against any **Member**;

    b. Arising out of any malfeasance of office or willful and deliberate violation of any statute, regulation or ordinance;

    c. Arising from any other dishonest or fraudulent acts committed by any **Member**, whether working alone or with others.

15. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, evaporation, contamination, rust, wet or dry rot, mold, **Fungi**, **Organic Pathogen**, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation, floor or ceiling.

16. Any **Claim** arising out of **Cyber Liability**, except as provided in Part X – Cyber Liability Coverage;

17. Any **Claim** arising out of the ownership, maintenance, loading or unloading, entrustment to others, use or operation of any aircraft, airfields, runways, hangars, buildings or other properties in connection with aviation activities, and any liability arising out of the maintenance, operation or use of watercraft over 26 feet in length or watercraft used to carry persons or property for a charge. This exclusion applies even if the **Claims** against any **Member** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by the **Member**.

18. Any **Claim** or **Claims** for **Bodily Injury** or **Personal Injury** relating to:

    a. Human Immune Deficiency Virus (HIV);

    b. Acquired Immune Deficiency Syndrome Related Complex (ARC);

    c. Acquired Immune Deficiency Syndrome (AIDS);

    d. Any virus, complex or syndrome that is related to the foregoing;

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

19. Any **Claim** based upon the **Member's** failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations;

20. Any **Claim** arising out of investment activities or the administration of self-insurance funds, except as covered in Part VI – Crime or Part VII, Item C., Employee Benefits Liability;

21. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever resulting directly or indirectly from atomic or nuclear incidents, the hazardous properties of nuclear material, the preparation or operation of any site or location used in the storage of or disposal of nuclear material or nuclear waste, atomic or nuclear reaction, radiation, or radioactive contamination, however caused or characterized, including any loss or damage by fire resulting therefrom.

22. Any investigatory, disciplinary or criminal proceedings against an individual **Member or Named Member,** except that the **Pool** may at its own option assign counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should the **Pool** elect to assign counsel that shall not constitute a waiver or estoppel of any rights the **Pool** may have pursuant to the terms, conditions, exclusions, and limitations of this **Agreement**.

23. Any **Claim** arising out of a breach of contract other than an employment contract. Employment contracts do not include collective bargaining agreements.

24. Any **Claim** seeking relief or redress, in any form other than **Money Damages**, and for fees or expenses relating to **Claims**, demands or actions seeking relief in any form other than **Money Damages**, unless otherwise provided by endorsement. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to **Claims** for monetary damages under the Americans with Disabilities Act.

25. Medical or hospital expenses or costs incurred by the **Named Member** in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the **Named Member's** statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody.

26. Any **Claim** for which the **Member** is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any agreement or agreements the term of which has commenced prior to the inception date of this **Agreement**.

27. **Sexual Abuse.** Any act or the participation in any act, whether alleged criminally or civilly of **Sexual Abuse** of any person by any **Member**; except as otherwise provided by Endorsement 8. This exclusion does not apply to **Claims** against any **Member** alleging negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Member.**

28. Punitive Damages.

29. Any **Claim,** including, but not limited to, a counter-claim or cross-claim by a **Member** against any other **Member,** whether or not the **Members** are related to the same **Named Member**, for anything other than Property Damage and Employment Practices Liability.

30. Any **Claim** related to the operation or administration of a detention center when said detention center is operated or administered by anyone other than a **Named Member** is excluded from **Law Enforcement Liability** coverage (Part IX, supra) under this **Agreement**. This exclusion does not apply when a **Named Member** participates in the operation or administration of the detention center through a Joint Powers Agreement with other local governments ***and*** the detention center's employees are employees of the **Named Member**.

31. Any cost, **Money Damages**, civil fine or penalty against any **Member** for any compliance or enforcement action regarding any tax, including allegations of over-assessment of taxes;

32. **Money Damages** 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 Record Act and that are required by statute to be paid from funds of the public body.

33. All loss, cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, cost or expense.

    a. "Terrorist Activity" shall mean any deliberate, unlawful act that:

        i. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or

        ii. includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to

1. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
2. influence, disrupt or interfere with any government related operations, activities or policies; or
3. intimidate, coerce or frighten the general public or any segment of the general public; or
4. disrupt or interfere with a national economy or any segment of the national economy; or

iii. includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:
1. hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;
2. hostage taking or kidnapping;
3. the use or threatened use of, or release or threatened release of any nuclear, biological, chemical or radioactive agent, material, device or weapon;
4. the use of any bomb, incendiary device, explosive or firearm;
5. the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;
6. the injuring or assassination of any elected or appointed government official or any government employee;
7. the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or
8. the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.,

b. Any of the activities listed in section a. (iii) above shall be considered "Terrorist Activity" except where the **Named Member** can demonstrate to the **Pool** that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to
i. promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective; or
ii. influence, disrupt or interfere with any government related operations, activities or policies; or
iii. intimidate, coerce or frighten the general public or any segment of the general public; or
iv. disrupt or interfere with a national economy or any segment of a national economy.

34. Any **Claim** arising out of the igniting or discharging of fireworks in conjunction with any display, demonstration or show on privately owned property. Fireworks include but are not limited to firecrackers and all aerial or ground displays.

35. Communicable Disease Exclusion. Notwithstanding any other provision of this **Agreement**, this coverage does not apply to any actual or alleged liability, injury, loss, damages, claim, cost, expense, fee or any other payment of any kind, directly or indirectly based upon, in whole or in part, arising out of:

    a. a **Communicable Disease**; or
    b. the fear or threat (whether actual or perceived) of a **Communicable Disease;** or
    c. any requirement or recommendation of any **Governmental Authority** regarding a **Communicable Disease**;
    d. the actual or alleged transmission, spread or failure to prevent, suppress or remove a **Communicable Disease**; or
    e. the reporting of, monitoring of, disclosure of, testing for, or failure to report, monitor, disclose or test for, a **Communicable Disease.**

    This Exclusion applies regardless of whether:

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

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

Part IV – <u>General Definitions</u>

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

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

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

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

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

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

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

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

1. Alters, copies, misappropriates, corrupts, destroys, disrupts, deletes, damages or prevents, restricts or hinders access to, a Computer System, including data stored on a third party's Computer System;

2. Results in the disclosure of private or confidential information stored on a Computer System;

3. Results in identity theft

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

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

1. operated by and either owned by or leased to the **Member**; or

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

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

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

"Employment Practices Liability Wrongful Act" means an allegation of improper:

1. Refusal to employ;

2. Termination of employment;

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

4. Selection, supervision or dismissal of any **Member.**

5. Retaliation

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

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

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

"Law Enforcement Activities" means the activities of any **Member** while acting as a law enforcement official, officer, reserve officer, detention officer, employee, or volunteer of a law enforcement agency or department or detention facility of the **Named Member**. **Law Enforcement Activities** also includes any activities of any **Member** in the hiring, training, supervising, or in any way related to a **Claim** or **Suit** involving **Law Enforcement Activities**

whether or not the claimed offender is a law enforcement official, officer, reserve officer, detention officer, employee, or volunteer of a law enforcement agency or department or detention facility of the **Named Member.** **Law Enforcement Activities** do not include employment practice violations even if they involve law enforcement personnel. **Law Enforcement Activities** include the rendering or failure to render medical care to inmates or detainees at a county detention facility. With regard to **Claims** involving **Automobiles**, the cause of action or nature of the **Claim** will determine whether Law Enforcement, **Automobile** Liability or General Liability coverage applies.

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

"Member" means not only the **Named Member** County but also any official, trustee, director, officer, partner or employee of the **Named Member** while acting within the scope of his or her duties as such; any volunteer acting for or on behalf of the **Named Member**, provided that individual has been authorized to act on behalf of the **Named Member** by an official, director or supervisory officer of the **Named Member**; and any person or organization, to whom the **Named Member** is obligated by virtue of written contract or agreement to provide coverage such as is offered by this **Agreement**, but only in respect to operations by or on behalf of the **Named Member.** Also, for **Automobile** Liability, see Part VIII, **Definitions**.

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

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

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

6. Vehicles not described above which are maintained primarily for purposes other than the transportation of persons or cargo.

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

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

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

"Notice of Claim" means the following:

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

"Occurrence" means an **Accident**, **Wrongful Act** or a happening or event or a continuous and repeated exposure to conditions, including but not limited to, those which result in **Bodily Injury, Property Damage** or **Personal Injury.** All **Bodily Injury**, **Personal Injury** or **Property Damage** attributable, directly or indirectly, to a single cause or arising out of a continuous or repeated exposure to substantially the same general conditions or ~~a~~ 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 ~~applies~~ per **Occurrence**.

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

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

"Pursuit/Emergency Response Claim" Means a claim resulting from the operation of an authorized law enforcement vehicle by an officer who is actively attempting to apprehend or stop a motorist who is knowingly fleeing or evading law enforcement, or the operation of an authorized law enforcement vehicle by an officer who is responding to an emergency situation.

Formatted: Font: Not Bold

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

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

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

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

"Premises Medical Payments/Automobile Medical Payments" means reasonable expenses for first aid at the time of an **Accident**, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services. **Premises Medical Payments** does not apply to expenses incurred in treating inmates while in the care and/or custody of a **Named Member.**

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

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

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

4. Any legally protected employee work stoppage or slowdown

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

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

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

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

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

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

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

"Wrongful Act" means any actual or alleged error or mis-statement, omission, act or neglect or breach of duty due to misfeasance, malfeasance, and non-feasance, including any **Employment Practice Liability Wrongful Act**, or **Law Enforcement Liability Wrongful Act**, Discrimination, and Violation of Civil Rights by the **Member**, resulting in **Bodily Injury, Personal Injury** or **Property Damage.** All **Claims** based on or arising out of the same **Wrongful Act** or 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 ~~is~~ are applicable to any one **Wrongful Act**.

Part V – Property

Property coverage is set forth in the 2026-/2027 NMCIA Property Coverage Agreement.

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

A. DEFINITIONS.

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

Part VI – Crime

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

Part VII – Liability

SECTION A – GENERAL LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. **What the Pool Will Pay**

CLAIMS MADE COVERAGE AGREEMENT: PAYMENT AND DEFENSE

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The negligent act for which **Claim** is first made happened on or after the applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any negligent act was likely to result in a **Claim** being made against any **Member**.

B. **Defense**

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

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

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

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

II. EXCLUSIONS APPLICABLE TO SECTION A – GENERAL LIABILITY

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

A. Any **Claim** for **Money Damages**, whether direct or consequential, or for any cause of action which is covered under any other section of this **Agreement**.

B. Damage or destruction of property owned by the **Named Member**.

C. The withdrawal, inspection, repair, replacement, or loss of use of the **Named Member's** products or work completed by or on behalf of the **Named Member** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

D. **Bodily Injury**, **Property Damage, Personal Injury** or any other damages whatsoever caused by the maintenance, operation, use, loading or unloading, or entrustment of an **Automobile**. This exclusion applies even if the **Claims** against and **Member** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Member**.

SECTION B – EMPLOYMENT PRACTICES LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. <u>What the Pool Will Pay</u>

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The **Employment Practices Liability Wrongful Act** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any **Employment Practices Liability Wrongful Act** was likely to result in a **Claim** being made against any **Member**.

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

B. <u>Defense</u>

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

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

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

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

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

II. **EXCLUSIONS APPLICABLE TO EMPLOYMENT PRACTICES LIABILITY**

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

A. For actual or alleged **Bodily Injury**, sickness, disease or death of any person, or damage or destruction of any tangible or intangible property including loss of use thereof, whether or not such property is physically injured; provided, however, that this exclusion shall not apply to mental anguish, emotional distress or humiliation;

B. For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the New Mexico Public Employee Bargaining Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, all as amended, or any rules or regulations promulgated thereunder, or similar provisions of any common or statutory federal, state or local law; provided, however, this exclusion does not apply to any such **Claim** alleging violations of the Equal Pay Act or **Retaliation**;

C. For any actual or alleged **Sexual Abuse**. However, with respect to civil defense only, the **Pool** will provide defense and indemnification to any **Member** alleged to have committed an act of **Sexual Abuse;** provided that, in no event shall further defense or indemnity be provided where a judgment or other final adjudication should establish, or it is otherwise determined, that the **Member** committed or participated in any act of **Sexual Abuse**

D. Alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving any dishonest, deliberately fraudulent or criminal act; provided, however, that with respect to civil proceedings only, this exclusion shall not apply unless and until there is a final judgment against such **Member** as to such conduct. If such excluded conduct is established through a final judgment, the **Member** shall reimburse the **Pool** for any costs, charges and expenses;

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

F. For that portion of any **Money Damages** covered under any other coverage section of this **Agreement.**

III. SPECIFIC CONDITIONS – PART VII – LIABILITY

A. Employment Practices Liability Deductible

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

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

SECTION C – PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. <u>What the Pool Will Pay</u>

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The Public Officials Errors and Omissions Liability **Wrongful Act** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement**; and before the end of the **Agreement** period; and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any Public Officials Errors and Omission Liability **Wrongful Act** was likely to result in a **Claim** being made against any **Member**.

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

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

B. Defense

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

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

   (b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

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

II. EXCLUSIONS APPLICABLE TO PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY

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

A. Based upon or attributable to their gaining in fact any personal profit or advantage to which they were not legally entitled including remuneration paid in violation of law as determined by the courts.

B. Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the **Member** was

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

C. Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible Property (including Money) or the loss of use thereof.

D. Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.

E. Arising out of or in any way involving any employee benefit plan of the **Named Member**.

F. For any **Claim** covered under Section A, General Liability or Section B, Employment Practices Liability.

G. Damage or destruction of property owned by the **Named Member**.

1. Arising from:

a. Procurement of goods or services;

b. Construction contracts;

c. Architectural or engineering contracts; or

d. The process of bidding or awarding contracts.

H. For any **Claim** regarding any sanction or fine from the State Ethics Commission against any county elected official of the **Named Member.**

SECTION D – EMPLOYEE BENEFITS LIABILITY

I. CLAIMS MADE COVERAGE AGREEMENT

A. **<u>What the Pool Will Pay</u>**

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The error, omission or negligent act for which **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period; and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any error, omission or negligent act was likely to result in a **Claim** being made against any **Member**.

B. **Defense**

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

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

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

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

II. EXCLUSIONS APPLICABLE TO EMPLOYEE BENEFITS LIABILITY

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

A. **Bodily Injury** to, or sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof.

B. **Personal Injury** or **Property Damage**.

C. Any **Claim** for failure of performance of contract by any insurer, including failure of any **Employee Benefit Program**.

D. Any **Claim** based upon the **Member's** failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits.

E. Any **Claim** based upon:

1. Failure of investment to perform as represented by any **Member**;
2. Advice given by a **Member** to a employee to participate or not to participate in stock subscription plans;
3. The investment or non-investment of funds; or
4. Errors in providing information on the past performance of investment vehicles.

F. Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state law;

G. **Money Damages** arising out of employment, employment discrimination, or other employment-related practices;

H. Any **Claim** arising out of the **Member's** failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

III. DEFINITIONS

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

A. Giving counsel to employees with respect to the **Employee Benefits Programs**;

B. Interpreting the **Employee Benefit Programs**;

C. Handling records in connection with the **Employee Benefits Programs**; and

D. Effecting the enrollment, termination or cancellation of employees under the **Employee Benefits Programs**; provided all such acts are authorized by the **Named Member**.

Part VIII – Auto Liability

I. CLAIMS MADE COVERAGE AGREEMENT

A. <u>What the Pool Will Pay</u>

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The **Accident** for which a **Claim** is first made happened on or after any applicable retroactive date set forth in this **Agreement** and before the end of the **Agreement** period**;** and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any Accident was likely to result in a **Claim** being made against any **Member**.

B. <u>Defense</u>

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

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

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

to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

II. DEFINITIONS – PART VIII – AUTO LIABILITY

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

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

1. Under Part VIII, any person while using an **Automobile** owned by the **Named Member** or a hired **Automobile**, and any person or organization legally responsible for the use thereof, provided the actual use of the **Automobile** is by the **Named Member** or with the **Named Member's** permission and any official of the **Named Member** with respect to the use of non-owned **Automobile**s in the business of the **Named Member**. This coverage, with respect to any person or organization other than the **Named Member**, *does not apply:*

    a. to any person or organization or to any or their agents or employees operating an **Automobile** sales agency, repair shop, service station, storage garage or public parking place, with respect to any **Accident** arising out of those operations;

    b. with respect to any **Hired Autos**, to the owner or lessee, other than the **Named Member**, nor to any agent or employee of that owner or lessee.

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

III. EXCLUSIONS THAT APPLY TO PART VIII – AUTO LIABILITY

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

A. Any **Claim** for **Money Damages** or for any cause of action which is covered under any other section of this **Agreement**.

B. Uninsured and/or Underinsured Motorists Liability

C. Any **Claim** for **Money Damages** arising out of the use of a covered **Automobile** by any third party where such use is not related to the operations of the **Named Member's** business or not authorized for such use by the **Named Member**.

Part IX – Law Enforcement Liability

CLAIMS MADE COVERAGE AGREEMENT: PAYMENT AND DEFENSE

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

A. **What The Pool Will Pay**

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

PROVIDED ALWAYS that the following are true:

1. **Notice of Claim** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable; and

2. The error, omission or negligent act for which **Claim** is first made happened on or after the retroactive date set forth in the in this **Agreemen**t and before the end of the **Agreement** period; and

3. The **Member** had no knowledge or reason to believe at the inception of the first **Agreement** Period or any extensions or renewals thereof that any error, omission or negligent act was likely to result in a **Claim** being made against any **Member**.

B. **Defense**

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

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

(b) If, in the sole discretion of the **Pool**, employing the services of attorneys, investigators, or other persons to perform work and incur expenses on behalf of any **Member** or the **Pool** is deemed appropriate to protect **Pool** interests prior to the formal existence of a **Claim**, the **Pool** has the right, but not the duty, to employ such persons as a **Pool** operational expense.

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

Part X – Cyber Liability

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

Part XI – Equipment Breakdown

(Boiler and Machinery)

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

Part XII – Environmental Liability

(Pollution)

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

Part XIII – Storage Tank Liability

(Fuel Tank Pollution)

Storage tank liability coverage, also known as "fuel tank pollution", is set forth in the storage tank liability policy provided by ~~Illinois Union Insurance Company~~Crum & Forester, policy number ~~UST G71771945 007-~~.

Law Enforcement Liability Program Endorsements

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 1

Membership and Retroactive Dates

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

A. Law Enforcement Liability Program

March 21, 2001
Catron County
Chaves County
Cibola County
Colfax County
Curry County
Dona Ana County
Eddy County
Harding County
Lincoln County
McKinley County
McKinley County Juvenile Detention Center
Mora County
Otero County
Quay County
Roosevelt County
San Miguel County Sheriff's Department
Sandoval County
Santa Fe County
Sierra County
Socorro County
Taos County
Torrance County
Union County
Valencia County

September 1, 2003

Luna County

January 1, 2004

Guadalupe County
Santa Fe Juvenile Detention Center

January 19, 2004

Cibola County Detention Center

February 1, 2004

Grant County

July 1, 2004

San Miguel County Detention Center

December 1, 2004

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

January 1, 2005

Valencia County Detention Center

October 11, 2005

Santa Fe County Detention Center

January 1, 2006

McKinley County Detention Center

July 1, 2006

De Baca Sherriff's Department

July 1, 2008
Hidalgo County

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

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE – 2

THIS ENDORSEMENT INTENTIONALLY LEFT BLANK

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 3

It is hereby agreed that the following deductibles apply:

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

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 4

No Coverage for Detention Center Operation

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

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

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

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

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

Endorsement No. LE - 5

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

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

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

1. Catron
2. Sierra

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

New Mexico County Insurance Authority
Law Enforcement Liability Program

Member Coverage Agreement

AMENDED Endorsement No. LE - 6

Non-Accredited Facilities with Detention Contracts

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

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

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

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

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

Multi-Line Program Endorsements

New Mexico County Insurance Authority
Multi Line Program
Member Coverage Agreement

Endorsement No. 1

Named Members and Retroactive Dates

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

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

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

September 1, 2003
Luna County

January 1, 2004
Guadalupe

January 1, 2005
Grant County

`

July 1, 2008
Hidalgo County

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 2

Coverage for Injunctive Relief

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

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 3

Limited Coverage for Land Use Matters

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

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

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

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

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

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 4

THIS ENDORSEMENT INTENTIONALLY LEFT BLANK

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 5

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

Random Attack – Hacking Event or Computer Virus

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

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

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

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

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

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

Denial of Services

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

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

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

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 6

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

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

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement
Endorsement No. 7

THIS ENDORSEMENT INTENTIONALLY LEFT BLANK

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

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

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

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

New Mexico County Insurance Authority
Multi Line & Law Enforcement Programs

Member Coverage Agreement

Endorsement No. 8

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

SEXUAL ABUSE ENDORSEMENT

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

SCHEDULE

Sexual Abuse Retroactive Date: April 18, 2008

IMPORTANT NOTICE

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

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

PART VII – LIABILITY IS AMENDED TO INCLUDE THE FOLLOWING:

I. COVERAGE AGREEMENT – SEXUAL ABUSE

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

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

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

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

B. This endorsement's insurance coverage applies to **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, an **Occurrence** of **Sexual Abuse** only if:

1. Such **Bodily Injury Occurrence** of **Sexual Abuse** takes place in the coverage territory stated in paragraph C. Territorial Scope of Part II – General Conditions;

2. Such **Bodily Injury Occurrence** of **Sexual Abuse** takes place on or after the **Sexual Abuse** Retroactive Date shown in the Schedule and before the end of the **Agreement** Period; and

3. **Notice of Claim** resulting from an **Occurrence** of **Sexual Abuse** occurs during the **Agreement** Period or during the Optional Extended Reporting Period, if applicable.

C. No other obligation or liability to pay any sum or perform any act or service under this endorsement is covered unless explicitly provided for in this endorsement or elsewhere in the **Agreement**.

D. Any continuation, change or resumption of an **Occurrence** of **Sexual Abuse** on or after the effective date of this endorsement will be deemed to have been known prior to the effective date of this endorsement. In such case, the limit of liability is sub-limited to $2,000,000.

E. All **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, any **Occurrence** of **Sexual Abuse** shall be deemed to be a single **Claim**:

1. Whether committed by the same person or two or more persons acting in concert with each other and all breaches of duty giving rise to such acts, and without regard to the number of:

   a. Persons sexually abused or incidents of **Sexual Abuse**;

   b. Locations where **Sexual Abuse** took place;

   c. **Agreement** periods covered by the Pool over which the **Sexual Abuse** took place;

d. **Occurrences** of **Sexual Abuse** taking place after the first **Occurrence** of **Sexual Abuse** covered by the **Pool**; provided such subsequent **Occurrences** of **Sexual Abuse** take place during the **Agreement** Period where such **Sexual Abuse** coverage is provided by the **Pool**.

2. With respect to all **Money Damages** and/or **Claims Expenses** related to such **Bodily Injury**, including any subsequent related **Bodily Injury**.

F. For each single **Claim**, only a single Per **Occurrence** Limit of Coverage that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** will apply. The **Agreement** Period in which the first **Occurrence** of **Sexual Abuse** insured by the **Pool** takes place will determine the applicable Per **Occurrence** Limit of Coverage.

II. EXCLUSIONS

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

This endorsement does not provide coverage:

A. To any **Member** or other person(s) who:

1. Committed, participated in, directed or was aware of and allowed an **Occurrence** of **Sexual Abuse**.

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

a. The **Member** is found by a court of law to be innocent or guilty or not guilty of the charges;

b. The **Member** pleads 'nolo contendere' to the charges;

c. The Member is found to be civilly liable or reaches a civil settlement; or

d. The Defense **Claims Expenses** – Allegation of **Sexual Abuse** Limits are exhausted, whichever occurs first.

2. Failed to follow established written **Named Member** policy in taking action to prevent an initial **Occurrence** of **Sexual Abuse** or to prevent a recurrence of any **Occurrence** of **Sexual Abuse**.

B. For punitive or exemplary damages, treble damages, any sum awarded in excess of compensatory damages, any multiple of compensatory damages, or that part of any award not attributable to compensatory damages.

C. To any **Member** for liability arising out of, resulting from, caused or contributed to or by, or in connection with, an **Occurrence** of **Sexual Abuse**, or a series of related **Occurrences** of **Sexual Abuse**, because of **Law Enforcement Activities** or **Strip Searches**, or arising out of the ownership, maintenance or use of any **Automobile**.

D. For any **Claim** made by any **Member** against any other **Member**. This exclusion does not apply to **Claims** brought by a **Member** against a **Named Member** or a **Named Member's** Manager (so long as the **Named Member's** Manager is not the alleged perpetrator).

E. For an **Occurrence** of **Sexual Abuse** which, prior to the inception date of this endorsement, the **Named Member** or its authorized person or any other **Member** had knowledge of or otherwise had knowledge of facts and circumstances which could reasonably give rise to anticipate a **Claim** or suit might result.

III. LIMITS OF COVERAGE

A. With respect to insurance coverage provided by this endorsement, the Per **Occurrence** Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** is the most the **Pool** will pay for the sum of **Money Damages** and/or **Claims Expenses** because of **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, any single covered **Occurrence** of **Sexual Abuse**.

B. Subject to paragraph A. above, the Pool Aggregate Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** is the most the **Pool** will pay for the sum of all **Money Damages** and **Claims Expenses** during the **Agreement** Period because of **Bodily Injury** arising out of, resulting from, caused or contributed to or by, or in connection with, all covered **Occurrences** of **Sexual Abuse**.

C. The Defense **Claims Expenses** – Allegation of **Sexual Abuse** Limits stated in subparagraph A of section **II. EXCLUSIONS** of this endorsement are separate from and in addition to the Per **Occurrence** Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability** and the Pool Aggregate Limit of Coverage shown in **Part I**, section **B. Limits** that is applicable to **Part VII, Section A, General Liability; Part VII, Section B, Employment Practices Liability; and Part IX, Law Enforcement Liability**.

IV. EXTENDED REPORTING PERIOD(S)

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

V. DEFINITIONS

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

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

New Mexico County Insurance Authority
Multi Line Program

Member Coverage Agreement

Endorsement No. 9

Expanded Land Use Coverage for Civil Rights Violations for Member Counties

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

A. Claims for **civil rights violations** arising out of the operation of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation proceedings or claims, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into by or on behalf of the **Member**;

B. Coverage applies to a limit of $1,000,000 per occurrence with a 10% co-insurance and $25,000 deductible payable by the **Member** for each occurrence;

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

Member counties that have selected this coverage:

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

New Mexico Counties
Multi Line Program

Member Coverage Agreement

Endorsement No. 10

Additional Insured Liability Coverage for Certain Members

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

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

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

New Mexico Counties
Law Enforcement & Multi-Line Liability Program

Member Coverage Agreement

Endorsement A

Communicable Disease Endorsement

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

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

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

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

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

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

This endorsement is retroactive to January 1, 2020.

New Mexico Counties
Law Enforcement & Multi-Line Liability Program

Member Coverage Agreement

Endorsement B
Professional Liability

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

Member

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

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

SCHEDULE A

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

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

Item Number:	**Item Title:**
5.N.	Approve Revised Multi-Line and Law Enforcement Attorney Rates
Presenter (s): Grace Philips, Risk Management Director	
Motion by:	Seconded by:

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by the New Mexico Association of Counties

MEMORANDUM

TO: NMCIA Board of Directors

FROM: Robin Martinez, Multi-Line Claims Manager

DATE: November 10, 2026

RE: Request Approval of ML and LE Attorney Billing Rates

The defense panel for the Multi-Line Department include NMAC's Legal Bureau and approximately 18 law firms throughout New Mexico, many of whom provide defense on behalf of other government entities. Due to the limited number of attorneys who defend local government, we compete with other entities who provide the same defense coverage, such as NMML, RMD, and NMPSIA.

During this past year, ML staff have been approached by several of our defense attorneys asking whether NMCIA was going to increase the attorney billing rates because other entities who provide defense for local government had increased their rates. In addition, in the last several months, we had difficulty with many of our defense attorneys accepting assignments. This presents a concern that may affect the pool's ability to provide timely and effective legal representation to its members. In many instances, the delay in obtaining counsel has been weeks which required the ML staff to seek an extension of time from plaintiff's counsel for us to respond to a lawsuit to allow us time to assign counsel and avoid a default. Our challenge with counsel accepting assignments may be attributed to the rate differences as well as their capacity.

Historically, our rates have remained competitive and the last time we increased our rates was in March 2024. However, due to rate differences with similar entities and the challenge with counsel accepting assignments, NMAC staff propose increasing our attorney billing rates.

Attached is a chart comparing our rates with NMML, RMD, NMPSIA, as well as with the Hinkle Shanor law firm. This law firm is included because our rates were not acceptable to them to consider working for us. The attachment also includes the proposed rate increase.

Thank you for your consideration.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

DEFENSE COUNSEL RATE COMPARISON – NOVEMBER 2026

YEARS EXPERIENCE	NMAC	NMAC PROPOSAL	NMML	STATE RMD	NMPSIA	Hinkle Shanor
ATTORNEYS						
0 – 1.99	$150	$150	$150	$170	$200	
2 – 4.99	$160	$190	$195	$195	$200	
5 – 9.99	$200	$230	$210	$225	$220	$200 associate
10+	$225	$255	$240	$245	$250	$275 partner
PARALEGALS & LAW CLERKS						
Paralegals	$80	$100	$120	$80	Unknown	$125
Law Clerk	$60	$70	$80	$60	Unknown	
Law Clerk w/JD	$80	$90	$100	$80	Unknown	

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) • Jocelin Sam, et al v Sandoval County • Alexander Kaldor v Taos County • John Day v Dona Ana County • ACLU, et al. v Dona Ana County • Estate of Joseph Fuentes v Eddy County • Estate of Violet Denetso v Bernalillo County • Estate of Colby Atkins v Bernalillo County • Estate of Matthew Shetima-Joe v Bernalillo County • MDC Appeal of One Occurrence Application – Arbitration Update

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, Chris Brice, Roberta Gonzales, Deborah Weir, Michael Meek, Gregory Shaffer, Amber Vaughn, Kate Fletcher, Anthony Dimas

Motion Out by: Seconded by:

Roll Call Vote:
Jhonathan Aragon, Lance Pyle, Chris Brice, Roberta Gonzales, 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, Chris Brice, Roberta Gonzales, 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: November 18, 2026
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

The NMAC Legislative Team is actively working on the 2027 legislative priorities and has requested that each county commission consider endorsing the proposals. Beyond the items discussed below, our priorities include the Detention Reimbursement Fund, 700 MHz radio funding, and a special appropriation for the disabled veterans' exemption.

On October 5th Katherine Carroll and Risk Management Director Grace Philips presented our government solvency priority to the Courts, Corrections & Justice Committee. Our goal is to preserve accountability while addressing the unsustainable escalation in the counties' exposure by: 1) removing the automatic annual escalator in the damages cap; 2) clarifying that damages may not be double recovered under both the New Mexico Civil Rights Act (NMCRA) and the New Mexico Tort Claims Act (NMTCA); and 3) aligning the notice provision with the NMTCA's notice requirements. On October 29, Ms. Philips and Legal Bureau Chief Brandon Huss also presented before the CCJ Committee along with a UCLA professor to discuss the fiscal impacts that the NMCRA has had on the NMCIA insurance pools. Our team also continues to meet with individual legislators on this important initiative.

The Department of Justice's Inspection of Public Records Act (IPRA) Task Force has concluded its statewide listening sessions and developed the following recommendations for legislative consideration:

1. Standardize statewide reporting of public records
2. Increase funding for digitization
3. Create a one-source portal for traffic accident reports
4. Establish a grant program for local software purchases and maintenance
5. Expand IPRA training
6. Create and fund a credentialing program
7. Require fees for body camera footage from out-of-state requestors
8. Increase protections for children and victims
9. Establish a duty for requestors to respond to a good faith effort
10. Clarify factors for courts to consider when awarding penalties
11. Establish an IPRA Ombudsman

On Friday, November 6th two of the Task Force members presented to the CCJ Committee. DOJ has not indicated that they will be advancing legislation. NMAC is considering a bill that will incorporate some of the recommendations from the Task Force as well as other amendments that we deem would be helpful in addressing county IPRA concerns.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

In researching our EMS priority, NMAC found an important distinction in how state law treats emergency services. Law enforcement is a fundamental service, supported by the constitutional mandate for the Sheriff to protect the peace. Fire protection, by contrast, is an optional service in statute, largely because not every jurisdiction has the resources to provide it. Because EMS is closely tied to fire services in many communities, designating EMS as a non-discretionary service could create an unfunded obligation for smaller and rural counties. We have shared these concerns with the Fire & Emergency Managers Affiliate leadership, and we expect the priority to be postponed until next year while we evaluate potential unintended consequences.

Legislative team members have met with gubernatorial candidate Debra Haaland's leadership on August 21st to discuss our legislative priorities and the challenges facing county governments. We have also met with several stakeholder groups to discuss proposed legislation focused on affordable housing, economic development, and criminal justice reform. Our research efforts continue with updated legislative priority handouts, data collection on gross receipts and property tax revenues, detention costs, etc.

NMAC has continued discussions with the Assessors and Department of Finance & Administration to reconsider the property tax rule that was adopted in late July. You will recall that we received a stay on implementation from the Governor's Office with a directive to bring back solutions. NMAC will be hosting a meeting on December 1st with representatives from the Assessors, Attorneys, Treasurers, Managers, and DFA to see if we can develop a statutory amendment to address the concerns raised by the rule change.

NMAC President Tina Dixon and I attended the New Mexico Municipal League (NMML) Conference on August 28th. As is tradition, the NMAC President used the Past Presidents' Luncheon to share our newly adopted legislative priorities and to underscore the importance of NMAC–NMML collaboration on local government initiatives.

Several New Mexico county representatives attended the NACo Energy Symposium on September 23–25. The two-day workshop was developed to help county governments better understand the impacts of energy development — including data centers, federal oil and gas policy changes, community engagement in land management decisions, and energy grid management, among other topics. I served as moderator for the Energy Development on Public Lands workshop and participated in the mobile tour of the Google data center.

The Better-Informed Public Officials Conference is scheduled for December 8th – 10th at the Embassy Suites in Albuquerque. The training in collaboration with NM EDGE will focus on Assessors, Commissioners, Sheriffs and Probate Judges. We will also be facilitating a Veterans' Panel and Media Panel. We anticipate approximately 140 attendees and we are working with county managers to ensure all of their newly elected officials participate.

The Legislative Conference registration is also open, with 284 registrants as of November 10th. The conference will be held January 18th-21st in Santa Fe to coincide with the opening of the legislative session. This year we will be hosting two workshops 1) Data Centers Come Knocking: Preparing New Mexico Counties for the Conversation and 2) Building Places to Live and Work: New Tools for Affordable Housing and Economic Growth.

NMAC has finalized a new artificial intelligence policy as part of our ongoing commitment to adopting AI responsibly. Over the past couple of years, many of our staff have received AI training, and they are becoming increasingly resourceful in applying these tools to their work. We use both ChatGPT and Claude across many areas of the company, and we want to ensure that every team member understands the requirements for using them appropriately.

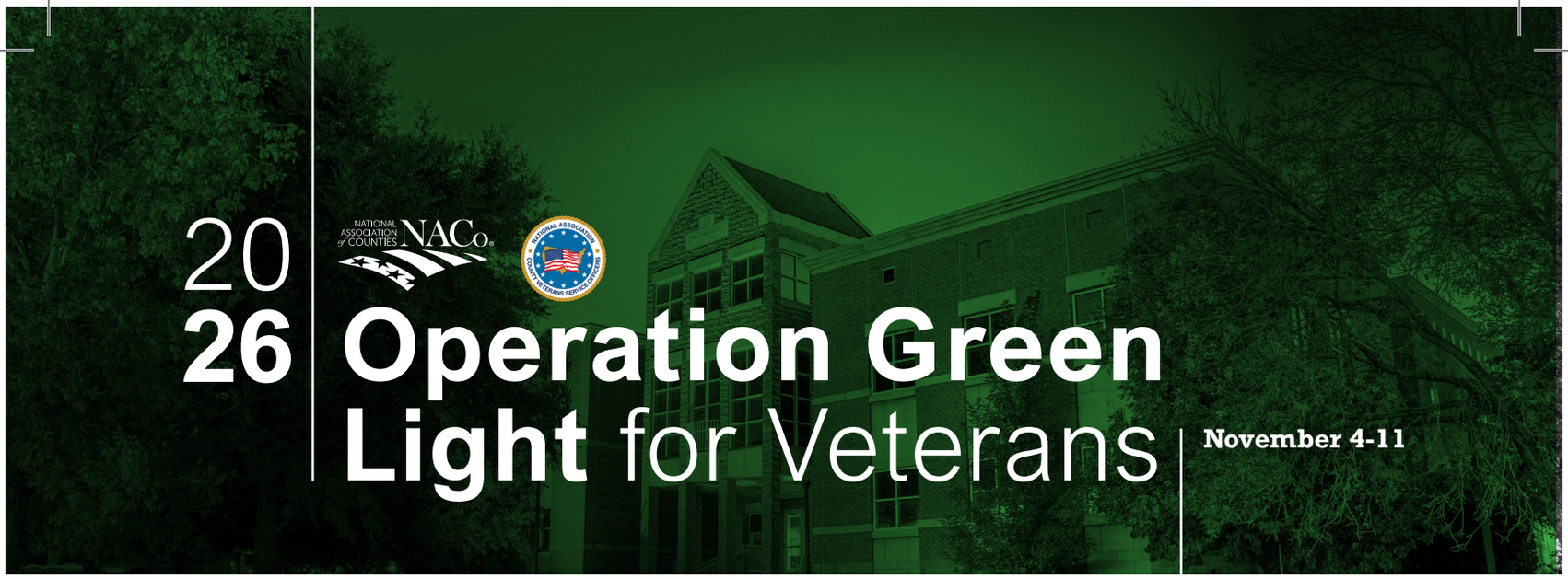
NMAC recently interviewed for a Senior Accountant and after conducting several interviews, our Accounting Specialist Eloisa Gonzales was selected to fill the position. Eloisa has been with NMAC for the past 5 years and is eager to expand her role. NMCIA has also promoted from within with the advancement of Jamie Dalton to the Workers Compensation Manager position following the departure of Kamie Denton. Jamie has been with NMCIA for over 9 years and was poised to step into this new role. Our new Finance Director Alex Lundy has hit the ground running. In his first couple months in the position, he met with most of our external partners and began discussing new strategies with our banking partners.

NMAC has completed an extensive replacement of the HVAC units at the Albuquerque office, resolving an ongoing problem in which units failed one after another over the summer. All new units are under warranty.

New Mexico has been selected to host the 2028 Western Interstate Region Conference in Santa Fe. We anticipate 450 county elected officials and staff in attendance from 15 western states. Areas of focus will include public lands, disaster response and recovery, water and natural resources, agriculture and rural development, and mobile tours. NMAC will serve as the primary partner for NACo in the planning and development of the conference, but welcome assistance from all of our county members.

Additional Meetings & Initiatives:
NACo EDGE Quarterly Meeting
NACo Energy Symposium
NCCAE Conference
NMFA Board of Directors
NMFA Audit, Finance, and Public Lending Committees
Water Trust Board Project Review Committee
State Forestry Communities at Risk Subcommittee
Workforce Solutions Affordable Housing Strategy
Housing Economics Meeting
CRL Conference
NMCIA Claims Committee
NMCIA Underwriting Committee
NMCIA Board Retreat Planning
NMCRe COO Interviews
NMML Legislative Discussion
NMAC/NMML Joint Meeting
Legislative Team Meeting
Senior Staff Meetings
Performance Evaluations
Berger Briggs Insurance & WC Meeting
Meetings with Wells Fargo and FNB
Senior Accountant & WC Manager Interviews
Managers' Affiliate Teleconference
ADA Assessment in Albuquerque Office
Suicide Prevention Month Coordination with Health Services Affiliate
IPRA Reponses

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.



2026 Operation Green Light for Veterans

November 4-11

America's counties have a long and proud history of serving our nation's veterans, a legacy that continues to this day as we work with our federal, state and local partners to ensure that the former service members in our communities have access to the resources they need to thrive.

This coming Veterans Day, the National Association of Counties (NACo) and the National Association of County Veteran Service Officers (NACVSO) invite the nation's 3,069 counties, parishes and boroughs to **join Operation Green Light and show support for veterans by lighting our buildings green from November 4 to November 11.** By shining a green light, county governments and our residents will let veterans know that they are seen, appreciated and supported.

How to Join

- Visit www.naco.org/operationgreenlight to access the Operation Green Light for Veterans County Toolkit.
- Use the County Toolkit template to pass a resolution declaring your county's participation in Operation Green Light for Veterans.
- Coordinate with your county Director of Facilities or Building & Grounds to light municipal buildings in green. Options include using projections, flood lights or green filters for existing lights.
- Use the templates and social media resources in the County Toolkit to promote the campaign to local press, businesses, county residents and Members of Congress.
- Upload details about your county's participation through the form included in the County Toolkit.
- Encourage individuals, businesses and community partners to show support by turning on a green light from November 4 to November 11!
- Support veterans year-round by purchasing supplies from veteran-owned businesses on Amazon Business at www.amazon.com/veteran-owned.

Scan the QR code for more about Operation Green Light, including a county toolkit.

Amazon is Proud to Support Operation Green Light

Military Community Outreach

We are committed to supporting the military community around the world by leveraging our diverse resources and technology to solve critical problems. We focus on supporting disabled veterans, providing mental health and suicide prevention resources, empowering military families and addressing urgent needs like homelessness and food insecurity.

World-Class Veteran & Military Spouse Recruiting

Veterans and military spouses in your community can learn more about career opportunities at Amazon by visiting our military-specific landing page, where they can attend Global Military Affairs webinars to engage with recruiters directly, and search for jobs tailored to their experiences. Visit **amazon.jobs/en/military** to learn more.

Corporate Leader in Veteran & Military Spouse Retention

We offer extensive resources to assist our veteran employees in their transition from the military, including our Military Mentoring Program, a network of support and tailored training experiences, and a wide array of resources and tools to empower veteran career success.

Support for Customers on Military Installations

Amazon and The Army & Air Force Exchange Service (AAFES) have joined forces to bring a new level of convenience to our military community, offering pickup and returns coverage to more than 90 Army and Air Force installations across the United States.

Counties Matter For Veterans

County Veteran Service Officers (CVSOs) in 29 states are responsible for successfully processing more than $52 billion in compensation, pension, health care and other benefits for veterans each year.

Counties across the nation operate Veterans Treatment Courts, through which we can connect justice-involved veterans with programs and benefits that can treat underlying mental health and substance abuse conditions.

Counties support veterans' access to stable housing, employment and education and critical mental health services that treat trauma and prevent suicide.

NATIONAL ASSOCIATION of COUNTIES NACo

660 North Capitol Street NW
Suite 400 | Washington, D.C. 20001
202-393-6226 | www.NACo.org

@NACoCounties

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

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

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

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

- NMC promoted Jamie Dalton to workers' compensation manager in September.
- With assistance from Roberta Gonzales and Lori Urban, Jamie produced RFPs for medical bill review and pharmacy benefit management.
- The NMCIA underwriting committee met with Danny Linton of Pinnacle Actuarial Services on October 27 and November 4.
- Staff have been working with the captive's new COO Dorothy Gjerdrum, putting communication and other processes in place.
- Risk management and finance staff have been working closely with Origami to implement the deductible billing project.
- Staff spent in excess of 60 hours reviewing nearly 54,000 emails for the Bernalillo County April 6 IPRA request. Staff have spent more time responding to other claims-related IPRAs and have hired a contract attorney. Also, we have assigned IPRAs to Tara Veretto.
- NMCIA celebrates its 40th anniversary in 2026.
- On November 2, we submitted offers of proof statements to the parties to the arbitration panel regarding the single occurrence dispute.

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:	**Item Title:**
7.C.	Loss Prevention Update
Presenter (s): Greg Rees, Loss Prevention Manager	

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

Date: November 9, 2026
To: NMCIA Board
From: Greg Rees
Re: Loss Prevention Update

Lexipol Professional Services has confirmed that the implementation phase of the Sheriff's Office Policy Program is complete for 27 of NMCIA's 28 member agencies. Implementation means Lexipol's setup, manual review, and training work is finished; releasing the manual to staff is then up to each agency. This represents a significant milestone in NMCIA's investment in consistent law enforcement policies, training, and operational guidance. Throughout the project, Lexipol worked directly with participating agencies to review their policy manuals and provide platform and policy-release training.

Of the 27 agencies that have completed implementation, 25 have fully released their policy manuals. Lincoln County has completed a partial release, and the timing of its full release has not yet been determined. Luna County has not yet released its manual. Doña Ana County, the remaining member agency, has not completed implementation; its work is on hold because of other agency priorities and reaccreditation and is expected to resume when the agency is ready next year. Bernalillo County was part of the original program but ended its participation when it left the pool.

With implementation substantially complete, attention is shifting to agency use of the available resources. Daily Training Bulletins (DTBs) are not activated automatically; an agency must release at least one policy and then contact Lexipol to turn them on. I sent member agencies instructions for activating DTBs on August 13, 2026. Of the 26 agencies currently eligible, Lexipol reports that 13

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

have activated DTBs, but only four—Curry, Eddy, Grant, and Sandoval—have issued them to staff. The other nine have not yet begun issuing them, and the remaining 13 eligible agencies have not yet requested activation.

Agency utilization varies considerably despite the progress made with implementation. Curry County is currently the only agency recognized at the Gold level, Lexipol's highest recognition tier, for overall program participation. These results underscore the importance of continued attention to policy issuance and acknowledgment and consistent use of available training resources.

Going forward, I will coordinate with Lexipol and participating sheriff's offices to support the remaining policy releases, encourage adoption of DTBs, and improve policy acknowledgment. Lexipol has transitioned ongoing account support to Jeff Waschler, Director of Enterprise Accounts.

With newly elected sheriffs taking office in January 2027, Loss Prevention and Lexipol are preparing to support the transition in agency leadership. Lexipol plans to participate in the upcoming New Mexico Association of Counties (NMAC) Legislative Conference to introduce incoming sheriffs to the Lexipol policy management system and the Local Gov U online learning platform. The presentation will provide an overview of both resources, including how to access and use the platforms, rather than formal training. This outreach will help familiarize new sheriffs with the resources available through NMCIA and encourage continued utilization as agency leadership changes.

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

Best regards,

Greg Rees

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:	**Item Title:**
7.D.	Legal Bureau Update
Presenter (s): Brandon Huss, Legal Bureau Director	

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

Item Number:	**Item Title:**
7.E.	Workers' Compensation Update
Presenter (s): Jamie Dalton, Workers' Compensation Claims Manager	

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

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

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

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

- CRL hosted its board meeting at the Inn of Loretto in Santa Fe September 22-23. Danny Linton of Pinnacle Actuarial Services and Dan Smereck and Nathan Simon of Strategic Asset Alliance (SAA) attended, serving both CRL, NMCIA, and NMCRe. Dorothy Gjerdrum attended on behalf of NMCRe, giving her the opportunity to meet all of our strategic partners. I hosted a gathering at my home for CRL and NMCIA staff and partners including John Chino, Ryan Salmon of Wells Fargo, Danny Linton of Pinnacle, and Dan Smereck. and Nathan Simon. of SAA. Staff who attended included our new Finance Director Alex Lundy, Greg Rees, Joy Esparsen, Robin Martinez, Brandon Huss.
- Cynthia Stephenson attended the CRL annual property training in Atlanta in September. I have attended this training twice in prior years, as has Robin Martinez, and Lori Urban attended once. It is a valuable training for staff and a great opportunity to interact with other pool directors and staff.
- Following this memo is the July 1, 2026-2027 CRL property program summary including a snapshot of NMCIA properties on page 11 of that report. Note our catastrophic exposure is zero, our property values total $3.6 billion, and only 12.1% of our buildings are located in a high hazard flood zone.
- CRL is in litigation with former member Texas Association of Counties regarding their withdrawal from CRL.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

County Reinsurance, Limited Property Program Summary

July 1, 2026 - 2027

Property Insurance Program



NMAC – CRL Property Member
Since 2013

MARSH

A business of Marsh McLennan

Table of Contents

CRL Membership Overview	03
The Value of CRL Property Program Membership	04
Program Mechanics	05
CRL Property Program Schematics	06
Updates to Terms & Conditions	08
CRL Exposure	10
NMAC Exposure	11
Catastrophe (CAT) Modeling	12
Limit Adequacy Review	14
Property Engineering	15
Jurisdictional Inspections	16
Member Pool Claims Handling	17
Property Valuation	18
CRL Property Program Service Team	19

CRL Membership Overview

Purpose of This Report

This report is intended to provide Member Pools with greater transparency into the structure, mechanics, and overall value of the CRL's Property Program. In addition to outlining key program terms, the report is designed to give Member Pools clear insight into the strength of the program, the resources supporting it, and the value CRL delivers through its partnership with Marsh as CRL's insurance broker.

The information included in this report relates to the July 1, 2026–2027 Property Program.

Who is CRL?

County Reinsurance, Limited (CRL) is a Member-owned reinsurance company. The company was formed in 1997 by county associations seeking a better way to provide reinsurance for their self-insured pools. The National Association of Counties (NACo) and state association executives played a critical role in the formation of the company.

CRL is organized as a captive insurance company and is domiciled in the state of Vermont. The company's legal structure as an Industrial Insured Captive Insurance Company means that its Members own the organization.

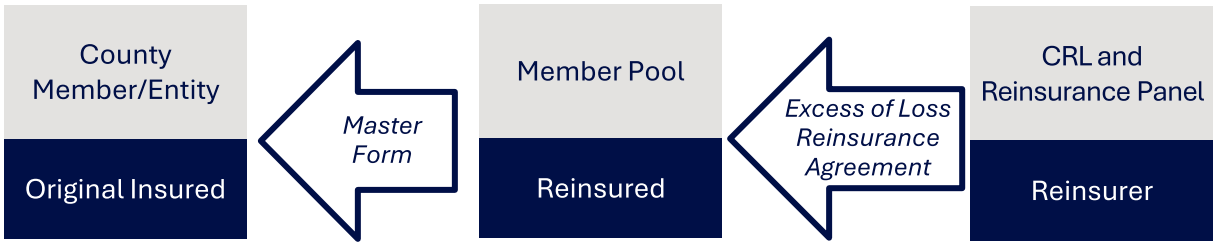
Under the Bylaws of the company, membership is limited to nonprofit risk-sharing pools of political subdivisions of states, all of the income of which is excludable under section 115 of the internal revenue code and that are authorized by a state association or a risk-sharing pool affiliated with a state association to participate in the company ("Member Pool").

CRL provides property, liability, and workers' compensation reinsurance to its Members. As a reinsurance company, CRL does not provide direct coverage or state-approved "admitted" policies. To meet Member state regulatory requirements for admitted coverage, CRL enters into reinsurance agreements with state-approved insurance companies. In those cases, CRL Members receive policies from an admitted insurance carrier in their particular state, while CRL provides reinsurance support to that carrier.

The Value of CRL Property Program Membership

- CRL Property Program, is a portfolio program with a shared and layered structure that leverages multiple insurers to provide greater coverage capacity, reduces reliance on any single carrier, and enhances overall program stability. By spreading risk across a diversified panel of insurers and a broad portfolio of Member Pool exposures, the program can achieve more competitive pricing, consistent coverage terms, and reliable access to insurance capacity—even during challenging market conditions.
- The Program includes a $1 billion terrorism occurrence limit, providing Members with access to significant coverage capacity for Terrorism (Damage to the Insured Property directly related to or caused by an Act or series of Acts of Terrorism and/or Sabotage).
- The program has eight participating Member Pools that contributes to a diversified portfolio of risks, helping strengthen program stability, support broader coverage capacity, and leverage the collective strength of the membership.
- Each Member Pool is individually underwritten to reflect their unique exposures and loss experience, while also benefiting from the collective strength of the overall portfolio. This approach helps leverage the broader spread of risk and premium volume of the membership, which can enhance pricing competitiveness and provide underwriting credits that may not be available on a standalone basis.
- The Member Pools benefit from access to substantial shared insurance capacity, providing enhanced protection against catastrophic property losses while leveraging the strength and purchasing power of the collective membership.
- Member Pools receive engineering assessments through The Hartford Steam Boiler (HSB) to help identify property risks, prioritize improvements, and support loss prevention efforts.
- Member Pools receive jurisdictional inspections of regulated equipment through HSB, helping meet applicable inspection requirements and support the safe operation of boilers and other covered equipment.
- Member Pools have access to technical support, risk management resources, and educational programs through Marsh's Property Risk Consulting team, helping strengthen property protection practices and reduce loss exposures.

Program Mechanics

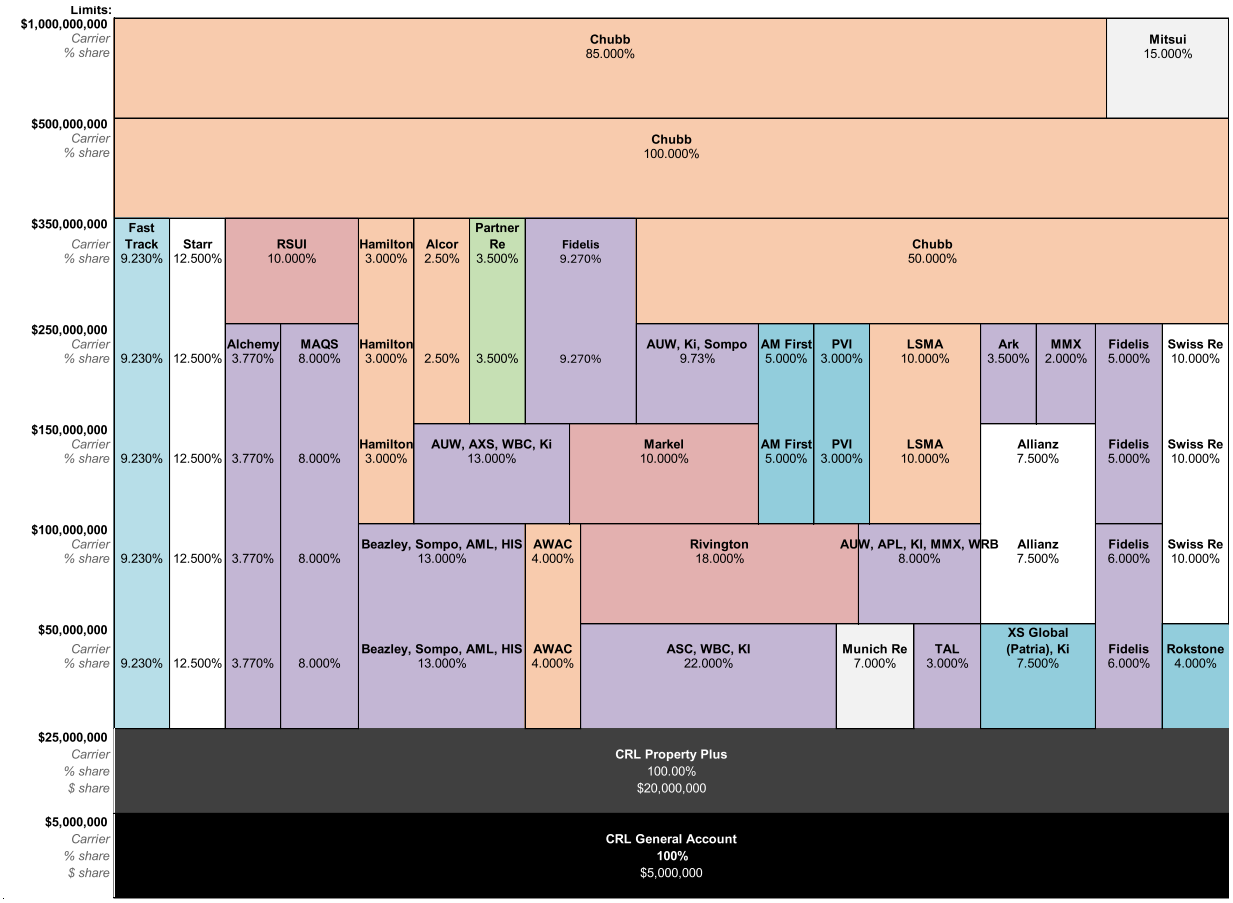


- **Excess of Loss Reinsurance Agreement:** An insurance contract or reinsurance contract where a party (the Insured or ceding Insurer) is reimbursed for loss that is excess a predetermined amount in exchange for a premium.
  - An Excess of Loss Reinsurance Agreement provides an additional layer of financial protection by reimbursing losses that exceed a predetermined amount. This coverage helps protect Members from the financial impact of large or catastrophic property losses, supporting greater program stability and claims-paying capacity.
- **Reinsurer:** An insurance company that provides financial protection to other insurance companies by assuming a portion of risk they have taken on, essentially acting as "insurance for Insurers." This is the various carriers or panel participants that provide coverage under the Excess of Loss Reinsurance Agreement. CRL Property Plus and CRL General Account are also considered Reinsurers.
- **Reinsured:** The other insurance companies noted above. Under the Excess of Loss Reinsurance Agreement, the participating Member Pools are the "Reinsured" in the program.
- **Original Insured:** The county members or covered entities of each participating Member Pool under the Excess of Loss Reinsurance Agreement. The Original Insured are not a direct party to the Excess of Loss Reinsurance Agreement. Coverage is provided to the Original Insured via the CRL Master Policy Form.
- **CRL Master Policy Form:** The contract or policy form that is underwritten and approved by the Reinsurers and is referenced as the sole terms and conditions under the Excess of Loss Reinsurance Agreement. The policy form is issued by the participating Member Pool to the Original Insured cannot exceed cover as outlined in the CRL Master Policy Form.

Program Schematics

All Risk Reinsurance Panel: July 1, 2026 – July 1, 2027

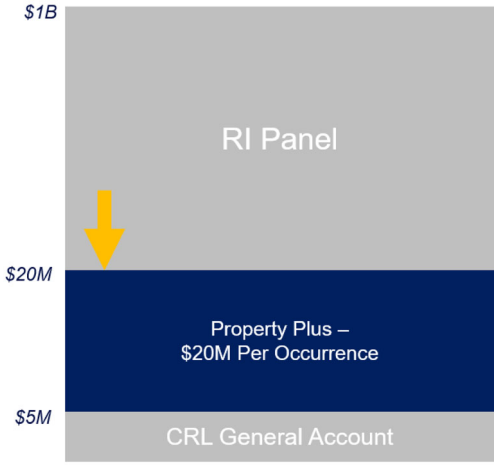
CRL utilizes a panel of highly rated reinsurers to provide the financial backing for the CRL Property Program. By spreading risk across multiple reinsurance partners rather than relying on a single company, the program benefits from greater financial strength, increased coverage capacity, and enhanced stability, helping ensure funds are available to respond to large or catastrophic property losses.



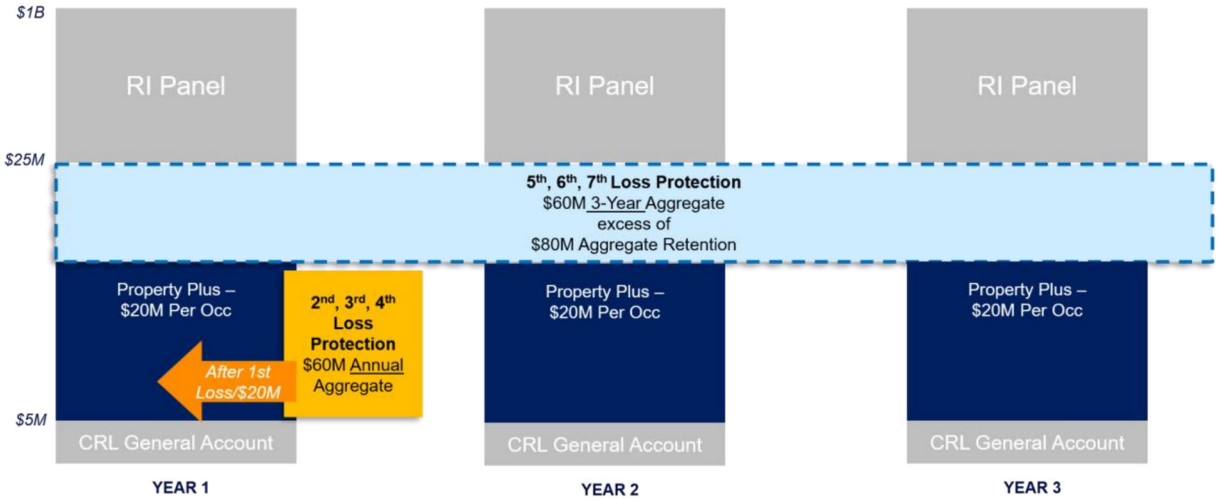
Program Schematics

Property Plus Participation: July 1, 2026 – July 1, 2027

- In 2019, Property Plus was established to allow CRL member pools to participate in certain excess property layers through a participation agreement.
- In 2026, Property Plus's retention was reduced by $5 million in order to realign retention levels with exposure and lessen volatility within Property Plus.
- Property Plus now participates 100% in the $20 million excess of $5 million layer.
- Previously from 2023-2025, Property Plus participated in the $25 million excess of $5 million layer.



- Additional reinsurance was purchased for the CRL Property Plus layer of $20M Per Occurrence excess of $5M Per Occurrence, which insures the 2nd, 3rd, and 4th losses up to a $60M Annual Aggregate over a $20M Annual Aggregate Retention.
- A three-year Alternative Risk Transfer Program was put in place to protect CRL Property Plus against 5th, 6th, 7th losses up to a $60M Term Aggregate over an $80M Term Aggregate Retention.



Updates to Terms & Conditions

Excess of Loss Agreement

CRL's reinsurance terms and conditions are reviewed and negotiated annually with the Reinsurance Panel, and Property Plus Reinsurers also agree to these terms. The chart below highlights key renewal changes to terms and conditions, including selected limits and deductibles; it is not intended to be exhaustive.

Sublimits	Expiring July 1, 2025 - 2026	Renewal July 1, 2026 - 2027
Loss Limit	$1,000,000,000 per occ	$1,000,000,000 per occ
Named Storm	$750M per occ, except $500M for any one state, or $350M for Tier 1 &Tier 2 combined	**$800M** per occ, ~~**except $500M for any one state**~~, or $350M for Tier 1 &Tier 2 combined
Earthquake	$500M ($100M per Member Pool) per occ and annual aggregate	$500M ($100M per Member Pool) per occ and annual aggregate
Earthquake - New Madrid Counties	$300M ($100M for Tennessee, $100M for Kentucky, $75M for Mississippi, and $25M for Arkansas)	**$125M** (**$125M** for Tennessee)
Flood	$500M ($100M per Member Pool) per occ and annual aggregate	$500M ($100M per Member Pool) per occ and annual aggregate
SFHA Flood	$150M ($25M per Member Pool) per occ and annual aggregate	**$200M** (**$50M** per Member Pool, **$2.5M any one original insured**) per occ and annual aggregate
Automatic Coverage	$300M per occ, maximum of $50M at any one property, $50M all insured property combined in any one state within Tier 1 counties, and $50M all insured property combined in any one state within New Madrid counties	**$350M per occ**, maximum of **$100M** at any one property, **$100M** all insured property combined in any one state within Tier 1 counties, and **$100M** all insured property combined in any one state within New Madrid counties
Pool Member Deductibles		
All Other Perils	$450,000 minimum, except Nebraska $500,000 North Carolina $500,000 | Utah $500,000 Kansas $750,000 | Georgia $1,000,000 Kentucky $1,000,000 | Ohio $1,500,000	**$500,000** minimum, except **North Carolina $750,000** Georgia $1,000,000 Ohio $1,500,000
Named Storm in Tier 1 Counties	3% per the Valuation Clause (as of the date of the loss)	**2% per the Schedule of Values**
~~**Convective Storm**~~ **Hail Only**	1% per the Valuation Clause, maximum $5,000,000 any one reinsured (as of the date of the loss) applying to Arkansas, Kansas, Kentucky, Nebraska, Mississippi, Tennessee. Wind speed trigger of 58 mph.	**1% per the Schedule of Values, maximum $2,500,000 any one reinsured** applying to Nebraska and Tennessee. **Removal of wind speed trigger.**

Updates to Terms & Conditions

CRL Master Policy Form

CRL's Master Policy form is reviewed annually to ensure adequate coverage for the Original Insureds. The chart below highlights key renewal changes to terms and conditions, including selected limits and deductibles; it is not intended to be exhaustive.

Sublimits	Expiring July 1, 2025 - 2026	Renewal July 1, 2026 - 2027
Named Storm	$50M per occ	$50M per occ
Earthquake	$10M per occ and annual aggregate	$10M per occ and annual aggregate
Flood	$10M per occ and annual aggregate	$10M per occ and annual aggregate
SFHA Flood	$1M per occ and annual aggregate	**$2.5M** per occ and annual aggregate
Miscellaneous Unnamed Property	$2.5M per occ	**$500,000** per occ
Margin Clause	125% of the real and personal property values combined, inclusive of property in the open, for each reported location.	**150%** of the real and personal property values combined, inclusive of property in the open, for each reported location.
Member Pool Deductibles		
Named Storm in Tier 1 Counties	3% per the Valuation Clause (as of the date of the loss) If in SFHA Zone and if NFIP purchased: excess maximum recoverable from NFIP, maximum $500,000	**2% per the Schedule of Values** If in SFHA Zone and if NFIP purchased: excess maximum recoverable from NFIP, maximum $500,000
New Madrid Earthquake	2% per the Valuation Clause (as of the date of the loss)	2% **per the Schedule of Values**
~~**Convective Storm**~~ **Hail Only**	1% per the Valuation Clause, (as of the date of the loss) applying to Arkansas, Kansas, Kentucky, Nebraska, Mississippi, Tennessee. Wind speed trigger of 58 mph.	1% **per the Schedule of Values**, applying to Nebraska and Tennessee. **Removal of wind speed trigger.**

CRL Exposure

This information reflects CRL's portfolio exposure and enables underwriting to determine appropriate portfolio limits, ensuring adequate shared-limit capacity for each Member Pool. Portfolio exposure information is provided to Member Pools for transparency.

The exposure information below includes locations with Total Insurable Values (TIV) greater than $450,000 in total at a location to identify exposures that may exceed the minimum Member Pool deductible of $500,000.

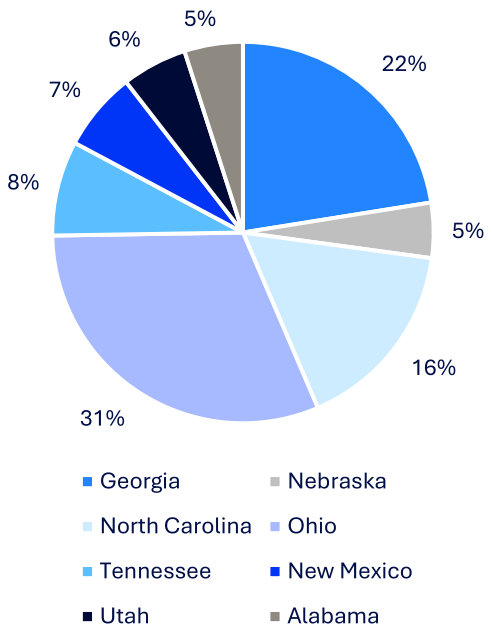
Exposure data below is captured as of latest value true up data provided to CRL.

CRL Membership By State/Total Insurable Value

State	Buildings	Vehicles	Mobile Equipment	Other	Total	% of Total
Alabama	$2,097,297,733	$312,402,972	$205,403,904	$104,122,707	$2,719,227,316	5%
Georgia	$10,605,200,926	$489,186,224	$528,951,860	$697,412,400	$12,320,751,410	22%
Nebraska	$1,972,368,353	$150,200,000	$384,860,261	$55,139,626	$2,562,568,240	5%
New Mexico	$2,774,599,500	$326,723,020	$71,404,808	$499,835,820	$3,672,563,148	7%
North Carolina	$7,921,712,141	$369,662,508	$427,426,742	$280,962,429	$8,999,763,820	16%
Ohio	$14,987,968,494	$724,349,778	$415,636,185	$958,342,344	$17,086,296,801	31%
Tennessee	$3,624,218,412	$430,903,933	$257,679,998	$99,393,982	$4,412,196,325	8%
Utah	$2,666,215,831	$193,310,471	$143,988,785	$33,219,987	$3,036,735,074	6%
Total	**$46,649,581,390**	**$2,996,738,905**	**$2,435,352,543**	**$2,728,429,295**	**$54,810,102,133**	**100%**

CRL Largest Locations by Building Value

Location	Address	State	Building TIV
Courthouse	120 Market St, Youngstown	OH	$187,845,156
Sort F Building	1113 Airport Rd, Wilmington	OH	$158,768,006
Criminal Justice Complex	515 S. Liberty, Jackson	TN	$137,822,000
Montgomery County F and M Bank Arena	101 Main Street, Clarksville	TN	$132,168,472
Jail & Sheriff Offices	119 Lee Street, Decatur	AL	$123,835,170
Jail	110 Fifth Ave, Youngstown	OH	$122,373,167
Sheriffs Complex	721 W 12th St, Ogden	UT	$108,128,300
Offices/Courtrooms	315 Hight Street, Hamilton	OH	$102,864,447
Jail	705 Hanover St, Hamilton	OH	$95,127,333
Justice Center	717 Court Street, Jacksonville	NC	$94,688,800



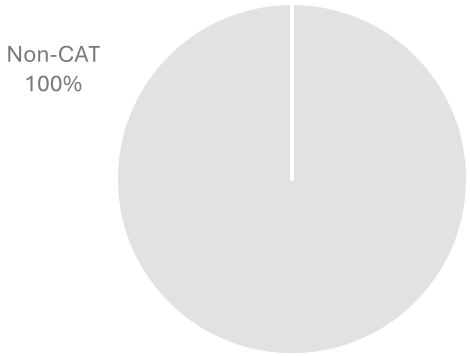
NMAC Exposure

This information reflects Member Pool exposure. The exposure information below includes locations with Total Insurable Values (TIV) greater than $450,000 in total at a location to identify exposures that may exceed the minimum Member Pool deductible of $500,000.

Exposure data below is captured as of latest value true up provided to CRL.

By CAT Exposure (Buildings)

Wind Tier 1:	$0
Wind Tier 2:	$0
Earthquake:	$0
New Madrid Earthquake:	$0
Non-CAT:	$2,774,599,500
Total:	**$2,774,599,500**



By Asset Class

Building / Contents	$2,774,599,500
Vehicles	$326,723,020
Mobile Equipment	$71,404,808
Piers/Bridges/Dams	$494,200,606
Fine Arts	$4,843,837
Watercraft	$87,680
Drones	$703,696
Misc. Property	$0
Total Values	**$3,672,563,148**

Largest Location by Building Value

845 North Motel Boulevard, Las Cruces	$72,900,000

By Flood Zone (Building Value)

Flood Zone	FEMA Description	# of Locs	Aggregate Value
A / V	High Hazard	85	$337,265,700
B / X Shade	Moderate	42	$105,624,400
C / X	Minimal	581	$2,084,499,800
D	Undetermined	27	$23,600,300
Unknown	Not Reported	211	$223,609,300

Catastrophe (CAT) Modeling

How is CAT Modeling Utilized?

- **Underwriters** utilize CAT Modeling to determine how a specific portfolio of assets impact their overall exposure. They allocate capacity (how much of an account they will write) and how to price it based on CAT Modeling results.
- **CRL** utilizes Portfolio CAT Modeling for the purpose of establishing limits purchased, allocating premium, and managing overall exposure to the program.
- **Member Pools** utilize Member Pool CAT Modeling to ensure adequate shared limit, allocate limit by original insureds, and identify cost drivers and key exposures within their portfolio. As example, Hurricane Katrina was identified on the aggregate as a 1 in 40 year event. Average annual loss (AAL) information by asset available upon request.
- The following CAT modeling results provide directional guidance only and should be utilized in conjunction with additional underwriting information.

Model Assumptions and Limitations

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

Model Outputs

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

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

500 Year Return Period* - CRL's typical measurement or guide for limit adequacy.

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

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

* What does Return Period mean?: in any given year, there is a 1 in 250, 500, or 1,000 chance that you will experience a gross loss that exceeds the specified dollar amount from a single event.

Catastrophe (CAT) Modeling

CRL Portfolio-Level Modeling Analysis

Ground Up, including buildings, all locations, all Member Pools

Return Period	All Earthquake	New Madrid Earthquake	Hurricane	Severe Convective Storm	Inland Flood	Wildfire
	RMS 23.0	RMS 23.0	RMS 23.0	RMS 23.0	AIR 9.0	AIR 9.0
AAL	$2,528,944	$687,158	$7,604,594	$10,582,863	$7,675,576	$1,334,224
100	$70,039,199	$6,278,370	$121,526,707	$55,158,594	$43,101,980	$12,919,896
250	$154,091,841	$63,327,579	$200,123,938	$76,104,091	$52,807,264	$18,347,512
500	$216,481,707	$115,866,575	$275,294,832	$94,318,989	$67,279,561	$21,050,498
1000	$288,030,250	$157,024,449	$360,594,396	$114,513,196	$82,298,842	$26,077,570

NMAC Member Modeling

The data below represents Member Pool-specific ground-up losses across all insured buildings and locations. Average annual loss (AAL) by county is available based on request.

Return Period	All Earthquake	New Madrid Earthquake	Hurricane	Severe Convective Storm	Inland Flood	Wildfire
	RMS 23.0	RMS 23.0	RMS 23.0	RMS 23.0	AIR 9.0	AIR 9.0
AAL	$88,978	N/A	N/A	$678,718	$793,069	N/A
100	$1,379,144	N/A	N/A	$6,033,371	$12,764,506	N/A
250	$5,661,918	N/A	N/A	$8,390,666	$19,369,219	N/A
500	$11,355,209	N/A	N/A	$10,384,351	$22,242,089	N/A
1000	$18,976,824	N/A	N/A	$12,578,125	$24,589,308	N/A

Data Quality Review

Opportunities identified to improve data quality and modeling accuracy.

27 Locations Missing Latitude/Longitude

16 Locations Missing Construction Code

6 Locations Missing Year Built

13 Locations Missing # of Stories

RMS AND MARSH SPECIFICALLY DISCLAIM ANY AND ALL RESPONSIBILITIES, OBLIGATIONS AND LIABILITY WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE INFORMATION OR USE THEREOF, INCLUDING ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL RMS OR MARSH (OR THEIR PARENT, SUBSIDIARY, OR OTHER AFFILIATED COMPANIES) BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE CONTENTS OF THIS INFORMATION OR USE THEREOF.

Limit Adequacy Review

CRL Portfolio CAT Modeling & Program Limit

This information reflects CRL's portfolio exposure and enables underwriting to determine appropriate portfolio limits, ensuring adequate shared-limit capacity for each Member Pool. Portfolio exposure information is provided to Member Pools for transparency.

CAT modeling is used to assess whether shared portfolio limits are adequate by estimating potential losses under a range of catastrophic scenarios, including severe but plausible events. By analyzing modeled loss outputs alongside portfolio exposure data, underwriting can evaluate the extent to which existing limits are sufficient to absorb potential losses for all Member Pools within the pool. This approach supports more informed limit-setting decisions and helps identify areas where higher concentrations of exposure may warrant additional review or adjustments to maintain adequate shared-limit capacity.

CRL Portfolio Modeling	250 Year Modeled Result	500 Year Modeled Result	CRL Program Limit
Earthquake	$154,091,841	$216,481,707	$500M
New Madrid Earthquake	$63,327,579	$115,866,575	$125M TN New Madrid Counties
Hurricane	$200,123,938	$275,294,832	$800M, except $350M within Tier 1 & 2
Severe Convective Storm	$76,104,091	$94,318,989	$1B
Inland Flood	$52,807,264	$67,279,561	$500M, except $200M SFHA
Wildfire	$18,347,512	$21,050,498	$1B

NMAC Member Pool CAT Modeling & Reinsured Limit

Further, we have identified Member Pool modeled results below in comparison dedicated Member Pool limits where applicable.

Member Pool Modeling	250 Year Modeled Result	500 Year Modeled Result	Reinsured Limit
Earthquake	$5,661,918	$11,355,209	$100M
New Madrid Earthquake	N/A	N/A	N/A
Hurricane	N/A	N/A	$800M, except $350M within Tier 1 & 2
Severe Convective Storm	$8,390,666	$10,384,351	$1B
Inland Flood	$19,369,219	$22,242,089	$100M, except $50M SFHA
Wildfire	N/A	N/A	$1B

Property Engineering

As a value-added service to participating Member Pools in the CRL Property Program, Property Engineering Surveys are conducted in-person by a structural engineer to identify the construction, occupancy, risk protection measures & management standards present at a certain location. Any special hazards present will be noted. This survey report is then utilized during the property insurance renewal process to assist property underwriters in identifying and measuring the risk involved at the site.

Surveys are conducted by The Hartford Steam Boiler Inspection and Insurance Company (HSB).

The Engineering Survey Process

During on-site visits, HSB consultants typically conduct a comprehensive facility tour, review existing hazards and loss prevention programs, inspect fire suppression and detection systems, review test records for fire pumps and public water supplies, photograph all buildings, create site sketches, and hold an exit conference with management to discuss observations and preliminary recommendations.

Engineering reports include:

- Loss control recommendations tailored to site-specific conditions.
- Location risk rating and occupancy / protection data.
- Loss estimates [MAS (Maximum Amount Subject), MFL (Maximum Foreseeable Loss), NLE (Normal Loss Estimate)] and natural hazard exposure assessment.
- Additional building details relevant to underwriting and risk improvement.

Survey Schedule

Engineering survey locations are identified collaboratively between the Reinsurer panel, Marsh, and CRL. HSB schedules visits directly with CRL.

The following surveys were performed in the prior July 1 2025-26 term:

Location	Street	City	State
No Locations Scheduled for the 2025-26 Term			

The following surveys are scheduled for the July 1 2026-27 term:

Location	Street	City	State
No Locations Scheduled for the 2026-27 Term			

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

Jurisdictional Inspections

As a value-added service to participating Member Pools in the CRL Property Program, HSB also conducts jurisdictional inspections of regulated equipment (boilers, pressure vessels, elevators) to help CRL members maintain compliance with state and local requirements and support operational continuity.

These inspections ensure compliance with local and state requirements, improve equipment reliability, reduce the risk of avoidable breakdowns or regulatory issues, and provide better visibility into your regulated equipment portfolio.

Each Jurisdiction has different laws/regulations regarding which objects (type, size, etc.) are inspected and at what frequency/inspection interval those objects are inspected.

The inspection types can be different (internal, external, or both at varying frequencies). The inspection due dates of specific objects at a single address can vary resulting in the situation that only some of the objects at any address require inspection in any given calendar year.

Applicable laws and regulations are subject to change by the governing jurisdiction at any time.

Estimated number of Inspections expected to be conducted within the 7/1/2026 – 7/1/2027 term below, as of 7/1/2026:

YTD Jurisdictional Object Status	Total Locations with Objects	Objects
New Mexico	N/A	0

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

Recommendations from Jurisdictional Inspections are to be completed by either the Member Pool's internal staff or qualified vendors. All feedback on recommendations should be issued to CRL & Marsh.

HSB has a 24-hour Inspection Hotline to receive inspection requests. Requests for urgent boiler inspections, air tank inspections, certificate inspections, new installations and/or authorization of repairs can be made through this single nationwide Inspection Hotline. Please allow 1-3 business days following the call for scheduling.

- Hours: 8:00 am to 8:00 pm EST, Monday through Friday
- Phone: 1-800-333-4677
- Email: NSCInsp_Hotline@HSB.com
- Information Needed: Identify yourself as a member of CRL, Location Address of Facility to be inspected, Name and Phone Number of Contact at facility, HSB Policy Number of 2367832.

Member Pool Claims Handling

When should a property claim be reported?

1. When the potential damage exceeds 50% of the reinsurance policy retention.
2. Any Natural Catastrophe Claim.

Please provide updated reporting whenever there is new or “material” information. (Updates to reserves/coverage concerns/damage assessments/reimbursement requests/supplements/extension requests/etc.).

In the Event of a Loss

1. Original Insured shall abide by the Loss Conditions outlined in the CRL Master Policy Form.
2. Member Pool to give written notice to the CRL of any loss as soon as practicable at CRL.Claims@CountyRe.org.
3. Member Pool to furnish CRL with all information known in respect of claims or possible claims for which notice is given and keep CRL fully informed in regards to all developments relating thereto as soon as reasonably practicable.
4. Member Pool to cooperate with CRL and any other person(s) designated by CRL in the investigation, adjustment and settlement of such claims.
5. Member Pool to use approved designated adjuster for the adjustment of any claim.

Designated Adjuster

As noted within in the 2026 CRL Reinsurance Agreement, the Member Pool agrees to use one of three approved supervising adjusting firms for the adjustment of any claim (Sedgwick, Crawford, or McLarens). This assignment may only be changed by consent of the State Member Pool and CRL with respect to a particular claim. The purpose of this requirement is to promote consistent, accurate, and efficient claims handling, with designated firms that are familiar with the CRL Property Program and its claim handling requirements.

New Mexico – Sedgwick

Property Valuation

CRL Guidelines for Property Members

Accurate property valuation data is essential to ensuring appropriate pricing, coverage, limits, and claims management. Consistent valuation methodologies and regular appraisals help maintain long-term valuation accuracy. Below is a list of CRL guidelines for Property Members:

1. Utilize approved valuation firms (Centurisk, HCA, Kroll, or CBIZ). Approved firms specialize in property replacement cost valuations and utilize consistent industry-recognized methodologies. This helps improve the accuracy and reliability of insured values across the program.
2. Conduct property valuations at least every four years, with a maximum interval of five years by exception. Construction costs, labor rates, and building codes can change significantly over time. Regular appraisals help ensure property values remain current and reduce the risk of underinsurance.
3. Trend values for off-year locations. Properties that are not appraised in a given year should have their values updated to reflect changes in replacement costs. This helps maintain valuation accuracy between appraisal cycles.
    - Utilize an industry-standard index based on geography and building type. Construction cost inflation varies by region and occupancy type. Applying the appropriate index provides a more accurate adjustment than using a one-size-fits-all approach.
4. Ensure all new county members implement the Member Pool's property valuation protocol in year one. Establishing accurate values from the start creates a reliable foundation for pricing, coverage, and catastrophe modeling. It also promotes consistency across all participating members.
    - This should be a pre-requisite to binding coverage.
    - All locations, regardless of value, to be valued in year 1.
        - Locations under Pool threshold for property valuation should be indexed annually.
        - Begin on-site valuation once trended value exceeds Pool threshold.

Historical Locations

1. If Historical Reproduction Coverage is elected:
2. Ensure appraisal firm has the expertise to capture historical reproduction cost (NOT replacement cost).
3. Reproduction Cost is defined as the cost to repair, rebuild or replace with material of like, kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the INSURED PROPERTY as nearly as possible to its original condition.
4. Appraisal report should include details of historical reproduction cost basis
5. Ensure “Historical Valuation” is marked on the Statement of Values.

CRL Property Program Service Team



Micheon L. Hollier
CRL EXECUTIVE DIRECTOR
Clemmons, NC

Zack Dickson
CRL PROPERTY CLAIMS MANAGER
Clemmons, NC

David Omokhua
CRL PROPERTY CLAIMS REPRESENTATIVE
Clemmons, NC

Lauren Navarro
CRL UNDERWRITING MANAGER
Clemmons, NC

Tim Kelley
CRL ACTUARIAL DATA ANALYST
Clemmons, NC

Nicole Sandstrom
DIRECTOR OF HUMAN RESOURCES & OPERATIONS
Clemmons, NC

Morgan McDevitt
CRL EXECUTIVE ASSISTANT BOARD AND MEMBER SERVICES
Clemmons, NC

MARSH

Sharon Brainard
CLIENT EXECUTIVE
Atlanta, GA

Greg Mann
SENIOR PROPERTY STRATEGIST
Atlanta, GA

David Letzelter
SENIOR PROPERTY ADVISOR
Pittsburgh, PA

Skyler Gordon
SENIOR PROPERTY BROKER
Atlanta, GA

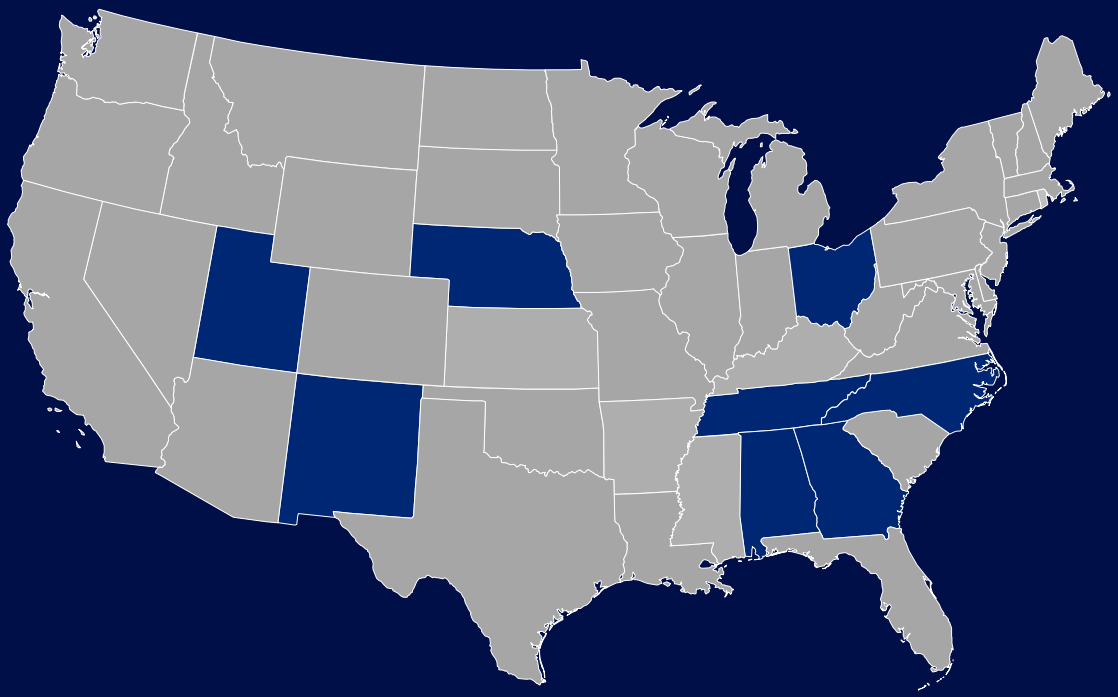
Sarah Cooke
PROPERTY BROKER
Charlotte, NC

Sydney Winters
ASSOCIATE PROPERTY BROKER
Atlanta, GA

RISK CONSULTING

Ken Botes
RISK ENGINEERING ADVISOR
Atlanta, GA

Michael Hayes
JURISDICTIONAL ADVISOR
Atlanta, GA



This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are intended solely for the entity identified as the recipient herein ("you"). This document contains proprietary, confidential information of Marsh and may not be shared with any third party, including other insurance producers, without Marsh's prior written consent. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party with regard to the Marsh Analysis or to any services provided by a third party to you or Marsh. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. All decisions regarding the amount, type or terms of coverage shall be your ultimate responsibility. While Marsh may provide advice and recommendations, you must decide on the specific coverage that is appropriate for your particular circumstances and financial position. By accepting this report, you acknowledge and agree to the terms, conditions, and disclaimers set forth above.

Copyright © 2026 Marsh USA Inc. All rights reserved.

MARSH

A business of Marsh McLennan

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

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

NEW MEXICO ASSOCIATION OF COUNTIES
33 STRONG

Memorandum

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

- The Board appointed former Grant County Manager Charlene Webb and Chaves County Attorney Stanton L. Riggs to the captive board of directors, filling one vacancy and approving an additional seat on the Board authorized in the bylaws.
- The Board held an election of officers for vacant positions, electing Gregory S. Shaffer as president, Stan Riggs as vice president (creating a new officer position authorized in the bylaws) and Amber Hamilton as secretary.
- The Board approved a chief operating contract with Dorothy Gjerdrum, welcoming her to the captive. Dorothy was the first NMCIA risk management director, serving from 1989 to 1998, relocating to Minnesota in 1999 and serving for 26 years with Gallagher until her retirement in December 2025. During her tenure with NMCIA, she formed the law enforcement liability program and formed County Reinsurance Limited where she served as board member and treasurer during its formative years.
- 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 alternative is to pay a $4,000 membership fee to join the state's captive insurance association. The board's last meeting of the year was scheduled to take place on December 15, but it is being rescheduled for December 18 to allow President Shaffer to attend in person.

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:	**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:	