

New Mexico Counties

Advancing Counties through Service, Education, Advocacy and Leadership



**NEW MEXICO
COUNTIES**

33 STRONG

NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

August 14, 2024, 8:30 a.m.

Roosevelt County
Jake Lopez Community Center (Cacahuate Room)
705 E. Lime St., Portales, NM

Serving New Mexico's Counties for More than 75 Years

New Mexico Counties

444 Galisteo Street

Santa Fe, NM 87501

1-877-983-2101

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www.nmcounties.org

Harnessing the winds of change...

Our Mission

The NM CIA insurance Pool delivers superior, comprehensive and sustainable insurance and risk management services to New Mexico counties with a culture focused on leadership, innovation and integrity to save counties money and keep their citizens & employees safe

Our Vision It's 2025 and...

We anticipate & adapt to changes, are responsive to our members' needs and provide innovative education for members, board and staff

Our growing membership value their ownership of the pool, are invested in NM CIA's long term success & meet their responsibilities

We are financially stable and invest our growing capital to meet the coverage needs of our members over the long term

Our board and staff equip future leaders to steer NM CIA forward, informed by our history and core values

2022 NM CIA Board Retreat

We collaboratively partner with our members through...

- Flexible and affordable insurance programs
- Efficient claims processing with specialized services
- Targeted education
- Advocacy for good legislation
- Strategic partnerships
- Comprehensive loss prevention services
- Legal bureau
- Networking opportunities
- Sound technology platforms
- Diversification of our membership
- Consistent communication

Our Bold Steps

- Hold member NM CIA workshops at summer conference & district meetings
- Articulate our core values & mission
- Develop a plan to approach non-county entities
- Develop a member services strategy
- Perform Capital Adequacy Assessment process
- Educate board about the Captive & discuss strategy
- Create a comprehensive history archive & condensed version
- Change process to elect board members earlier
- Develop an internal succession plan
- Develop a communication & marketing plan



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

<u>Item Number:</u> <p style="text-align: center;">1.</p>	<u>Item Title:</u> Call to Order / Roll Call / Pledge of Allegiance / Introductions
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<u>Presenter (s):</u> Lance Pyle, Chair Cynthia Stephenson, Risk Management Specialist

Call to order time:

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NMCIA Board of Directors 2024

Officers

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

GROUP I, GEOGRAPHICAL DIRECTORS

Term Expires 1/2025

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

SOUTHEAST
<p>VACANT</p> <p>Chaves, De Baca, Eddy, Lea, Lincoln, Otero, Roosevelt</p>

GROUP II, CLASS A DIRECTORS

Term Expires 1/2026

BERNALILLO	BERNALILLO	DOÑA ANA
<p>Lisa Sedillo-White <i>Deputy County Manager for General Services</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work (505) 468-7013 Cell (505) 264-9440 lswhite@bernco.gov</p>	<p>Shirley Ragin <i>Deputy County Manager for Finance</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work (505) 468-7308 Cell (505) 250-4621 sragin@bernco.gov</p>	<p>Diana Murillo <i>County Commissioner</i></p> <p>875 N. Motel Blvd. Las Cruces, NM 8807 Work (915) 352-5238 dmurillo@donaanacounty.org</p>

SAN JUAN	SANDOVAL	SANTA FE
<p>Cynthia Singleton <i>Claims Manager</i></p> <p>100 South Oliver Drive Aztec, NM 87410 Work (505) 334-4509 Cell (505) 419-6059 cynthia.singleton@sjcounty.net</p>	<p>Michael Meek <i>County Commissioner</i></p> <p>1500 Idalia Rd., Building D Bernalillo, NM 87004 Work (505) 414-6147 Cell (505) 999-7844 mmeek@sandovalcountynm.gov</p>	<p>Gregory S. Shaffer <i>County Manager</i></p> <p>142 Palace Ave., 3rd Floor Santa Fe, NM 87504 Work (505) 986-6200 gshaffer@santafecountynm.gov</p>

GROUP III, POPULATION DIRECTORS

Term Expires 1/2026

SMALL COUNTY	MID-LEVEL-LOW COUNTY	MID-LEVEL-HIGH COUNTY
<p>Brandy Thompson <i>Union County Manager</i></p> <p>200 Court St. / PO Box 430 Clayton, NM 88415 Work (575) 374-8896 ext. 4 Cell (575) 207-8896 brandy.thompson@unionnm.us</p> <p>Catron, Colfax, De Baca, Guadalupe, Harding, Hidalgo, Mora, Quay, Sierra, Torrance and Union</p>	<p>Kate Fletcher <i>Cibola County Manager</i></p> <p>700 Roosevelt Ave., Suite 50 Grants, NM 78020 Work (505) 285-2590 Cell (505) 285-8052 kate.fletcher@co.cibola.nm.us</p> <p>Cibola, Grant, Lincoln, Los Alamos, Luna, Roosevelt, San Miguel, Socorro and Taos</p>	<p>Danny Monette <i>Valencia County Manager</i></p> <p>444 Luna Ave. Los Lunas, NM 87031 Work (505) 866-2014 danny.monette@co.valencia.nm.us</p> <p>Chaves, Curry, Eddy, Lea, McKinley, Otero, Rio Arriba and Valencia</p>

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
<p>Annie Hogland <i>Curry County Clerk</i></p> <p>417 Giddings St. Clovis, NM 88101 Work: (575) 763-5591 Cell: (505) 918-7533 ahogland@currycounty.org</p>	<p>Terri Fortner <i>San Juan County Clerk</i></p> <p>100 S. Oliver Dr., Ste. 400 Aztec, NM 87401 Cell: (505) 419-6122 terri.fortner@sjcounty.net</p>	<p>Michael Eshleman <i>Sandoval County Attorney</i></p> <p>1500 Idalia Rd. Bernalillo, NM 87004 Work: (505) 404-5812 meshleman@sandovalcountynm.gov</p>

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

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



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

August 14, 2023, 8:30 a.m. *

AGENDA

In Person

Roosevelt County
Jake Lopez Community Center (Cacahuatate Room)
705 E. Lime St., Portales, NM

* In accordance with the New Mexico Open Meetings Act, the New Mexico County Insurance Authority Board of Directors (NMCIA Board) may recess and reconvene this meeting on August 15, 2024, at 8:30 a.m. If the NMCIA Board does, in fact, recess and reconvene this meeting, notice of the date, time, and place of the reconvened meeting will be posted (1) on or near the door of the place where the original meeting was held (if any); (2) at New Mexico Counties' offices (444 Galisteo Street Santa Fe NM 87501); and (3) on New Mexico Counties' website (<https://www.nmcounties.org/services/insurance>).

If the NMCIA Board completes the agenda on August 14, 2024, it will not meet on August 15, 2024.

1. Call to Order / Pledge of Allegiance / Roll Call / Introductions	Lance Pyle	Pg. 3
2. Approval of Agenda	Lance Pyle	Pg. 7
3. Approval of Minutes of May 22, 2024 and June 13, 2024	Lance Pyle	Pg. 10
4. Board Action Items		
A. Appointment to Fill Group I Southeast Geographical Director's Vacancy	Grace Philips	Pg. 18
B. Acknowledge Receipt of 2024 NMCIA Pool Financial Audit	Janet Pacheco-Morton	Pg. 21
C. Consideration of Investment Consultant	Grace Philips	Pg. 76
D. Appoint Members to Fill Sub-committee Vacancies	Grace Philips	Pg. 118
5. Board Discussion		
A. 2025 Board Meeting Schedule	Grace Philips	Pg. 122
B. Litigation Claims Committee Schedule	Grace Philips	Pg. 123
C. AGRIP Culture Survey	Grace Philips	Pg. 124
6. Board Presentation		
A. Report from CRL Governance Conference	Michael Eshelman Jhonathan Aragon	Pg. 155

7. 10:30 a.m. Executive Session – Pending and Threatened Litigation for Bernalillo, Luna and McKinley Counties Per New Mexico Open Meetings Act 10-15-7-H(7)	Lance Pyle	Pg. 156
8. Board Presentations		
A. Executive Director Update	Joy Esparsen	Pg. 157
B. Financial Reports	Richard Garcia	Pg. 164
C. Risk Management Update	Grace Philips	Pg. 181
9. Discussion Items		
A. Strategic Retreat Agenda	Brandy Thompson	Pg. 204
B. Policy on Coverage for Cross Commissioned Officers	Grace Philips	Pg. 205
C. Recommendations for Topics for BIPO/NMC Conferences	Lance Pyle	Pg. 206
10. Board Reports		
A. Legal Bureau Update	Brandon Huss	Pg. 207
B. Lexipol Update	Greg Rees	Pg. 209
C. Workers' Compensation Update	Kamie Denton	Pg. 216
D. Multi-Line Update	Robin Martinez	Pg. 233
E. CRL Update	Grace Philips	Pg. 237
F. NMCR Update	Grace Philips	Pg. 252
11. Other Business	Lance Pyle	Pg. 254
12. Adjournment	Lance Pyle	Pg. 255

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

<u>Item Number:</u> 3.	<u>Item Title:</u> Approval of Minutes of May 22, 2024 and June 13, 2024
<u>Presenter (s):</u> Lance Pyle, Chair	
Motion by:	Seconded by:

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

May 22, 2024, 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 8:30 a.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present

Jhonathan Aragon, NMC Past President, Valencia County Deputy Manager (arrived during Executive Session)
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Kate Fletcher, Cibola County Manager
Amber Hamilton, Roosevelt County Manager
Michael Meek, Sandoval County Commissioner
Danny Monette, Valencia County Manager
Lance Pyle, Chair, Curry County Manager
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Cynthia Singleton, San Juan County Claims Manager
Brandy Thompson, Union County Manager
Charlene Webb, Grant County Manager

Board Members Absent/Excused

Mark Cage, NMC President, Eddy County Sheriff
Annie Hogland, NMC President Elect, Curry County Clerk
Shirley Ragin, Bernalillo Deputy County Manager of Finance
Diana Murillo, Dona Ana County Commissioner

NMC Staff Present

Mark Allen, Loss Prevention Attorney
Kamie Denton, Workers' Compensation Claims Manager
Joy Esparsen, Executive Director
Richard Garcia, Finance Director
John Grant, Multi-Line Claims Examiner
Velma Herrera, Sr. Multi-Line Claims Examiner
Taylor Horst, Risk Management Director
Brandon Huss, Legal Bureau Chief
Patricia Lovato, Risk Management Data Analyst
Robin Martinez, Multi-Line Claims Manager
Jennifer Ortiz, Sr. Claims Examiner Supervisor
Grace Philips, General Counsel

Greg Rees, Loss Prevention Manager
Cynthia Stephenson, Risk Management Specialist

Guests Present

John Chino, Area Vice President, Gallagher
Nasreen Kopecky, Account Manager, Gallagher
Charles Kretek, Luna County Attorney

Approval of Agenda

Lance Pyle noted the Gallagher Update could need to be moved depending on the arrival of John Chino and Nasreen Kopecky. Danny Monette made a motion to approve the agenda and Amber Hamilton seconded the motion, which passed unanimously.

Approval of Minutes of March 13, 2024

Amber Hamilton made a motion to approve the March 13, 2024, minutes noting the incorrect firm was listed for defense attorney Nick Autio. Jhonathan Aragon seconded the motion, which passed unanimously.

Board Presentations

Executive Session – Pending and Threatened Litigation for Bernalillo, Dona Ana, Eddy, Luna and McKinley Counties Per New Mexico Open Meetings Act 10-15-7-H(7)

Amber Hamilton 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 Bernalillo, Dona Ana, Eddy, Luna and McKinley Counties. Danny Monette seconded the motion, which passed via a roll call vote: Lance Pyle, Charlene Webb, Amber Hamilton, Lisa Sedillo-White, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson, Kate Fletcher and Danny Monette. Lance Pyle certified that the only things discussed were pending and threatened litigation for Bernalillo, Dona Ana, Eddy, Luna and McKinley Counties in accordance with the Open Meeting Act. Amber Hamilton made a motion to come out of executive session and Michael Meek seconded the motion. Amber Hamilton made a motion to authorize the amounts as discussed by the Board in cases 2024-5-1, 2024-5-2, 2024-5-3, 2024-5-4, 2024-5-5, 2024-5-6 and 2024-5-7. and Danny Monette seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Lisa Sedillo-White, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson, Kate Fletcher and Danny Monette.

Board Action Items

Approve Hiring Additional Multi-Line Claims Examiner

Approve Property Appraisal Fees Budget Adjustment

Approve Workers' Compensation Budget

Taylor Horst reviewed the need to hire a new Multi-Line claims examiner, handed out a budget highlighting the reinsurance budget and increase to the property appraisal fees line item to \$135,000 due to increased costs with a new appraisal firm. He indicated the additional adjuster budget was included in the administrative fees column and that he made an adjustment to the training budget across all lines. Danny Monette made a motion

to approve action items 6A, 6B, and 6C and Jhonathan Aragon seconded the motion, which passed unanimously.

Approve 2024-2025 Workers' Compensation Reinsurance

Amber Hamilton made a motion to approve the 2024-2025 Workers' Compensation reinsurance and Brandy Thompson seconded the motion, which passed unanimously.

Approve 2024-2025 Workers' Compensation Contributions

Taylor Horst reviewed contribution options approved by the underwriting committee. After discussion of the options, Greg Shaffer moved to approve Option 2, noting that it provided more granularity but that there could have been more surcharge, as some members had a 300% loss ratio. The motion passed unanimously by roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Lisa Sedillo-White, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson, Kate Fletcher and Danny Monette.

Executive Session – Personnel Matters

Joy Esparsen stated that she would update board members on staffing changes and the process used to identify the new risk manager. Amber Hamilton made a motion to go into executive session to discuss personnel matters. Danny Monette seconded the motion, which passed via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Lisa Sedillo-White, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson, Kate Fletcher and Danny Monette. Danny Monette made a motion to come out of executive session and Kate Fletcher seconded the motion, which passed via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Lisa Sedillo-White, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson, Kate Fletcher and Danny Monette.

Board Presentations

Gallagher Update

John Chino discussed the positive trends happening in the workers' compensation market including lost time claim frequency declining four percent. He reviewed the Safety National renewal, noting a flat rate but increased payroll. Taylor Horst stated CRL will give small price increase for the renewal.

Executive Director Update

Joy Esparsen noted Taylor Horst would retire June 30 and that Grace Philips has been selected to take over the risk management director position beginning July 1. She said Mark Allen was promoted to general counsel beginning on July 1 and Brandon Huss will become part of the senior staff as Legal Bureau Director. She said on May 14 Administrative Services Director Susan Mayes announced she will retire at the end of August. Joy said that between March 20 and March 28 NMC hosted four regional post-Legislative session briefings in Chaves, San Miguel, Sandoval and Sierra Counties. She reminded members NMC's 87th Annual Conference will be held June 17-20, 2024 in San Miguel County and there is a shortage of about 100 hotel rooms. She said a special legislative session is scheduled for July 18, 2024.

Financial Reports

Richard Garcia reviewed the consolidated financials as of March 31, 2024, noting total assets of \$144,181,742, up from \$127,526,311 the prior year, total liabilities of \$103,629,670 and Total liabilities and net position of \$144,181,742. He reviewed the income/budget statement noting total income was at 25%, total claims and claims adjusting at 25% and the total pool net position was \$1,548,530. He reviewed investments as of the same period, noting \$111,685,397 invested.

Board Action Items

Approve Meeting/Retreat Location and Dates

Joy Esparsen reminded members the original retreat dates conflict with Balloon Fiesta. She recommended October 23-24, 2024, and recommended several resorts staff could research in Sandoval, Bernalillo and Santa Fe Counties. Michael Meek made a motion to have staff get bids from Santa Ana Star (first choice), Buffalo Thunder Resort & Casino (second choice) and other locations in Sandoval County. Jhonathan Aragon seconded the motion, which passed unanimously.

Appoint Grace Philips as CRL Designated Representative

Taylor Horst reminded members he was the CRL designated represented and asked the Board to consider Grace Philips. Brandy Thompson made a motion to appoint Grace Philips as CRL designated representative and Amber Hamilton seconded the motion, which passed unanimously.

Board Reports

Legal Bureau Update

Grace Philips let members know about a \$150,000 settlement in a sexual misconduct case involving an officer who slept on top of a detainee. She discussed the number of claims handled and let members know Brandon Huss would provide the legal bureau updates going forward. She said the Bureau is paying for itself. She let members know about the creation of Project Echo for medical providers in detention facilities and how it will help with treatment of detox and management of medications.

Risk Management Update

Taylor Horst recommended the finance committee begin meeting at least twice annually. He let members know he, John Chino and Jhonathan Aragon presented information about the capital adequacy investment to the commissioners' affiliate meeting.

Loss Prevention Update

Greg Rees gave an update on the Lexipol program letting members know 23 of 29 sheriffs in the Law Enforcement program have signed the Lexipol service agreement, noting there are six members that had not yet signed the agreement (Harding, Mora, San Miguel, Cibola, Roosevelt and Dona Ana Counties). Lance recommended considering implementing a surcharge next year for members that do not participate.

Workers' Compensation Update

Kamie Denton did not have an update beyond the materials presented in the meeting book.

Multi-Line Update

Robin Martinez did not have an update beyond the materials presented in the meeting book.

CRL Update

Taylor Horst said CRL was in a transition period with its new executive director who is outstanding. He indicated there will be changes affecting members and noted Grace Philips was voted onto the board's claims committee due to her experience and the knowledge she will bring to that committee.

NMCRé Update

Taylor Horst said the NMCRé board last met on March 19 and would meet again in several weeks. He said he and Grace provided a scope of work for the executive director position. He said in today's meeting with Grace, Taylor, John and Nasreen they will look at the contract of the reinsurer. He noted the captive has \$24 million in the bank and has not paid any claims to date.

Review 2024-2025 NMC Budget

Richard Garcia reviewed the budget approved by the NMC board, noting the total operating budget of \$6.49 million.

Other Business

Taylor said the Multi-Line independent claims audit resulted in a 92.3% score, a great job, and that Robin was reviewing the results with adjusters. Taylor indicated the Board had not ratified the appointment of Dona Ana County Commissioner Diana Murillo. He said Diana traveled to Santa Fe for a new board member orientation the prior day but was unable to stay the night to attend today's meeting. Greg Shaffer made a motion to ratify the appointment and Jhonathan Aragon seconded the motion, which passed with member Hamilton opposing the ratification. Cynthia Stephenson handed out the Board's policy on Ethics and Conflicts of interest for members to read and sign. Taylor asked members to review their calendars and get back to Cynthia if they have any conflicts with the new October meeting dates. He indicated Charlene Webb was unable to attend the July CRL governance conference and to let Cynthia or Taylor know if they were interested in attending. He said Michael Meek, Jhonathan Aragon and Michael Eshleman will attend.

Adjournment

Amber Hamilton made a motion to adjourn the meeting and Jhonathan Aragon seconded the motion. The meeting was adjourned at 3:04 p.m.

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

June 13, 2024, 1:00 p.m.

Via Video Conference

MINUTES

Call to Order/Roll Call

Chair Lance Pyle called the meeting to order at 1:01 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present

Jhonathan Aragon, NMC Past President, Valencia County Deputy Manager
Kate Fletcher, Cibola County Manager
Amber Hamilton, Roosevelt County Manager (joined just after roll call into Executive Session)
Michael Meek, Sandoval County Commissioner
Diana Murillo, Dona Ana County Commissioner
Lance Pyle, Chair, Curry County Manager
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Cynthia Singleton, San Juan County Claims Manager
Brandy Thompson, Union County Manager
Charlene Webb, Grant County Manager
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services

Board Members Absent/Excused

Mark Cage, NMC President, Eddy County Sheriff
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Annie Hogland, NMC President Elect, Curry County Clerk
Danny Monette, Valencia County Manager
Shirley Ragin, Bernalillo Deputy County Manager of Finance

NMC Staff Present

Mark Allen, Loss Prevention Attorney
Joy Esparsen, Executive Director
John Grant, Multi-Line Claims Examiner
Taylor Horst, Risk Management Director
Brandon Huss, Legal Bureau Chief
Robin Martinez, Multi-Line Claims Manager
Kayla Montoya, Multi-Line Claims Examiner
Jennifer Ortiz, Multi-Line Claims Examiner Supervisor
Grace Philips, General Counsel
Cynthia Stephenson, Risk Management Specialist
Lori Urban, Asst. Risk Management Director

Guests Present

Carole Ritchie, Felker, Ish, Ritchie & Greer, P.A.

Approval of Agenda

Brandy Thompson made a motion to approve the agenda and Jhonathan Aragon seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb Lisa Sedillo-White, Diana Murillo, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

Executive Session – Pending and Threatened Litigation for Bernalillo, Sandoval and San Miguel Counties Per New Mexico Open Meetings Act 10-15-7-H(7)

Michael Meek 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 Bernalillo, Sandoval, and San Miguel Counties. Jhonathan Aragon seconded the motion, which passed unanimously via a roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Diana Murillo, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

Lance Pyle certified that the only things discussed were pending and threatened litigation for Bernalillo, Sandoval, and San Miguel Counties in accordance with the Open Meeting Act.

Jhonathan Aragon made a motion to come out of executive session and Brandy Thompson seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Diana Murillo, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

Amber Hamilton made a motion to authorize the amounts as discussed by the Board in cases 2024-6-1 and 2024-6-2 and Brandy Thompson seconded the motion, which passed unanimously via roll call vote: Jhonathan Aragon, Lance Pyle, Charlene Webb, Amber Hamilton, Diana Murillo, Cynthia Singleton, Michael Meek, Greg Shaffer, Brandy Thompson and Kate Fletcher.

Other Business

No other business was discussed.

Adjournment


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

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

<u>Item Number:</u> 4.A.	<u>Item Title:</u> Appointment to Fill Group I Southeast Geographical Director's Vacancy
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
Motion by:	Seconded by:



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by New Mexico Counties

DATE: June 18, 2024
TO: NMCIA Southeast Geographic Voting Representatives and County Managers
FROM: Taylor Horst, Risk Management Director 
SUBJECT: Pool Board Vacancy

Roosevelt County Manager Amber Hamilton will resign from the NMCIA pool board of directors effective July 26. Section IV.B.6 of the NMCIA bylaws provides that any vacancy on the Board from Group I or Group III shall be filled by a majority vote of the remaining directors until the next annual General Membership Meeting, at which time the Members shall elect a person to fill the vacancy for the unexpired term.

Please email letters of interest by Friday, August 2, 2024. The NMCIA Board will review letters of interest and will make an appointment on August 14, 2024, at the NMCIA Board meeting in Roosevelt County.

The Group I Southeast Geographic Director represents the following counties: Chaves, De Baca, Eddy, Lea, Lincoln, Otero and Roosevelt Counties.

If you know someone who is an elected county official or a county employee from any of these counties and who would be interested in being a candidate for this position, please have them forward a letter of interest to Cynthia Stephenson at 444 Galisteo Street, Santa Fe, NM 87501, cstephenson@nmcountries.org or by fax to 505-983-4396.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

**Eddy County
Board of Commissioners**

James "Bo" Bowen
Sarah Cordova
Jonathan A. Henry
Ernie Carlson
Fred F. Beard



**Roberta Gonzales
Eddy County Manager**

101 W. Greene St.
Suite 110
Carlsbad, NM 88220
Phone: 575-887-9511
Fax: 575-236-1061

June 19, 2024

NMCIA Board of Directors
444 Galisteo Street
Santa Fe, NM 87501

Dear NMCIA Board of Directors:

This letter is to inform you of my interest to serve on the NMCIA Board of Directors, Group I Southeast Geographic representing Chaves, De Baca, Eddy, Lea, Lincoln, Otero and Roosevelt Counties.

With Eddy County being one of the largest pool members, participating in the Multi-Line, Law Enforcement and Workman's Compensation programs, I believe my contribution to the Board would be very beneficial.

My background is primarily in Finance, working five years as Socorro County's Finance Director and an additional nine years as Eddy County's Finance Director. I currently serve as Eddy County Manager since April 2023.

I would be honored if the Board would consider me to serve and represent the Southeast area.

Please let me know if you need any further information or have questions. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roberta Gonzales".

Roberta Gonzales
County Manager

/Encl

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

<u>Item Number:</u> 4.B.	<u>Item Title:</u> Acknowledge Receipt of 2024 NM CIA Pool Financial Audit
<u>Presenter (s):</u> Janet Pacheco-Morton, Morton Accounting, LLC	
Motion by:	Seconded by:



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023

MORTON
ACCOUNTING, LLC

certified public accountants | consultants

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
TABLE OF CONTENTS**

Official Roster	1
Independent Auditor's Report	2
Management's Discussion and Analysis	6
Financial Statements:	
Statement of Net Position - Enterprise Funds.....	11
Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds.....	13
Statement of Cash Flows - Enterprise Funds.....	15
Notes to Financial Statements.....	17
Required Supplementary Information:	
Notes to Ten Year Claims Development Information (Unaudited).....	40
Ten Year Claims Development Information (Unaudited).....	41
Other Supplementary Information:	
Schedules of Revenues and Expenses - Budget and Actual - Multi-Line Program.....	42
Schedules of Revenues and Expenses - Budget and Actual - Law Enforcement Program.....	43
Schedules of Revenues and Expenses - Budget and Actual - Worker's Compensation Program.....	44
Schedule of Cash and Cash Equivalents Reconciliation from Bank to Financial Statements.....	45
Schedule of Cash Collateral.....	46
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance With Government Auditing Standards.....	47
Schedule of Findings and Responses.....	49
Summary Schedule of Prior Year Audit Findings.....	51
Exit Conference.....	52

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
OFFICIAL ROSTER
DECEMBER 31, 2023**

BOARD OF DIRECTORS

Lance Pyle	Chair
Gregory S. Shaffer	Vice Chair
Michael Meek	NMC Representative, Director
Jhonathan Aragon	Director
Charlene Webb	Director
Amber Hamilton	Director
Lisa Sedillo-White	Director
Shirley Ragin	Director
Shannon Reynolds	Director
Cynthia Singleton	Director
Michael Meek	Director
Brandy Thompson	Director
Kate Fletcher	Director
Danny Monette	Director
Mark Cage	Ex Officio Directors
Annie Hogland	Ex Officio Directors
Micheal Eshleman	Ex Officio Directors

ADMINISTRATION

Joy Esparsen	Executive Director
Taylor Horst	Risk Management Director
Richard Garcia	Finance Director

MEMBER COUNTIES

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



INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Mexico County Insurance Authority Pool
Santa Fe, New Mexico and
Joseph M. Maestas, P.E.
New Mexico State Auditor
Santa Fe, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of New Mexico County Insurance Authority Pool (the Pool), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Pool, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pool's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 6 through 10 and, the Notes to Ten Year Claims Development Information and the Ten Year Claims Development Information on pages 40 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pool’s basic financial statements. The Schedules of Revenue and Expenses - Budget and Actual, Schedule of Cash and Cash Equivalents Reconciliation from Bank to Financial Statements and the Schedule of Cash Collateral are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenue and Expenses - Budget and Actual, the Schedule of Cash and Cash Equivalents Reconciliation from Bank to Financial Statements, and the Schedule of Cash Collateral are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenue and Expenses - Budget and Actual, the Schedule of Cash and Cash Equivalents Reconciliation from Bank to Financial Statements, and Schedule of Cash Collateral are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2024, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.

MORTON ACCOUNTING SERVICES, LLC

A handwritten signature in black ink that reads "Morton Accounting Services, LLC". The signature is written in a cursive, flowing style.

Santa Fe, New Mexico

May 31, 2024

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

As management of the New Mexico County Insurance Authority Pool (the Pool), we offer readers of the Pool's financial statements this narrative overview and analysis of the financial activities of the Pool for the fiscal year ended December 31, 2023.

Overview of the Financial Statements

The Pool is a self-insurance pool for New Mexico counties created pursuant to joint powers agreements. The Pool is composed of three separate county self-insurance programs: the Multi-Line Program, the Law Enforcement Program and the Workers' Compensation Program (the Programs). This is the fourth year of combined pool operations, wherein the previous three pools are now consolidated into one Pool with three programs. The Multi-Line and Workers' Compensation programs had 30 member counties and Law Enforcement had 29 member counties as of December 31, 2023. Members pay annual contributions to the Programs. The other source of income is investments. The Programs pay all administrative, claims and reinsurance costs. The Programs' basic financial statements are composed of three components: 1) government-wide financial statements, 2) separate pool financial statements, and 3) notes to the financial statements.

Condensed Data

	2023	2022
Total Assets (Cash, Investments, Receivables, Due from New Mexico Association of Counties, and Prepaid Expenses)	\$ 120,742,354	\$ 110,287,754
Total Liabilities (Accounts Payable, Claims and Claim Adjustment Expenses, and Unearned Member Contributions)	81,168,107	65,686,006
Total Pool Net Position	\$ 39,574,247	\$ 44,601,748
 Revenues		
Member Contributions	\$ 36,872,756	\$ 31,579,483
Investment (Losses) Income	6,568,901	(5,156,081)
Total Revenues	43,441,657	26,423,402
 Expenses		
Claims and Claim Adjustment Expenses	38,404,569	28,237,876
Reinsurance Premiums	4,460,650	6,300,591
General, Administrative & Brokerage	5,603,939	5,658,981
Total Expenses	48,469,158	40,197,448
 (Deficit) Excess of Revenues Over Expenses	 (5,027,501)	 (13,774,046)

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Condensed Data (Continued)

	2023	2022
Pool Net Position Held for Member Benefits - Beginning of Year	44,601,748	58,375,794
Pool Net Position Held for Member Benefits - End of Year	\$ 39,574,247	\$ 44,601,748

Financial Highlights

1. The Multi-Line Program assets increased by \$1,656,156 and net position increased by \$31,162.
2. Law Enforcement Program assets increased by \$7,475,893 and net position decreased by \$6,118,335.
3. Workers' Compensation Program assets increased by \$1,322,551 and net position increased by \$1,059,672.

Underwriting Results

Contributions to the Multi-Line Program decreased from \$10,643,086 in 2022 to \$10,190,664 in 2023. Law Enforcement Program contributions increased from \$15,490,981 in 2022 to \$18,412,744 in 2023. Workers' Compensation Program contributions increased from \$5,445,416 in 2022 to \$8,269,348 in 2023. Individual counties' contributions to the Multi-Line, Law Enforcement and Workers' Compensation Programs are based on each county's loss experience and risk exposure.

While all lines of coverage provided by the Pool have policy effective periods of January 1 to December 31 of the respective year, note that only the Workers' Compensation line of coverage is renewed on the July 1 to June 30 policy period.

The Pools' pricing and budgeting approach includes investment income or losses and interest income. Adding in investment income and interest income, the Pools had an overall decrease in net position of \$5,027,501, consisting of a \$31,162 increase for Multi-Line, a \$6,118,335 decrease for Law Enforcement and a \$1,059,672 increase for Workers' Compensation Program.

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Reinsurance Premiums

Reinsurance expenses for the Multi-Line Program increased by \$1,018,527 from \$2,459,092 in 2022 to \$3,477,619 in 2023, due primarily to increased property exposures and increased property rates. Reinsurance expenses for the Law Enforcement Program decreased from \$2,997,000 in 2022 to \$0 in 2023, due to the premium funding of New Mexico County Reinsurance, Inc. (NMCR_e). Reinsurance expenses for the Workers' Compensation Program increased by \$138,532, from \$844,499 in 2022 to \$983,031 in 2023, due to an increase in payroll across the pool, and an increase in loss ratios.

Investments

As of December 31, 2023, cash balances increased \$1,139,049 for Multi-Line, decreased by \$177,085 for Law Enforcement and decreased by \$5,289,673 for Workers' Compensation. Investments increased \$2,622,269 for Multi-Line, \$3,271,164 for Law Enforcement and \$7,023,491 for Workers' Compensation. The Pool has two independent investment advisors that are consulted regularly on the changing market and best strategies to invest Pool funds for maximum return and liquidity. There was an increase of \$1,402,928 in the Multi-Line program equity and decrease \$115,685 in the Workers' Compensation program equity with reinsurance carrier, County Reinsurance Limited. In addition, there was an increase of \$631,687 in the Law Enforcement program equity with New Mexico County Reinsurance, Inc.

The Pool's Board of Directors has been concerned for a number of years about the availability of reinsurance for the law enforcement exposure of its members. The traditional method of procuring reinsurance in the commercial market for the Pool self-insured pool has become less viable because reinsurers have become increasingly less willing to take on this risk. Over the last few years, the number of commercial reinsurers willing to reinsure law enforcement liability has dwindled to only one or two companies. To address this problem, in 2021 a study was completed to determine the feasibility of Pool creating its own captive insurance company to reinsure the law enforcement liability. Based on the results of this study, NMCR_e was formed and started doing business on January 1, 2022. Investment in NMCR_e was \$20,358,758 as of December 31, 2023. To date there have been no claims that have penetrated the reinsurance layer.

Property, Plant and Equipment

The Pool had no purchases or disposals of property, plant and equipment during 2023.

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Long-term Debt

The Pool had no long-term debt during 2023.

Change in Net Position

For the year ended December 31, 2023, the Multi-Line Program's change in net position was \$31,162. The Law Enforcement Program's change in net position was (\$6,118,335). The Workers' Compensation Program's change in net position was \$1,059,672. The change in net position for the Multi-Line Program included an operating loss of \$2,810,914 and investment and interest income of \$2,842,076. The change in net position for the Law Enforcement Program included an operating loss of \$8,624,225 and investment income of \$2,505,890. The change in net position for the Workers' Compensation Program included an operating loss of \$161,263 and net investment income of \$1,220,935.

Net Position

The Pool had a combined net position of \$39,574,247 at the close of its most recent fiscal year, December 31, 2023. The Multi-Line Program net position increased from \$20,381,630 to \$20,412,792, the Law Enforcement Program net position decreased from \$17,960,289 to \$11,841,954 and the Workers' Compensation Program net position increased from \$6,259,829 to \$7,319,501.

Budget

The following budget overages occurred for the fiscal year ended 2023:

Categories	Program		
	Multi-Line	Law Enforcement	Workers' Compensation
Claims and Claim Adjustment Expenses	\$ 1,816,595	\$ 8,284,192	\$ 163,193
General and Administrative	(83,996)	(246,008)	(107,655)
Risk Mitigation	3,246	(58,512)	(30,707)
Brokerage Fees	-	(40,000)	-
Expenses in Excess of Amounts Budgeted	<u>\$ 1,735,845</u>	<u>\$ 7,939,672</u>	<u>\$ 24,831</u>
Total Overage for Program	<u>\$ 1,735,845</u>	<u>\$ 7,939,672</u>	<u>\$ 24,831</u>

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Program budget overages were primarily to increased claims expense and actuarial adjustments. The general and administrative budget overage was largely comprised of increased fees for property appraisal and Board Director and Officer's Insurance.

Pool Trends and Conditions

Fiscal year 2023 saw an increase in total paid claims of \$8.376 million (24.2%) to \$49.2 million. Similar to fiscal year 2022, the semi-annual actuarial study recommended a significant increase in estimated outstanding losses, affecting both paid claims and claims reserves.

In fiscal year 2023, the performance of the stock market resulted in an increase in investment income, totaling \$6.569 million by fiscal year end.

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
DECEMBER 31, 2023**

	ASSETS			
	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,818,051	\$ 1,925,491	\$ 2,341,259	\$ 7,084,801
Investments in the Local Government				
Investment Pool	451	647	1,974	3,072
Investments	23,588,696	33,257,261	28,517,964	85,363,921
Accounts Receivable - Subrogation, Deductibles	190,065	45,078	-	235,143
Accounts Receivable - Members and Other	2,187	-	65,577	67,764
Due from New Mexico Association of Counties,				
Current Portion	91,308	-	-	91,308
Prepays	1,789,328	14,604	444,034	2,247,966
TOTAL CURRENT ASSETS	28,480,086	35,243,081	31,370,808	95,093,975
NONCURRENT ASSETS				
Due from New Mexico Association of Counties,				
Net of Current Portion	1,214,972	-	-	1,214,972
Investment in New Mexico County Reinsurance, Inc.	-	20,358,758	-	20,358,758
Investment in County Reinsurance Limited	3,670,107	-	404,542	4,074,649
TOTAL NONCURRENT ASSETS	4,885,079	20,358,758	404,542	25,648,379
TOTAL ASSETS	\$ 33,365,165	\$ 55,601,839	\$ 31,775,350	\$ 120,742,354

See auditor's report and accompanying notes to financial statements

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
DECEMBER 31, 2023**

LIABILITIES AND POOL NET POSITION

	<u>Multi-Line Program</u>	<u>Law Enforcement Program</u>	<u>Workers' Compensation Program</u>	<u>Total</u>
CURRENT LIABILITIES				
Accounts Payable	\$ 119,796	\$ 171,997	\$ 37,913	\$ 329,706
Claims and Claim Adjustment Expenses	5,180,016	11,889,501	3,489,481	20,558,998
Unearned Member Contributions	-	-	5,677,573	5,677,573
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	5,299,812	12,061,498	9,204,967	26,566,277
LONG-TERM LIABILITIES				
Claims and Claim Adjustment Expenses	7,652,561	31,698,387	15,250,882	54,601,830
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LONG-TERM LIABILITIES	7,652,561	31,698,387	15,250,882	54,601,830
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	12,952,373	43,759,885	24,455,849	81,168,107
POOL NET POSITION HELD FOR MEMBERS' BENEFITS				
Unrestricted	20,412,792	11,841,954	7,319,501	39,574,247
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND POOL NET POSITION	<u>\$ 33,365,165</u>	<u>\$ 55,601,839</u>	<u>\$ 31,775,350</u>	<u>\$ 120,742,354</u>

See auditor's report and accompanying notes to financial statements

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
OPERATING REVENUE				
Member Contributions	\$ 10,190,664	\$ 18,412,744	\$ 8,269,348	\$ 36,872,756
 TOTAL OPERATING REVENUE	 10,190,664	 18,412,744	 8,269,348	 36,872,756
OPERATING EXPENSES				
Claims and Claim Adjustment Expenses	7,642,879	24,906,159	5,855,531	38,404,569
Reinsurance Premiums	3,477,619	-	983,031	4,460,650
Brokerage Fees (Insurance)	70,000	30,000	20,000	120,000
General and Administrative	1,811,080	2,100,810	1,572,049	5,483,939
 TOTAL OPERATING EXPENSES	 13,001,578	 27,036,969	 8,430,611	 48,469,158
OPERATING LOSS	(2,810,914)	(8,624,225)	(161,263)	(11,596,402)

See auditor's report and accompanying notes to financial statements

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
NON-OPERATING REVENUES				
Investment Income	1,384,984	1,874,203	1,336,620	4,595,807
Interest Income on Notes Receivable	54,164	-	-	54,164
Interest in Change in Net Position of County Reinsurance Limited	1,402,928	-	(115,685)	1,287,243
Interest in Change in Net Position New Mexico County Reinsurance, Inc.	-	631,687	-	631,687
TOTAL NON-OPERATING REVENUES	<u>2,842,076</u>	<u>2,505,890</u>	<u>1,220,935</u>	<u>6,568,901</u>
CHANGE IN NET POSITION	31,162	(6,118,335)	1,059,672	(5,027,501)
Pool Net Position - Beginning of Year	<u>20,381,630</u>	<u>17,960,289</u>	<u>6,259,829</u>	<u>44,601,748</u>
POOL NET POSITION HELD FOR MEMBERS' BENEFITS - END OF YEAR	<u><u>\$ 20,412,792</u></u>	<u><u>\$ 11,841,954</u></u>	<u><u>\$ 7,319,501</u></u>	<u><u>\$ 39,574,247</u></u>

See auditor's report and accompanying notes to financial statements

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Members	\$ 10,389,288	\$ 18,523,246	\$ 9,725,487	\$ 38,638,021
Cash Paid to Vendors	(2,541,418)	(2,051,016)	(1,552,657)	(6,145,091)
Cash Paid on Claims and Claim Adjustment Expenses	(6,073,793)	(7,367,324)	(6,772,508)	(20,213,625)
Cash Paid for Insurance Brokerage Fees	(70,000)	(30,000)	(20,000)	(120,000)
Cash Paid for Reinsurance	(3,477,619)	-	(983,031)	(4,460,650)
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	(1,773,542)	9,074,906	397,291	7,698,655
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	794,312	1,069,003	770,663	2,633,978
Interest Income on Notes Receivable Received	54,164	-	-	54,164
Repayments Received on Notes Receivable	87,733	-	-	87,733
Interfund Activity	4,000,000	(4,000,000)	-	-
Purchase of Investments - NMCR	-	(3,855,000)	-	(3,855,000)
Purchase of Investments	(10,933,266)	(5,488,418)	(8,361,155)	(24,782,839)
Proceeds from Sale or Maturity of Investments	8,901,648	3,022,424	1,903,528	13,827,600
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	2,904,591	(9,251,991)	(5,686,964)	(12,034,364)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and Cash Equivalents - Beginning of Year	1,131,049	(177,085)	(5,289,673)	(4,335,709)
	1,687,002	2,102,576	7,630,932	11,420,510
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,818,051</u>	<u>\$ 1,925,491</u>	<u>\$ 2,341,259</u>	<u>\$ 7,084,801</u>

See auditor's report and accompanying notes to financial statements

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ (2,810,914)	\$ (8,624,225)	\$ (161,263)	\$ (11,596,402)
Changes in Assets and Liabilities:				
Accounts Receivable	198,624	110,502	291,626	600,752
Prepays	(786,246)	(5,599)	4,049	(787,796)
Accounts Payable	55,908	55,393	15,343	126,644
Claims and Claim Adjustment Expenses	1,569,086	17,538,835	(916,977)	18,190,944
Unearned Revenue	-	-	1,164,513	1,164,513
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	\$ (1,773,542)	\$ 9,074,906	\$ 397,291	\$ 7,698,655
NONCASH INVESTING ACTIVITIES				
Unrealized Gains (Losses) on Investments	\$ 590,672	\$ 805,200	\$ 565,957	\$ 1,961,829
Decrease in County Reinsurance Limited	\$ 1,402,928	\$ -	\$ (115,685)	\$ 1,287,243
Decrease in New Mexico County Reinsurance, Inc.	\$ -	\$ 631,687	\$ -	\$ 631,687

See auditor's report and accompanying notes to financial statements

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The New Mexico County Insurance Authority Pool is a self-insurance pool for New Mexico counties created pursuant to joint powers agreements. The Pool is composed of three separate county self-insurance programs: the Multi-Line Program, the Law Enforcement Program and the Workers' Compensation Program (the Programs). This is the fourth year of combined pool operations, wherein the previous three pools are now consolidated into one Pool with three programs. The Workers' Compensation program had 32 member counties and Multi-Line and Law Enforcement programs had 29 member counties as of December 31, 2023. Members pay annual contributions to the Programs.

The New Mexico County Insurance Authority: Multi-Line Pool (the Multi-Line Pool) was formed January 1, 1989, pursuant to the New Mexico Joint Powers Agreement Act (11-1-1 NMSA 1978), as amended. Prior to consolidation, the Multi-Line Pool operated two self-insurance pools: a Multi-Line Program and a Law Enforcement Program (collectively referred to as the Programs). As a self-insurance fund under Section 3-62-2 NMSA 1978, the Pool is not considered to be in the insurance business and, as such, is not subject to New Mexico laws regulating insurance operations.

The Law Enforcement Program was formed August 1, 1995, by the Pool as a self-insurance program for law enforcement employees, detention officers and sheriff reserve officers. Members of the Law Enforcement Program include 29 counties within the State of New Mexico.

The New Mexico County Insurance Authority Workers' Compensation Pool (the Workers' Compensation Pool) was formed July 1, 1987, pursuant to the New Mexico Joint Powers Agreement Act (NMSA 1978), as amended, as a workers' compensation self-insurance pool. Members of the Pool include 30 counties within the State of New Mexico.

Membership in the Programs is voluntary and members may withdraw at the end of any fiscal year upon sixty days' written notice to the Pool's Board of Directors. Members may be expelled for failure to make timely contributions to the Pool, or failure to institute loss reduction and prevention procedures. Upon withdrawal or expulsion, a member is not entitled to reimbursement of contributions made to the Pool, and continues to be obligated to make payment for obligations that arose prior to withdrawal.

Members agree to contribute amounts determined by the Pool's Board of Directors to be necessary to protect the solvency of the Pool after considering investment income. The Pool is responsible for paying all claims and for administering the funds.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No entities were noted that should be considered component units of the Pool. No entities were specifically excluded, as none were noted as meeting any of the criteria for inclusion set forth by Governmental Accounting Standards Board (GASB) Statements 39 and 61. The Pool has no component units.

Use of Estimates in Preparing Financial Statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. The Pool uses fund accounting. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

All operations of the Pool are accounted for as proprietary funds. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties. The only proprietary fund types the Pool has are enterprise funds. Enterprise funds are required to account for operations for which a fee is charged to external users for goods and services, and the activity is financed with debt that is: a) solely secured by a pledge of the net revenues; b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or c) has a pricing policy designed for the fees and charges to recover similar costs. The Multi-Line Program and Law Enforcement Program are considered major enterprise funds.

Cash and Cash Equivalents. For purposes of the statement of cash flows, cash and cash equivalents include demand and money market accounts. Cash in bank accounts is insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC). The Pool has all cash and cash equivalents secured by pledges of qualifying securities held by the depository. Cash held by First American Financial Advisors with Fidelity and Hauger/Salmon/Salmon of Wells Fargo Advisors is insured by the Securities Protection Investors Corporation up to \$500,000 per institution. This coverage does not protect against losses from any change in the market values of securities.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments. The Pool reports certain investments at fair value in the statement of net position and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is based on the quoted market value at year-end. Investment transactions are recorded on the trade date. Dividends are recognized as income when declared.

The Pool has adopted an investment policy that is consistent with 6-10-10 NMSA 1978 for the deposit of public funds by local governments in New Mexico. In accordance with the policy, allowable investments include securities of the United States government and certain state and local governments; securities guaranteed by the United States Government; repurchase agreements; certificates of deposit; corporate bonds; mutual funds; exchange traded products and the New Mexico Office of the State Treasurer Local Government Investment Pool (LGIP).

Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Mutual funds, fixed income securities, exchange-traded funds and corporate bonds are valued based on published market prices and quotations from national security exchanges and securities pricing services.

Investment in County Reinsurance, Limited. County Reinsurance Limited (CRL) is a member-owned reinsurance company, consisting of 29 members at December 31, 2023. The Pool accounts for its investment in CRL on the equity method of accounting. The initial capital contribution of \$2,172,079 to obtain membership in CRL was accounted for at cost, and annually the carrying amount of the investment is adjusted to reflect the Pool's proportionate share in CRL's earnings or losses. These annual adjustments are reflected in the statement of revenues, expenses, and changes in net position as interest in change in net position of County Reinsurance Limited, and increased by \$1,287,243 during the year ended December 31, 2023. Additional contributions may be required from the Pool and other members as determined by CRL. During the year ended December 31, 2023, there were no additional contributions requested from the Pool by CRL. Upon withdrawal from CRL, the Pool may request repayment of the original contribution plus the Pool's proportionate earnings in CRL accumulated during membership.

Investment in New Mexico County Reinsurance, Inc. On January 1, 2022, the Pool created and began operations of its own captive reinsurance company, New Mexico County Reinsurance, Inc. (NMCR_e) to reinsure law enforcement liabilities. NMCR_e is domiciled in the state of Utah and is organized under Utah law and subject to regulation by the Utah Department of Insurance. The purpose of NMCR_e is to provide reinsurance in an environment of limited commercial reinsurers willing to reinsure law enforcement liabilities. For fiscal year 2023, NMCR_e took on 100% of the Pool's law enforcement reinsurance.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in New Mexico County Reinsurance, Inc., continued. The investment was recorded in accordance with Government Accounting Standards Board Statements No. 90, *Majority Equity Interests*, and No., *Fair Value Measurement and Application*.

Due From/To Other Funds. The prior year interfund receivable (payable) consisted of amounts transferred from Multi-Line to Law Enforcement program to fund investment in NMCR in the amount of \$4,000,000. This amount was repaid during fiscal year 2023.

Accounts Receivable. Accounts receivable consist primarily of deductibles owed to the Pool by the various member county governments and amounts due to the Pool pursuant to reinsurance contracts. These receivables are not secured by collateral, nor is any collateral considered necessary by the Pool. All balances are deemed to be fully collectible; therefore, no allowance has been made for any potentially uncollectible balances.

Accounting Method. The Pool's books are maintained on the accrual basis of accounting using the economic resources measurement focus. Billings for contributions are recognized as revenue in the period of the insurance coverage.

Restricted/Unrestricted Net Position. Net position is restricted to the extent external constraints place restrictions on the use of the net position, such as restrictions by contributors or laws and regulations. Usage of the Pool's net position was not externally restricted at December 31, 2023, the net position is reported as unrestricted.

Operating Revenues. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations of the Pool is risk financing and, accordingly, premiums paid by participants and members for risk and benefits coverage are classified as operating revenues. Other income, including investment income, is outside of the Pool's principal ongoing operations and, therefore, is classified as non-operating income. The principal operating expenses of the Pool include the cost of claims and adjustment, as well as reinsurance premiums and general and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beginning in the year ended December 31, 2015, the Workers' Compensation Pool began offsetting certain member counties' contributions with rebates and safety awards as part of ongoing risk reduction initiatives. During the year ended December 31, 2023, this amount totaled \$35,000 and is presented as an offset to member contributions in the statement of revenues, expenses and changes in net position.

Participant Premiums. Participant premiums for insurance coverage are recognized as revenue on a pro rata basis over the contract period (coincides with fiscal year).

Reinsurance Premiums. Reinsurance premiums for risk coverage are recognized as an expense on a pro rata basis over the contract period (coincides with the fiscal year). Premium adjustments for retrospectively adjusted reinsurance policies are estimated and recorded as revenue or expense over the period of policy coverage.

Claims and Claim Adjustment Expenses. Insurance losses and related loss adjustment expenses are charged to operations as incurred. The reserves for losses and loss adjustment expenses are determined based upon case-basis evaluations and actuarial projections, and include a provision for claims incurred but not reported. The actuarial projections of ultimate losses on reported claims and the estimate of claims incurred but not reported are based on a composite of the Pool's experience and benefits, as well as property and casualty insurance industry data, which supplements the Pool's limited historical experience and includes the effects of inflation and other factors. Losses are reported net of estimated amounts recoverable from reinsurance, salvage and subrogations, and the deductible portion of claims.

Adjustments to the probable ultimate liability for losses and loss adjustment expenses are made continually, based on subsequent developments and experience, and are included in operating income.

Exemption from Income Taxes. The Pool has not requested a ruling from the Internal Revenue Service regarding its tax status. Management of the Pool considers the organization exempt from income taxes under Section 115 of the Internal Revenue Code. Accordingly, no liability for income taxes is included in the accompanying financial statements.

Credit Risk. The Pool transacts the majority of its business with its members. Credit losses relating to member receivables have been within management's expectations and there is no allowance for doubtful accounts. Generally, collateral is not required on receivables.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget. In accordance with by-laws, the Pool prepares the budget that is controlled at the Pool level. The level of budgetary control is at the total fund level. Amendments affecting the overall Pool must be approved by the Board and members. The budget is adopted on a special purpose framework. GAAP differences in budgeted amounts arise from non-budgeted depreciation expense on capital assets, when applicable. There were no differences between GAAP and this budgetary basis for the current fiscal year. The Pool budgets claims and claim adjustment expenses based on actuarial estimates. Overages on this specific line item are only considered deficiencies if the cash and investment balances within the Pool cannot support the overage.

Unrestricted Net Position. Net position is restricted to the extent external constraints place restrictions on the use of the net position, such as restrictions by contributors or laws and regulations. Usage of the Pool's net position was not externally restricted at December 31, 2023 and, accordingly, the net position is reported as unrestricted.

Leases. The Pool does not have any leases meeting the requirements of Government Accounting Standards Board Statement No. 87, *Leases*.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS

The Pool deposits its funds with various financial institutions. New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution. The Pool does not engage in any securities lending arrangements or derivatives.

Investments consisted of the following at December 31, 2023:

MULTI-LINE PROGRAM:						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
MUTUAL FUNDS:						
FIDELITY FUNDS	5.20%	N/A	N/A	\$ 2,919,485	\$ -	\$ 2,919,485
BLACKROCK HIGH YIELD	6.58%	N/A	N/A	496,017	(34,147)	461,870
TOTAL MUTUAL FUNDS				3,415,502	(34,147)	3,381,355
GOVERNMENT BONDS:						
GNMA II	5.28%	2/20/2038	N/A	57,611	(29,515)	28,096
GNMA II	4.91%	3/20/2038	N/A	46,252	(27,906)	18,346
GNMA II	4.92%	2/20/2039	N/A	42,867	(24,368)	18,499
GNMA	5.42%	3/15/2032	N/A	88,445	(77,706)	10,739
GNMA	5.68%	5/20/2036	N/A	35,356	(19,162)	16,194
GNMA	5.68%	3/20/2037	N/A	34,594	(21,829)	12,765
GNMA	5.68%	8/20/2033	N/A	26,958	(19,083)	7,875
GNMA	5.42%	10/15/2033	N/A	9,729	(8,117)	1,612
GNMA	5.75%	6/20/2031	N/A	7,036	(6,142)	894
TOTAL GOVT. ASSET BACKED SECURITIES				348,848	(233,828)	115,020
EXCHANGE-TRADED FUNDS (ETF)						
FIDELITY MERRIMACK	5.28%	N/A	N/A	589,520	(11,886)	577,634
ISHARES ETF	3.14%	N/A	N/A	718,312	(56,331)	661,981
ISHARES MBS ETF	3.36%	N/A	N/A	1,722,202	(215,134)	1,507,068
ISHARES 10 PLUS YEAR ETF	4.58%	N/A	N/A	400,001	31,003	431,004
JANUS HENDERSON	3.95%	N/A	N/A	602,433	(20,515)	581,918
JPMORGAN	4.60%	N/A	N/A	583,576	(5,881)	577,695
PIMCO ACTIVE ETF BOND	3.58%	N/A	N/A	1,429,544	(218,172)	1,211,372
PIMCO ETF TRUST	4.78%	N/A	N/A	586,706	(11,317)	575,389
SPDR PORTFOLIO ETF	3.83%	N/A	N/A	1,435,431	(134,148)	1,301,283
SPDR PORTFOLIO	3.21%	N/A	N/A	608,619	(100,855)	507,764
SPDR PORTFOLIO SHORT	4.05%	N/A	N/A	608,126	(29,412)	578,714
VANGUARD MORTGAGE	3.30%	N/A	N/A	1,437,968	(176,188)	1,261,780
VANGUARD SCOTTSDALE	2.73%	N/A	N/A	2,151,763	(255,896)	1,895,867
VANGUARD SCOTTSDALE ETF LT	3.32%	N/A	N/A	400,053	23,581	423,634
VANGUARD SHORT TERM IP ETF	2.86%	N/A	N/A	714,053	(48,481)	665,572
VANGUARD SHORT TERM CORP BOND ETF	3.09%	N/A	N/A	2,156,534	(118,916)	2,037,618
VANGUARD SHORT-TERM TREASURY INDX	1.15%	N/A	N/A	2,156,916	(98,332)	2,058,584
TOTAL EXCHANGE TRADED FUNDS				18,301,757	(1,446,880)	16,854,877

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

MULTI-LINE PROGRAM, CONTINUED:						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
GOVERNMENT BONDS						
US TREASURY NOTES	0.75%	12/31/2023	N/A	1,756,617	43,383	1,800,000
US TREASURY NOTES	2.25%	12/31/2023	N/A	707,766	12,234	720,000
US TREASURY NOTES	0.87%	1/31/2024	N/A	699,497	17,947	717,444
TOTAL GOVERNMENT BONDS				<u>3,163,880</u>	<u>73,564</u>	<u>3,237,444</u>
TOTAL MULTI-LINE PROGRAM INVESTMENTS				<u>\$ 25,229,987</u>	<u>\$ (1,641,291)</u>	<u>\$ 23,588,696</u>
LAW ENFORCEMENT PROGRAM:						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
EXCHANGE-TRADED FUNDS (ETF)						
FIDELITY MERRIMACK ETF	5.28%	N/A	N/A	\$ 574,101	\$ (11,186)	\$ 562,915
ISHARES ETF	3.14%	N/A	N/A	957,057	(67,368)	889,689
ISHARES MBS	3.36%	N/A	N/A	2,295,211	(261,766)	2,033,445
ISHARES 10 PLUS YEAR ETF	4.59%	N/A	N/A	500,059	38,432	538,491
JANUS HENDERSON ETF	3.95%	N/A	N/A	589,473	(22,196)	567,277
JPMORGAN ETF	4.60%	N/A	N/A	568,778	(5,698)	563,080
PIMCO ACTIVE BOND ETF	3.58%	N/A	N/A	1,904,023	(262,203)	1,641,820
PIMCO ETF TRUST	4.78%	N/A	N/A	572,179	(11,459)	560,720
SPDR PORTFOLIO ETF	3.83%	N/A	N/A	1,912,331	(156,156)	1,756,175
SPDR PORTFOLIO ETF	3.21%	N/A	N/A	731,703	(120,055)	611,648
SPDR PORTFOLIO SHORT ETF	4.05%	N/A	N/A	599,143	(28,886)	570,257
VANGUARD MORTGAGE ETF	3.30%	N/A	N/A	1,916,447	(213,876)	1,702,571
VANGUARD SCOTTSDALE ETF	2.73%	N/A	N/A	2,865,588	(306,523)	2,559,065
VANGUARD SCOTTSDALE ETF LT	3.32%	N/A	N/A	500,133	29,025	529,158
VANGUARD SHORT TERM IP ETF	2.86%	N/A	N/A	952,852	(63,934)	888,918
VANGUARD SHORT TERM CORP BOND ETF	3.09%	N/A	N/A	2,874,184	(134,203)	2,739,981
VANGUARD SHORT TERM TREAS INDX ETF	3.31%	N/A	N/A	2,874,579	(117,437)	2,757,142
TOTAL EXCHANGE TRADED FUNDS				<u>23,187,841</u>	<u>(1,715,489)</u>	<u>21,472,352</u>
GOVERNMENT BACKED ASSET SECURITIES:						
GNMA II	5.28%	6/20/2033	N/A	32,523	(26,523)	6,000
GNMA II	4.91%	7/20/2035	N/A	68,769	(32,827)	35,942
GNMA II	4.92%	8/20/2035	N/A	88,224	(47,884)	40,340
GNMA	5.68%	5/30/2036	N/A	17,682	(9,585)	8,097
GNMA	5.68%	3/20/2037	N/A	17,301	(10,919)	6,382
TOTAL GOVERNMENT BACKED ASSET SECURITIES				<u>224,499</u>	<u>(127,738)</u>	<u>96,761</u>

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

LAW ENFORCEMENT (CONTINUED):						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
GOVERNMENT BONDS						
US TREASURY NOTES	0.75%	12/31/2023	N/A	1,578,500	21,500	1,600,000
US TREASURY NOTES	2.25%	12/31/2023	N/A	2,141,759	38,241	2,180,000
US TREASURY NOTES	0.87%	1/31/2024	N/A	660,663	16,924	677,587
US TREASURY NOTES	0.00%	1/25/2024	N/A	300,785	7,173	307,958
TOTAL GOVERNMENT BONDS				4,681,707	83,838	4,765,545
MUTUAL FUNDS:						
FIDELITY TREASURY	5.20%	N/A	N/A	2,472,883	-	2,472,883
BLACKROCK HIGH YIELD BOND	6.58%	N/A	N/A	656,798	(38,147)	618,651
DELAWARE LTD TERM DIVERS INC FD	3.52%	N/A	N/A	1,388,632	(118,405)	1,270,227
FEDERATED SERS INC TOTAL RET BD	3.80%	N/A	N/A	2,418,633	(358,896)	2,059,737
FIDELITY ADVISOR FLOATING RATE	7.46%	N/A	N/A	540,790	(39,685)	501,105
TOTAL MUTUAL FUNDS				7,477,736	(555,133)	6,922,603
TOTAL LAW ENFORCEMENT PROGRAM INVESTMENTS				\$ 35,571,783	\$ (2,314,522)	\$ 33,257,261

WORKERS COMPENSATION PROGRAM:						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
EXCHANGE-TRADED FUNDS (ETF)						
FIDELITY MERRIMACK ETF	5.28%	N/A	N/A	\$ 490,311	\$ (10,171)	\$ 480,140
ISHARES	3.14%	N/A	N/A	549,017	(48,059)	500,958
ISHARES MBS	3.36%	N/A	N/A	1,315,539	(183,380)	1,132,159
JANUS HENDERSON ETF	3.95%	N/A	N/A	499,533	(19,812)	479,721
JPMORGAN ETF	4.60%	N/A	N/A	485,195	(4,946)	480,249
PIMCO ACTIVE BOND ETF	3.58%	N/A	N/A	1,094,175	(186,593)	907,582
PIMCO ETF TRUST	4.78%	N/A	N/A	488,675	(10,381)	478,294
SPDR PORTFOLIO ETF	3.83%	N/A	N/A	1,098,096	(118,875)	979,221
SPDR PORTFOLIO ETF	3.21%	N/A	N/A	549,482	(87,557)	461,925
SPDR PORTFOLIO SHORT ETF	4.05%	N/A	N/A	511,563	(25,166)	486,397
VANGUARD MORTGAGE ETF	3.30%	N/A	N/A	1,098,078	(149,367)	948,711
VANGUARD SCOTTSDALE ETF	2.73%	N/A	N/A	1,647,497	(222,156)	1,425,341
VANGUARD SHORT TERM IP ETF	2.86%	N/A	N/A	549,158	(38,736)	510,422
VANGUARD SHORT TERM	3.09%	N/A	N/A	1,646,959	(108,302)	1,538,657
VANGUARD SHORT TERM	3.31%	N/A	N/A	1,646,771	(83,586)	1,563,185
TOTAL EXCHANGE TRADED FUNDS				13,670,049	(1,297,087)	12,372,962

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

WORKERS COMPENSATION (CONTINUED):						
Investment	Rate	Maturity Date	Moody Rating	Cost	Market Gain (Loss)	Estimated Fair Value
MUTUAL FUNDS:						
FIDELITY FUNDS	5.20%	N/A	N/A	1,301,606	-	1,301,606
BLACKROCK HIGH YIELD	6.58%	N/A	N/A	383,065	(29,066)	353,999
DELAWARE LTD TERM DIVERS INC FD	3.52%	N/A	N/A	1,019,608	(80,185)	939,423
FEDERATED INC TRST SH BEN	2.67%	N/A	N/A	2,202,005	(339,910)	1,862,095
FEDERATED SER INC TOTAL RET	3.80%	N/A	N/A	1,115,892	(150,301)	965,591
PIMCO FD PAC INVT LOW DURATION	3.95%	N/A	N/A	2,078,045	(203,517)	1,874,528
FIDELITY FL RATE HIGH INC CL I	7.46%	N/A	N/A	165,855	(10,302)	155,553
AMG MANAGERS DOUBLE CORE BOND	4.04%	N/A	N/A	973,133	(144,202)	828,931
BLACKROCK STRATEGIC INC	4.46%	N/A	N/A	461,041	(29,827)	431,214
TOTAL MUTUAL FUNDS				9,700,250	(987,310)	8,712,940
GOVERNMENT BONDS:						
US TREASURY	75.00%	12/31/2023	N/A	731,584	13,416	745,000
US TREASURY	2.25%	1/31/2024	N/A	734,087	9,058	743,145
US TREASURY	1.50%	2/29/2024	N/A	729,111	11,367	740,478
US TREASURY	2.14%	3/31/2024	N/A	729,896	9,166	739,062
US TREASURY	2.52%	4/30/2024	N/A	731,584	6,599	738,183
US TREASURY	2.02%	5/31/2024	N/A	727,306	7,763	735,069
US TREASURY	3.03%	6/30/2024	N/A	1,398,226	11,855	1,410,081
US TREASURY	3.03%	7/31/2024	N/A	729,576	6,633	736,209
US TREASURY	0.00%	1/25/2024	N/A	700,858	16,715	717,573
TOTAL GOVERNMENT BONDS				7,212,228	92,572	7,304,800
GOVT. ASSET BACKED SECURITIES:						
GNMA II	5.28%	7/20/2033	N/A	55,547	(40,672)	14,875
GNMA II	5.28%	8/20/2033	N/A	19,851	13,669	33,520
GNMA II	4.91%	1/20/2037	N/A	26,292	(17,393)	8,899
GNMA II	5.28%	2/20/2038	N/A	28,809	(14,761)	14,048
GNMA	4.08%	9/20/2040	N/A	97,613	(41,693)	55,920
TOTAL GOVT. ASSET BACKED SECURITIES				228,112	(100,850)	127,262
TOTAL WORKERS COMPENSATION PROGRAM INVESTMENTS				\$ 30,810,639	-\$ 2,292,675	\$ 28,517,964

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment income is summarized as follows for the year ended December 31, 2023:

Multi-Line Program:	
Interest Income	\$ 900,082
Gain on Sale of Investments	(105,770)
Unrealized Gain	590,672
Total Investment Losses	<u>\$ 1,384,984</u>
Law Enforcement Program:	
Interest Income	\$ 1,215,526
Loss on Sale of Investments	(146,523)
Unrealized Gain	805,200
Total Investment Losses	<u>\$ 1,874,203</u>
Workers' Compensation Program:	
Interest Income	\$ 874,681
Gain on Sale of Investments	(104,018)
Unrealized Gain	565,957
Total Investment Losses	<u>\$ 1,336,620</u>

As of December 31, 2023, the Pool's cash and cash equivalents and investments were as follows:

Investment Type	Cost	Estimated Fair Value
<i>Multi-Line Program</i>		
Cash and Cash Equivalents:		
Checking and Money Market	\$ 2,818,051	\$ 2,818,051
Total	<u>\$ 2,818,051</u>	<u>\$ 2,818,051</u>
Investment in the State General Fund Investment Pool	\$ 451	\$ 451
Total	<u>\$ 451</u>	<u>\$ 451</u>

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment Type	Cost	Estimated Fair Value
Investments:		
Exchange Traded Funds	\$ 18,301,757	\$ 16,854,877
Government Bonds	3,163,880	3,237,444
Government Asset-Backed Securities	348,848	115,020
Mutual Funds	3,415,502	3,381,355
Total	<u>\$ 25,229,987</u>	<u>\$ 23,588,696</u>
 <i>Law Enforcement Program</i>		
Cash and Cash Equivalents:		
Checking and Money Market	\$ 1,925,491	\$ 1,925,491
Total	<u>\$ 1,925,491</u>	<u>\$ 1,925,491</u>
Investment in the State General Fund Investment Pool	\$ 647	\$ 647
Total	<u>\$ 647</u>	<u>\$ 647</u>
Investments:		
Exchange Traded Funds	\$ 23,187,841	\$ 21,472,352
Government Bonds	4,681,707	4,765,545
Government Asset-Backed Securities	224,499	96,761
Mutual Funds	7,477,736	6,922,603
Total	<u>\$ 35,571,783</u>	<u>\$ 33,257,261</u>
 <i>Workers' Compensation Program</i>		
Cash and Cash Equivalents:		
Checking and Money Market	\$ 2,341,259	\$ 2,341,259
Total	<u>\$ 2,341,259</u>	<u>\$ 2,341,259</u>
Investment in the State General Fund Investment Pool	\$ 1,974	\$ 1,974
Total	<u>\$ 1,974</u>	<u>\$ 1,974</u>

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Workers' Compensation Program, continued

Investment Type	Cost	Fair Value
Investments:		
Exchange Traded Funds	\$ 13,670,049	\$ 12,372,962
Government Bonds	7,212,228	7,304,800
Government Asset-Backed Securities	228,112	127,262
Mutual Funds	9,700,250	8,712,940
Total	<u>\$ 30,810,639</u>	<u>\$ 28,517,964</u>

All Programs

Cash and Cash Equivalents:

Checking and Money Market	\$ 7,084,801	\$ 7,084,801
Total	<u>\$ 7,084,801</u>	<u>\$ 7,084,801</u>

Investment in the State General Fund Investment Pool	\$ 3,072	\$ 3,072
Total	<u>\$ 3,072</u>	<u>\$ 3,072</u>

Investments:		
Exchange Traded Funds	\$ 55,159,647	\$ 50,700,191
Government Bonds	15,057,815	15,307,789
Government Asset-Backed Securities	801,459	339,043
Mutual Funds	20,593,488	19,016,898
Total	<u>\$ 91,612,409</u>	<u>\$ 85,363,921</u>

Custodial Credit Risks. Custodial credit risk is the risk that, in the event of a bank failure, the Pool's deposits may not be returned to it. As of December 31, 2023, none of the Pool's deposits were exposed to custodial credit risk; the total of demand deposits was covered by FDIC or by collateral held by the Pool's agent in the Pool's name.

Interest Rate Risk. The Pool does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk.

The Pool's investment policy states that investments are limited to the following:

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Government Bonds. Bonds or negotiable securities of the United States, the state or any municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding. Such investments shall have aggregate durations or maturities of no more than five years.

Government Securities. Securities issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Farm Credit Bank or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government. Such investments shall have aggregate durations or maturities of no more than five years.

Corporate Bonds. The Pool is no longer purchasing corporate bonds. Such investments currently held by the Pool will be sold if management believes that the sale will be beneficial. Otherwise, investments in corporate bonds will be held until maturity.

Certificates of Deposit. In New Mexico Financial Institutions, limited to the current FDIC or NCUSIF limit per financial institution or bank, unless collateralization requirements are met. Federally insured obligations, including brokered certificates of deposit, certificates of deposit account registry service and federally insured cash accounts outside of New Mexico financial institutions shall be eligible as long as the FDIC or NCUSIF insures the instrument from the date the investment is made until the date of maturity. Furthermore, returns on such deposits determined by investment returns linked to the stock markets, commodities markets or other non-interest rate markets or any index or basket thereof, shall not be eligible for investment under this Policy. No commission, mark-up or other remuneration shall be paid for the purchase of any asset in this section.

Exchange-traded Funds (ETFs). The majority of ETFs are typically structured as registered unit investments trusts (UITs) or open-end investment companies (commonly referred to as "funds") whose shares represent an interest in a portfolio of securities that track an underlying benchmark or index. These products are the most common type of ETF, and typically hold a basket of equity or fixed income securities constructed to track an index.

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued).

Mutual Funds. Shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index. Such investments shall have aggregate durations or maturities of no more than five years.

New Mexico State Treasurer Local Government Investment Pool (State Investment Pool as defined in Note 1). This fund is rated AAA by Standard and Poor's.

Concentration of Credit Risk.

The Pool places no limit on the amount the Pool may invest in any one issuer. Excluding investments that are implicitly backed by the full faith and credit of the United States, investments in the following issuers represent more than 5 percent of the Pool's investments, and are therefore considered to have a concentration of credit risk.

Multi-Line Program:

FIDELITY	15%
ISHARES	11%
PIMCO	8%
SPDR	10%
VANGUARD	35%

Law Enforcement Program:

FIDELITY	11%
FEDERATED	6%
ISHARES	10%
PIMCO	7%
SPDR	9%
VANGUARD	34%

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued).

Workers' Compensation Program:

FIDELITY	7%
FEDERATED	7%
ISHARES	12%
PIMCO	8%
SPDR	10%
VANGUARD	39%

Fair Value Measurements. The Pool categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles (GAAP). Under GASB statement No. 72 fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Investments classified in Level 1 of the fair value hierarchy are valued using prices in active markets for those investments.

The Pool owns an interest in County Reinsurance Limited, a risk pool which provides reinsurance coverage to member counties. The unit of account for this investment is the Pool's ownership interest in CRL, rather than a percentage of individual assets held by CRL. The assets could be sold at an amount different than the Net Asset Value (NAV) per share (or its equivalent) due to the liquidation policies of CRL and its member counties.

The Pool owns 100% interest in New Mexico County Reinsurance, Inc. (NMCRRe), a newly-formed captive reinsurance entity, which provides reinsurance coverage to the Law Enforcement Pool. Its investment value is calculated in line with other Pool investments, as described above.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments by Fair Value Level - December 31, 2023

Quoted Prices in
Active Markets for
Identical Assets
(Level 1)

Mutual Funds	\$ 19,016,898
Government Asset-Backed Securities	339,043
Exchange Traded Funds	50,700,191
Total	85,363,921

NAV Investment - December 31, 2023

Investment in County Reinsurance Limited	4,074,649
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NAV Investment - December 31, 2023

Investment in New Mexico County Reinsurance, Inc.	20,358,758
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Investments Not Requiring Fair Value - December 31, 2023

Money Market	7,084,801
State Treasurer LGIP	3,072
	7,087,873

Total Investments and Cash Equivalents	\$ 116,885,201
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NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - NOTE RECEIVABLE

Note Receivable - Building. During 2012, the Multi-Line Program loaned the New Mexico Association of Counties, a related party, \$1,850,257 in return for a promissory note carrying an annual interest rate of 5%. Principal and interest payments in the amount of \$9,914 were due monthly from September 24, 2012 through August 24, 2019, for a total of 84 payments. The monthly payments were based on a 30-year amortization, with a 7-year call, at which time, the parties would re-evaluate the interest rate and term. The parties have continued to operate under the original agreement, through May 28, 2020. In October 2020, the Pool signed a new lease purchase agreement which was retroactive to July 1, 2020. The original balance of this lease purchase agreement on July 1, 2020 was \$1,598,614, and carries an interest rate of 4%, with required payments of \$11,825 for 180 monthly installments (15 years). The balance of the note receivable at December 31, 2023 is \$1,306,280. This original loan funded the purchase of a new building for the New Mexico Association of Counties, which performs administrative functions for the Pool (Note 7). Principal payments received on this note totaled \$87,733 in 2023.

NOTE 4 - CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The liability for claims and claims adjustment expenses, which is reported on an ultimate development basis, includes an amount determined from claims reports and individual cases, and an amount for claims incurred but not reported.

Estimates of the liability for amounts incurred but not reported as of December 31, 2023 and 2022 have been based on an actuarial evaluation of the Pool's historical claims experience, industry data and other factors. While management believes that these estimates are adequate, actual incurred but unpaid claims may vary significantly from the amount provided.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CLAIMS AND CLAIM ADJUSTMENT EXPENSES, continued

Changes in reserves for claims and claim adjustment expenses were as follows for the years ended December 31:

<i>Multi-Line Program:</i>	2023	2022
Liability for Claims and Claim Adjustment Expenses		
Beginning of Year	\$ 11,263,491	\$ 11,052,889
Incurred Claims and Claim Adjustment Expenses Related to:		
Current Year	6,291,618	5,270,792
Prior Years	1,351,261	1,442,332
Total Incurred	7,642,879	6,713,124
Payments (Net of Amounts Received Pursuant to Reinsurance Contracts) Related to:		
Current Year	(741,700)	(743,122)
Prior Years	(5,332,093)	(5,759,400)
Total Payments	(6,073,793)	(6,502,522)
Liability for Claims and Claim Adjustment Expenses - End of Year	\$ 12,832,577	\$ 11,263,491

<i>Law Enforcement Program:</i>	2023	2022
Liability for Claims and Claim Adjustment Expenses		
Beginning of Year	\$ 26,049,053	\$ 21,183,612
Incurred Claims and Claim Adjustment Expenses Related to:		
Current Year	17,675,509	12,867,546
Prior Years	7,230,650	1,703,643
Total Incurred	24,906,159	14,571,189
Payments (Net of Amounts Received Pursuant to Reinsurance Contracts) Related to:		
Current Year	(475,371)	(485,942)
Prior Years	(6,891,953)	(9,219,806)
Total Payments	(7,367,324)	(9,705,748)
Liability for Claims and Claims Adjustment Expenses - End of Year	\$ 43,587,888	\$ 26,049,053

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CLAIMS AND CLAIM ADJUSTMENT EXPENSES, continued

Workers' Compensation Program:

	2023	2022
Liability for Claims and Claim Adjustment Expenses		
Beginning of Year	\$ 19,657,340	\$ 19,012,189
Incurred Claims and Claim Adjustment Expenses Related to:		
Current Year	4,227,666	4,104,011
Prior Years	1,627,865	2,849,552
Total Incurred	5,855,531	6,953,563
Payments (Net of Amounts Received Pursuant to Reinsurance Contracts) Related to:		
Current Year	(512,516)	(628,297)
Prior Years	(6,259,992)	(5,680,115)
Total Payments	(6,772,508)	(6,308,412)
Liability for Claims and Claims Adjustment Expenses - End of Year	\$ 18,740,363	\$ 19,657,340
 <i>Total:</i>		
Total Liability Claims and Claim Adjustment - Expenses End of Year	\$ 75,160,828	\$ 56,969,884

As of December 31, 2023, the liability for unpaid claims and claim adjustment expenses of \$13,713,259 for the Multi-Line Program, \$46,658,840 for the Law Enforcement Program and \$19,265,675 for the Workers' Compensation Program are presented at their net present value of \$12,832,577, \$43,587,888 and \$18,740,363, respectively. The Multi-Line and Law Enforcement claims are discounted at a rate of 4.0%, and Workers' Compensation claims are discounted at 2.0%. For the year ended December 31, 2023, the Multi-Line Program experienced negative development on prior policy year claims, resulting in an increase to claim expense of \$903,625, from the prior year. For the year ended December 31, 2023, the Law Enforcement Program also experienced negative development on prior policy year claims, resulting in an increase to claim expense of \$10,334,988 from the prior year. For the year ended December 31, 2023, the Workers' Compensation Program experienced positive development on prior policy year claims, resulting in a decrease to claim expense of \$1,514,909 from the prior year.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - REINSURANCE AND EXCESS INSURANCE

The New Mexico County Insurance Authority Pool purchases commercial reinsurance for the Multi-Line, Law Enforcement and Worker's Compensation programs.

The Multi-Line Program's property coverage has a limit of \$1,000,000,000 per occurrence. The Multi-Line program's self-insured retention for property coverage is \$350,000 per occurrence, then County Reinsurance Limited provides the next \$4,650,000 in coverage, then Lloyds of London Syndicates provides coverage up to \$1,000,000,000.

The Multi-Line Program's liability coverage has a limit of \$5,000,000 per occurrence, with an annual aggregate of \$10,000,000 per member. The Multi-Line pool's self-insured retention for liability coverage is \$2,000,000 per occurrence, then Berkley Public Entity provides the next \$3,000,000 in coverage on a per occurrence basis. There is a \$20,000,000 annual aggregate limit on liability reinsurance coverage in the Multi-Line Program for all members combined.

The Law Enforcement Program's liability coverage has a limit of \$4,000,000 for non-class A members and \$5,000,000 for class A members per occurrence with no annual aggregate. The Law Enforcement program's self-insured retention for liability coverage is \$2,000,000 per occurrence, then New Mexico County Reinsurance, Inc. provides the next \$2,000,000 for non-class A members, and \$3,000,000 in coverage for class A members on a per occurrence basis. There is an \$8,000,000 annual aggregate limit on liability reinsurance coverage in the Law Enforcement Program for all members combined.

The Worker's Compensation Program has purchased commercial reinsurance for specific claims in excess of \$750,000. Beginning July 1, 1998, this insurance has been provided by County Reinsurance Limited

CRL is a captive organization formed to provide excess and reinsurance to county association pools. Similar to counties that participate as members of the Workers' Compensation Pool, the Pool's contribution to CRL includes amounts for capital, losses and other pool expenses. CRL has the ability to return equity to its members in the event that loss fund contributions are not depleted or if there is a surplus of capital.

For the year ended December 31, 2023, the Multi-Line, Law Enforcement and Workers' Compensation Programs paid a total of \$2,459,092, \$2,997,000 and \$844,499, respectively for reinsurance premiums.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 - BROKERAGE SERVICE FEE

Commission/brokerage service fees were \$120,000, for the year ended December 31, 2023.

NOTE 7 - GENERAL AND ADMINISTRATIVE

For a monthly fee, the New Mexico Association of Counties provides claims processing, risk management, loss prevention training, legal services, general and administrative services, financial management, office space, equipment and supplies.

The Pool expensed \$4,535,571 in 2023, under this arrangement. The fees to be paid to the New Mexico Association of Counties for such services are approved by the Pool's Board of Directors when the Pool's annual operating budget is reviewed and approved. The Pool also engages other related third parties to provide legal, actuarial and other services.

The Pool's general and administrative expenses for the year ended December 31, 2023 consisted of the following:

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Administrative Fees	\$ 1,455,330	\$ 1,755,330	\$ 1,324,911	\$ 4,535,571
Software and Licensing	151,174	124,921	126,342	402,437
Appraisal Fees	123,800	-	-	123,800
Insurance	14,540	14,543	14,543	43,626
Accounting and Auditing	16,646	16,646	56,502	89,794
Actuarial	18,450	14,650	13,450	46,550
Consulting and Training	4,371	122,284	1,057	127,712
Legal and Bank Fees	1,168	27,195	-	28,363
Contracts	-	-	10,000	10,000
Capital Assessment	25,244	25,241	25,244	75,729
Miscellaneous	357	-	-	357
Total	<u>\$ 1,811,080</u>	<u>\$ 2,100,810</u>	<u>\$ 1,572,049</u>	<u>\$ 5,483,939</u>

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - JOINT POWERS AGREEMENT

As of January 1, 2022, pursuant to a Joint Powers Agreement, the New Mexico County Insurance Authority Workers' Compensation Pool was consolidated with the New Mexico County Insurance Multi-Line Pool, as one legal entity, the New Mexico County Insurance Authority (Authority). All assets, liabilities and contracts of the respective Pools were transferred to and assumed by the Authority upon consolidation. The consolidation allows for efficient use of Pools' Member powers and resources, by cooperating on a basis that will be of mutual advantage; and provide a means for securing benefits, services, coverage or protection for the Pools' Members, their employees, and other political subdivisions or local public bodies approved by the Authority Board, relating to insurance or self-insurance, as authorized by law.

NOTE 9 - FUNDING ARRANGEMENTS

The Workers' Compensation Program has historically optional high-deductible funding arrangements with Bernalillo, Dona Ana, Sandoval, San Juan and Santa Fe Counties. Sandoval County selected a \$50,000 per claim deductible for 2023. No other member county took a deductible in 2023. Funding arrangements exist for all Class A Counties in previous plan years. The Worker's Compensation Program handled all claims for member counties, and they were covered by the Workers' Compensation Program reinsurance for any claim which exceeded \$750,000.

NOTE 10 - LITIGATION

The Pool is subject to various legal proceedings, claims and liabilities which arise in the ordinary course of the Pool's operations. In the opinion of the Pool's management and legal counsel, the ultimate resolution of these matters will not have a material adverse impact on the financial position or results of operation of the Pool.

NOTE 11 - TAX ABATEMENT DISCLOSURES

As of December 31, 2023, the Pool had no tax abatement programs or agreements with other government entities.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
NOTES TO TEN YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)
DECEMBER 31, 2023

The following illustrates how the Pool's earned revenues and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last nine years. The rows of the table are defined as follows:

(1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues, net of contribution revenue ceded to reinsurers.

(2) This line shows each fiscal year's other operation costs of the Pool, including overhead and claims expenses not allocable to individual claims.

(3) This line shows the Pool's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).

(4) This section of ten rows shows the cumulative net amounts paid at of the end of successive years for each policy year.

(5) This section of ten rows shows how each policy year's incurred claims increased or decreased as of the end of the successive years. (These annual re-estimations result from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.)

(6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
TEN YEAR CLAIMS DEVELOPMENT INFORMATION (UNAUDITED)
TEN YEARS ENDED DECEMBER 31, 2023
(Dollars in Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1. Net Earned Required Contribution and Investment Revenues	\$ 28,721	\$ 28,763	\$ 33,554	\$35,208	\$36,235	\$33,757	\$ 35,407	29,649	26,811	41,469
2. Unallocated Expenses	3,893	4,252	4,331	4,553	5,191	4,484	5,118	5,362	5,779	5,604
3. Estimated Incurred Claims and Expense, End of Policy Year	25,244	24,714	22,805	21,856	20,720	18,531	18,133	18,934	18,934	18,934
4. Paid (Cumulative) as of:										
Year One	5,097	2,973	2,350	2,753	2,633	1,362	14,720	15,451	1,857	1,717
Year Two	9,605	7,697	9,198	6,891	6,154	15,436	12,768	8,034	6,688	
Year Three	11,596	15,581	15,842	9,088	16,419	18,159	9,675	16,264		
Year Four	16,194	17,351	10,882	14,530	16,283	15,006	11,681			
Year Five	18,067	9,746	26,998	15,281	15,667	16,499				
Year Six	17,230	20,678	27,308	13,475	15,546					
Year Seven	17,884	20,949	25,993	14,326						
Year Eight	17,846	21,083	26,116							
Year Nine	17,687	21,193								
Year Ten	17,782									
5. Re-Estimated Incurred Claims and Expense										
Year One	25,244	24,714	22,805	21,856	20,720	18,531	4,262	4,705	22,242	27,676
Year Two	22,035	21,848	27,547	18,818	19,830	10,916	9,374	27,284	28,530	
Year Three	19,790	24,231	26,827	17,550	14,371	12,390	19,879	31,769		
Year Four	22,995	22,757	28,870	12,623	15,451	9,563	23,668			
Year Five	21,841	22,802	25,484	14,200	18,052	19,564				
Year Six	18,857	21,839	26,066	16,130	17,163					
Year Seven	18,112	22,118	27,708	17,323						
Year Eight	18,097	22,067	27,265							
Year Nine	18,353	22,003								
Year Ten	18,199									
6. Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	(7,045)	(2,711)	4,460	(4,533)	(3,557)	1,033	5,535	12,835	9,596	8,742

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULES OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGETARY BASIS)
DECEMBER 31, 2023

Multi-Line Program

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts - (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Member Contributions	\$ 10,866,496	\$ 10,866,496	\$ 10,190,664	\$ (675,832)
Investment Income	406,118	406,118	2,842,076	2,435,958
Total Revenues	<u>11,272,614</u>	<u>11,272,614</u>	<u>13,032,740</u>	<u>1,760,126</u>
NET POSITION				
	-	-		
EXPENSES				
Claims and Claim				
Adjustment Expenses	9,303,903	9,303,903	11,120,498	(1,816,595)
Risk Mitigation	222,202	222,202	138,206	83,996
General and Administrative	1,669,628	1,669,628	1,672,874	(3,246)
Brokerage Fees	70,000	70,000	70,000	-
Total Expenses	<u>11,265,733</u>	<u>11,265,733</u>	<u>13,001,578</u>	<u>(1,735,845)</u>
EXCESS OF REVENUES OVER EXPENSES				
	<u>\$ 6,881</u>	<u>\$ 6,881</u>	<u>\$ 31,162</u>	<u>\$ 24,281</u>
EXCESS OF REVENUES OVER EXPENSES PER ACCOMPANYING GAAP FINANCIAL STATEMENTS			<u>\$ 31,162</u>	

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULES OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGETARY BASIS)
DECEMBER 31, 2023

Law Enforcement Program

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts - (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Member Contributions	\$ 18,398,541	\$ 18,398,541	\$ 18,412,744	\$ 14,203
Investment Income	711,599	711,599	2,505,890	1,794,291
Total Revenues	<u>19,110,140</u>	<u>19,110,140</u>	<u>20,918,634</u>	<u>1,808,494</u>
EXPENSES				
Claims and Claim Adjustment Expenses	16,621,967	16,621,967	24,906,159	(8,284,192)
Risk Mitigation	374,290	374,290	315,778	58,512
General and Administrative	2,031,040	2,031,040	1,785,032	246,008
Brokerage Fees	70,000	70,000	30,000	40,000
Total Expenses	<u>19,097,297</u>	<u>19,097,297</u>	<u>27,036,969</u>	<u>(7,939,672)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 12,843</u>	<u>\$ 12,843</u>	<u>\$ (6,118,335)</u>	<u>\$ (6,131,178)</u>
EXCESS OF REVENUES OVER EXPENSES PER ACCOMPANYING GAAP FINANCIAL STATEMENTS			<u>\$ (6,118,335)</u>	

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULES OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGETARY BASIS)
DECEMBER 31, 2023

Workers' Compensation Program

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts - (Budgetary Basis)	Variance With Final Budget Positive (Negative)
REVENUES				
Member Contributions	\$ 6,305,545	\$ 6,755,545	\$ 8,269,348	\$ 1,513,803
Investment Income	413,052	413,052	1,220,935	807,883
Total Revenues	<u>6,718,597</u>	<u>7,168,597</u>	<u>9,490,283</u>	<u>2,321,686</u>
EXPENSES				
Claims and Claim Adjustment Expenses	6,662,098	6,675,369	6,838,562	(163,193)
Risk Mitigation	360,243	364,401	333,694	30,707
General and Administrative	1,310,587	1,346,010	1,238,355	107,655
Brokerage Fees	20,000	20,000	20,000	-
Total Expenses	<u>8,352,928</u>	<u>8,405,780</u>	<u>8,430,611</u>	<u>(24,831)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (1,634,331)</u>	<u>\$ (1,237,183)</u>	<u>\$ 1,059,672</u>	<u>\$ 2,296,855</u>
EXCESS OF REVENUES OVER EXPENSES PER ACCOMPANYING GAAP FINANCIAL STATEMENTS			<u>\$ 1,059,672</u>	

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULE OF CASH AND CASH EQUIVALENTS RECONCILIATION
FROM BANK TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

	Multi-Line Program	Law Enforcement Program	Workers' Compensation Program	Total
Interest-Bearing Checking Accounts:				
First National 1870	\$ 614,342	\$ 763,424	\$ 614,052	\$ 1,991,818
Money Market Wells Fargo Advisors	2,415,280	1,098,257	1,750,342	5,263,879
Money Market Fidelity Investments	-	107,055	126,943	233,998
	3,029,622	1,968,736	2,491,337	7,489,695
Reconciling Items:				
Outstanding Checks	(211,571)	(43,245)	(150,078)	(404,894)
Deposits in Transit	-	-	-	-
Financial Statement Balance	2,818,051	1,925,491	2,341,259	7,084,801
Cash Held with the State Treasurer				
Local Government				
Investment Fund	451	647	1,974	3,072
Financial Statement Balance	451	647	1,974	3,072
TOTAL CASH AND CASH EQUIVALENTS, RESTRICTED CASH, AND INVESTMENT IN THE STATE LOCAL GOVERNMENT INVESTMENT POOL	\$ 2,818,502	\$ 1,926,138	\$ 2,343,233	\$ 7,087,873

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULE OF CASH COLLATERAL
DECEMBER 31, 2023**

FIRST NATIONAL 1870

Multi-Line Checking	\$	614,342
Law Enforcement Checking		763,424
Worker's Compensation Checking		614,052
Other Checking Accounts Administered by the New Mexico Association of Counties (Not Held by the Pool)		857,879
Total Deposit in Bank		2,235,645
FDIC Coverage		(500,000)
Total Uninsured Funds		1,735,645
50% Pledged Collateral Requirement		867,823
Pledged Collateral:		
FNMA - Pool#: AN6440 - Held with Sunflower Bank; Cusip #3138LKEN3, Maturity Date: 8/01/31		1,495,347
Total Pledged Collateral		1,495,347
 OVER-COLLATERALIZED		 \$ 627,525



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
New Mexico County Insurance Authority Pool
Santa Fe, New Mexico and
Joseph M. Maestas, P.E.
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the New Mexico County Insurance Authority Pool (the Pool), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements and have issued our report thereon dated May 31, 2024.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2023-001.


Pool's Response to Finding

The Pool's response to the finding identified in its audit are described in the accompanying schedule of findings and responses. The Pool's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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

MORTON ACCOUNTING SERVICES, LLC



Santa Fe, New Mexico

May 31, 2024

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023**

Section I – Summary of Auditor’s Results

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
1. Material weaknesses identified	No
2. Significant deficiencies identified	No
3. Noncompliance material to the financial statements noted	No

Section II – Current Year Findings Pertaining to the Financial Statements Which Are Required to Be Reported

None.

Section III - Section 12-6-5 NMSA 1978 Findings

Finding 2023-001 (2020-001) – Non-Compliance with Title 11, Chapter 4 of the New Mexico Administrative Code (Other Non-Compliance), Modified and Repeated

Condition: Out of 40 claims payments tested, one payment did not contain Workers’ Compensation Administration (WCA) E1 forms as required by the New Mexico Administrative Code (NMAC) Section 11.4.2.8B(1).

In addition, out of 40 claims payments tested, one payment was overpaid by \$3; the payment was a bi-weekly payment, resulting in a total overpayment of approximately \$546 for the duration of the overpayment (fiscal years 2017 - 2023).

Progress: The Pool has made some progress in reducing the timeframe for internal approval (within 5 days) and making payments within the 30 day required turnaround.

Criteria: Per the New Mexico Administrative Code, Section 11.4.7.8 B(1), “first report of injury data (WCA form E-1) must be submitted, within 10 days of notification, for all injuries or occupational diseases that result in more than seven cumulative days of lost time.”

Cause: Claim was received via a complaint with the NM Workers' Compensation Administration a year after the date of original loss and operations manual does not specifically address such claims. There was typographical error when issuing the overpayment(s) and there was an oversight during the review process.

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023**

Finding 2023-001 (2020-001) – Non-Compliance with Title 11, Chapter 4 and of Administrative Code (Other Non-Compliance), Modified and Repeated

Effect: Noncompliance with NMAC 11.4.7.8 D(2) and NMAC 13.10.14.9(B).

Recommendation: We recommend that management ensure that all required WCA forms E-1 are completed and retained for the applicable claims disbursements. Also that management utilize a secondary review of claim disbursements calculations and payment or set up another process to ensure the payments match the calculated amounts and are paid correctly.

Management's Response: We received a claim via a Complaint with the NM Workers' Compensation Administration a year after the original date of loss. We did not receive an E-1 from the employer, and we did not ask for one as we immediately proceeded with the investigation of the claim in preparation of litigation. The claims manager is updating the claims manual so this will not be an issue in the future.

Benefits were due on a claim and the adjuster made a typo when issuing the payment and the typo carried over inadvertently. The claim file has been reviewed and updated to reflect the overpayment and adjustment to the remaining weeks has been documented. Claims will be reviewed during the periodic manager review process to ensure payment amounts are issued correctly.

The Claims Manager is responsible for implementing the corrective action plans above immediately, during fiscal year 2024 (as of date of report, 5/31/2024).

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2023**

There were no financial statement findings in the prior year.

The following other matter was repeated and modified in the current year:

Finding 2022-001 (2020-001) – Non-Compliance with Title 11, Chapter 4 of the New Mexico Administrative Code (Other Non-Compliance)

**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
EXIT CONFERENCE
YEAR ENDED DECEMBER 31, 2023**

An exit conference was held on May 30, 2024. The conference was held via Zoom in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

NEW MEXICO COUNTY INSURANCE AUTHORITY POOL

Lance Pyle, Chair
Joy Esparsen, Executive Director
Taylor Horst, Risk Management Director
Richard Garcia, Finance Director
Meca Broadway, Comptroller
Lori Urban, Assistant Risk Management Director
Robin Martinez, Multi-Line/Law Enforcement Claims Manager
Cynthia Stephenson, Risk Management Specialist
Kamie Denton, Worker's Compensation Claims Manager

MORTON ACCOUNTING SERVICES, LLC

Janet Pacheco-Morton, Principal

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditor's Report.

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

<u>Item Number:</u> 4.C.	<u>Item Title:</u> Consideration of Investment Consultant
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
Motion by:	Seconded by:



NEW MEXICO COUNTY INSURANCE AUTHORITY



**New Mexico Counties Insurance Authority & Reinsurance:
Partner Relationship - Fee Proposal & Service Overview**

August 7, 2024

Presented by: Strategic Asset Alliance



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST



Overview

- **Proposal for Services** **3 - 6**
 - Proposal: Partner Relationship – Investment Consulting Services

- **Strategic Asset Alliance (SAA)** **7 - 14**
 - Who We Are
 - Our Experience Working With Governmental Risk Pools
 - Our Investment Philosophy

- **APPENDIX:** **15 - 37**
 - Investment Process is Key
 - Service Overview & Examples





PROPOSAL – PARTNER RELATIONSHIP





- **Strategic Asset Alliance (SAA) will provide the following services for New Mexico Counties Insurance Authority & Reinsurance (“NMCIA”) on a Partnership (*retainer*) basis:**
 - SWOT analysis on NMCIA’s Investment Process Value Chain
 - Review NMCIA’s existing asset allocation structure and provide alternative portfolio recommendations. This analysis, conducted annually or as-needed, would also include the following:
 - Review current portfolio for concentration risk
 - Evaluate diversification and correlation of existing asset mix
 - Determine current asset exposure gaps
 - Evaluate diversification/correlation of alternative asset mixes
 - Provide asset class return, risk and correlation assumptions
 - Provide portfolio stress testing through various types of scenarios
 - Recommend alternative asset allocation structures and display expected return/risk characteristics
 - Review NMCIA’s existing investment policy statement and provide recommendations for modifications, on at least an annual basis
 - Review of benchmark indices for overall and asset class portfolio benchmarks including the development of custom benchmarks, if necessary





- Review of current investment manager(s). If necessary, conduct a fixed income manager search to identify a suitable partner to manage portfolios for NMCIA:
 - Determine NMCIA's initial preferences and how best to conduct the search.
 - Set criteria for the fixed income manager selection.
 - Screen for an initial list of candidates from SAA's proprietary database of fixed income investment managers with insurance expertise. NMCIA may include or exclude specific investment managers at its discretion.
 - Develop and transmit a confidential organization-specific questionnaire to obtain information from the manager candidates specific to NMCIA's requirements.
 - Recommend a finalist group of managers to NMCIA.
 - Schedule and attend (virtually) manager due diligence visits, as requested by NMCIA,.
 - Schedule and attend (virtual or in-person) finals presentations and assist in manager selection, as requested
 - Negotiate acceptable fees.
 - Establish service standards, including relevant benchmark and specific relationship expectations.

- Recommend suitable asset classes for implementation of the recommended asset allocation structure

- Provide annual investment peer analysis to determine how NMCIA compares to other/similar governmental risk pools

- Prepare customized quarterly and/or monthly reporting including performance assessment of overall portfolios and individual asset class portfolios





Proposal for NMCIA – Partner Relationship *(Continued)*

- Provide access to SAA's www.insurercio.com website and reporting and information resources
 - Conduct customized education sessions for the Board, Committee, Management or staff as desired
 - Conduct ongoing monitoring of portfolio holdings and risks and evaluation of performance versus recommended market benchmarks
 - Attend *(in-person or virtual)* Board/Committee and Management meetings, as necessary
 - Assistance with other investment-related activities not specified above, as required by NMCIA
-
- **SAA will provide the above services to NMCIA for an annual fee of \$65,000.**
This fee would be billed to NMCIA on a quarterly-basis. This fee would be guaranteed for two years and then subject to review and/or annual inflation adjustments based on the CPI. Travel expenses would be billed back at cost.





ABOUT SAA - WHO WE ARE





Who We Are

Independent Investment Consulting Firm

Founded in 1994 that Only Focuses on
Insurance Organizations and Governmental Risk Pools

67*

Insurance & Risk
Pooling/JPA
Clients

\$11.4B*

Assets Under
Advisement

- Headquartered in Bellingham, WA with an office in Maine.
- Staff of seven, including one CEO, one Managing Director and two Directors.
- Clients span various segments, including:
 - Governmental Risk Pools & JPAs
 - Commercial P&C
 - Commercial Life
 - Commercial Health
 - Captives

*As of June 30, 2024

*Within 36 Client Relationships



Who We Are: SAA Principals



Alton Cogert
President & CEO

Phone: (360) 255-2500
Email: acogert@saai.com

Mr. Cogert founded Strategic Asset Alliance in 1994.

Prior to SAA, he has served as a technical advisor to the NAIC Invested Assets Working Group. He is a former member of the Board of Directors and former chairman of the Investment Committee of the National Alliance of Life Companies.



Daniel Smereck
Managing Director

Phone: (207) 706-9288
Email: dsmereck@saai.com

Prior to joining SAA, Mr. Smereck was Senior Vice President and Chief Investment/Information Officer for a large, regional medical malpractice insurer

Mr. Smereck has over twenty years of experience across investments, insurance, and information technology.



Who We Are: SAA Directors



Lucy Rimsky
Director, Investment Consultant

Phone: (360) 255-2500 ext. 107
Email: lrimsky@saai.com

Ms. Rimsky joined SAA in 2024.

Ms. Rimsky has more than 25 years of investment experience, including institutional clients in healthcare, insurance, and other public and corporate areas. Prior to joining SAA, Ms. Rimsky was a Senior Research Analyst with US Institutional focusing on insurance clients.



Nathan Simon
Director, Investment Consultant

Phone: (360) 255-2500 ext. 104
Email: nsimon@saai.com

Mr. Simon has been with SAA since 2013.

Prior to being named Director, Mr. Simon was responsible for assisting with all investment manager research and evaluation, strategic asset allocation, and other investment modeling conducted for SAA's clients.



List of Client Relationships: *(as of June 30, 2024)*

*Denotes multiple assignments



All SAA/SAAA clients are listed without exclusion. The listing of the above clients do not indicate approval or disapproval of SAA/SAAA or its services.

Governmental Risk Pools & JPAs

- ❖ **Association of Schools Ins. Programs**
(Cerritos, CA) – P&C and Health
- ❖ **Connecticut Interlocal Risk Mgmt.**
(New Haven, CT) – P&C
- ❖ **County Commissioner's Office of Ohio***
(Columbus, OH) – P&C and Health
- ❖ **Kentucky Association of Counties***
(Frankfort, KY) – P&C
- ❖ **Kentucky League of Cities Ins. Services**
(Lexington, KY) – P&C
- ❖ **League of Minnesota Cities Ins. Trust**
(St. Paul, MN) – P&C
- ❖ **Massachusetts Interlocal Ins. Assn.***
(Boston, MA) – P&C and Health
- ❖ **Michigan Municipal Lg. Pool & Fund***
(Ann Arbor, MI) – P&C
- ❖ **Midwest Public Risk**
(Independence, MO) – P&C and Health
- ❖ **Montana Municipal Ins. Authority**
(Helena, MT) – P&C and Health
- ❖ **Municipal Assoc. of South Carolina**
(Columbia, SC) – P&C and OPEB
- ❖ **Nevada POOL/PACT/PRM/PCM/PRI***
(Carson City, NV) – P&C
- ❖ **New Hampshire Health Trust, Inc.**
(Concord, NH) - Health
- ❖ **New Hampshire PRIMEX**
(Concord, NH) – P&C
- ❖ **New Hampshire SchoolCare**
(Manchester, NH) - Health
- ❖ **North Carolina League of Municipalities**
(Raleigh, NC) – P&C and Health
- ❖ **Schools Excess Liability Fund**
(Sacramento, CA) – P&C
- ❖ **Schools of Ohio Risk Sharing Authority**
(Columbus, OH) – P&C
- ❖ **TASB Risk Management Fund**
(Austin, TX) – P&C
- ❖ **TML Intergov. Risk Pool**
(Austin, TX) – P&C
- ❖ **Vermont League of Cities & Towns***
(Montpelier, VT) – P&C
- ❖ **Virginia Risk Sharing Authority**
(Glen Allen, VA) – P&C
- ❖ **Washington Cities Insurance Authority**
(Tukwila, WA) – P&C
- ❖ **Wisconsin Municipal Mutual Ins. Co.**
(Madison, WI) – P&C

Risk Pooling Reinsurance

- ❖ **County Reinsurance, Ltd.**
(Clemmons, NC)
- ❖ **Government Entities Mutual**
(Bedford, NH)
- ❖ **NLC Mutual Insurance Co.**
(Washington, D.C.)

Insurance Companies

- ❖ **CalCPA Health**
(San Mateo, CA) – Health
- ❖ **FCCI Group**
(Sarasota, FL) – P&C
- ❖ **Gray Casualty & Surety Company**
(Mandeville, LA) – P&C
- ❖ **Hawaii Employers Mutual Ins. Co.**
(Honolulu, HI) – P&C
- ❖ **ICI Mutual Insurance Company**
(Washington, D.C.) – P&C
- ❖ **ISBA Mutual Insurance Company**
(Chicago, IL) – P&C
- ❖ **Lincoln Heritage Life Insurance Co.**
(Phoenix, AZ) – Life
- ❖ **The Dentists Insurance Company**
(Sacramento, CA) – P&C
- ❖ **UHA Health**
(Honolulu, HI) - Health





Our Work with Governmental Risk Pools & JPAs Extends Beyond Our Clients



Association of Governmental Risk Pools

- SAA is a Patron of AGRIP's Quality Education Initiative
 - A select group of risk pooling partners that support AGRIP's mission to make members more effective, collaborative, and informed
 - We occasionally speak at their Governance & Leadership Conference or Fall Education Forum



NLC-RISC

- SAA is a frequent speaker at NLC-RISC's Trustees Conference, incl.:
 - How to Help Your Trustees Fulfill their Investment Responsibilities
 - Investment and Economic Outlook for Public Entity Pools



California Association of Joint Powers Authorities

- SAA is an Associate Member of CAJPA, as well as a member of its Finance Committee



Investment Seminar for Government Risk Pools

- SAA hosts an event tailored specifically for pools, reviewing the most important investment issues for pools.



Our Investment Philosophy



Investment Process

- Asset allocation drives the great majority of returns based on historical studies
- Accountability & Transparency is key within the overall process



Active Management Makes Sense for Fixed Income Mandates Due to:

- The less efficient nature of the asset class due to its over-the-counter structure
- The necessary customization involved in managing insurer fixed income portfolios



Passive Management Makes Sense for Developed Market Equity Mandates

- In general, passive management makes more sense for developed market equity mandates (Large Cap, Mid Cap, Small Cap) due to:
 - The greater level of efficiency in these markets
 - The higher level of fees associated with managing active equity mandates
 - The difficulty in outperforming benchmarks given the fee drag and adjusting for risk



In general, we don't believe alternatives (i.e. hedge funds), make sense for insurers due to:

- The high level of fees, potential lack of liquidity, agency problems and impact to capital ratios



What Services Do You Receive?

Summary of Deliverables

SWOT Analysis		Initial SWOT Analysis of the investment process, providing blueprint and priority ranking for improvement
Asset Allocation		Advice on the current investment asset allocation and risk profiles, subject to current insurance regulations
Policy Review		Review, consultation and recommendations about the client's investment policy and guidelines
Benchmarking		Advice on establishing benchmarks for the various investment managers
Ongoing Monitoring		Ongoing monitoring of investment portfolio holdings and risks
Manager Evaluation		Review, consultation and recommendations about the performance of the investment managers
Performance Reviews		Performance reporting and monthly/quarterly review with management
On-site Attendance		Attendance and performance reporting at Finance/Investment Committee meetings
Manager Selection		Recommendations and assistance in selecting outside investment managers, when/if necessary.
Peer Analysis		Development of an annual peer group analysis
Ad Hoc Analysis		Ad hoc investment related analysis as necessary





APPENDIX: HOW WE WORK / SERVICE EXAMPLES





Investment Process is Key



- **Strong investment results require a strong investment process. This goes beyond choosing the right investment manager.**
- **The SAA Philosophy: A consistent, proven approach to adding value that is documented for senior management and the Board.**





S.W.O.T. ANALYSIS





SWOT Overview

- A SWOT Analysis of the investment process serves as a background for SAA's existing assignment.
- This SWOT Analysis is not designed to be all-inclusive but merely a high-level view of the investment process.
- We highly recommend a follow-up discussion in order to better understand the key issues.





SWOT – A Blueprint For Success



Investment Manager Responsibility & Evaluation



STRENGTHS

- Portfolio is managed internally, which can provide good communication and feedback with the investment manager, while typically keeping direct cost of investment management lower than external manager fees.

WEAKNESSES

- By definition, internal investment management for all but large insurers usually has inherent deficiencies, including:
 - Fewer advanced analytic resources and less credit coverage than external managers
 - Less access to broader asset classes and securities (within and outside core fixed income)
 - Greater imbedded trading costs

OPPORTUNITIES

- For relatively efficient asset classes, we would highly recommend a passive, low cost ETF/Index Fund. The more efficient a market is, the lower the probability that consistent risk adjusted value can be added with active management.
- For other asset classes, consider separate accounts given mandate size.

THREATS

- Unless an insurer is large enough to support a varied investment staff, planned succession or unplanned absences can become problematical.



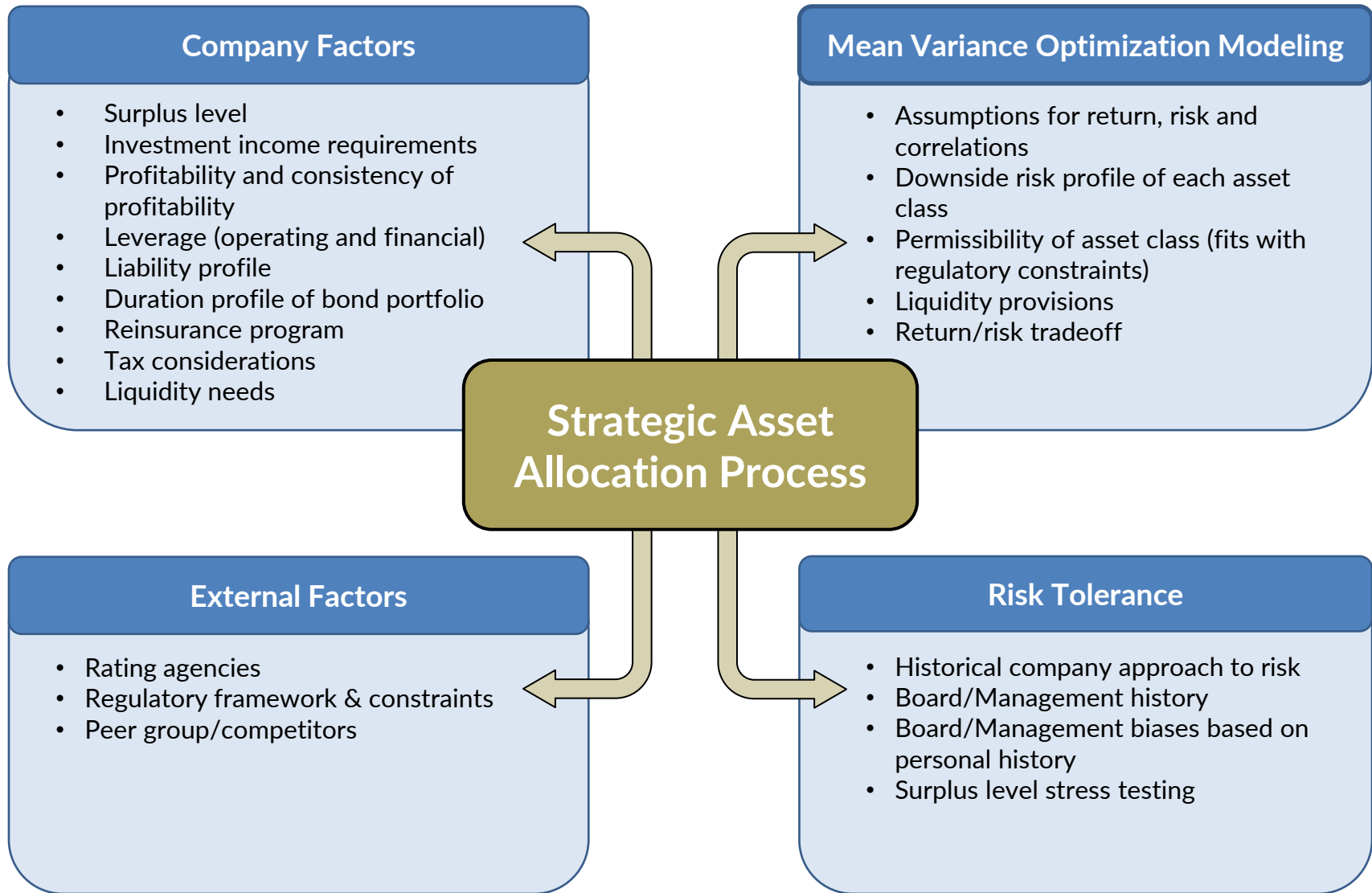


ASSET ALLOCATION / INVESTMENT POLICY



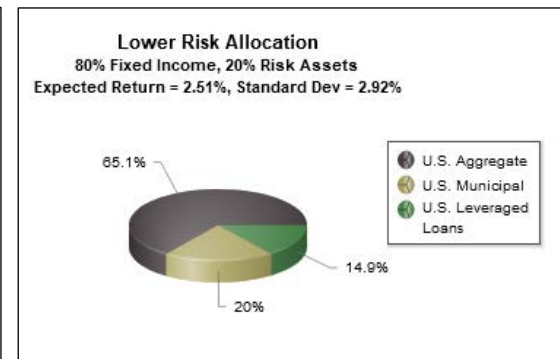
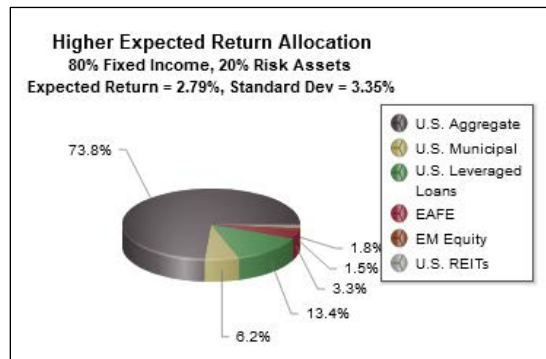
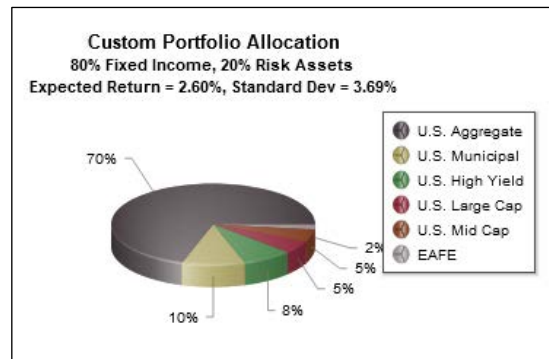
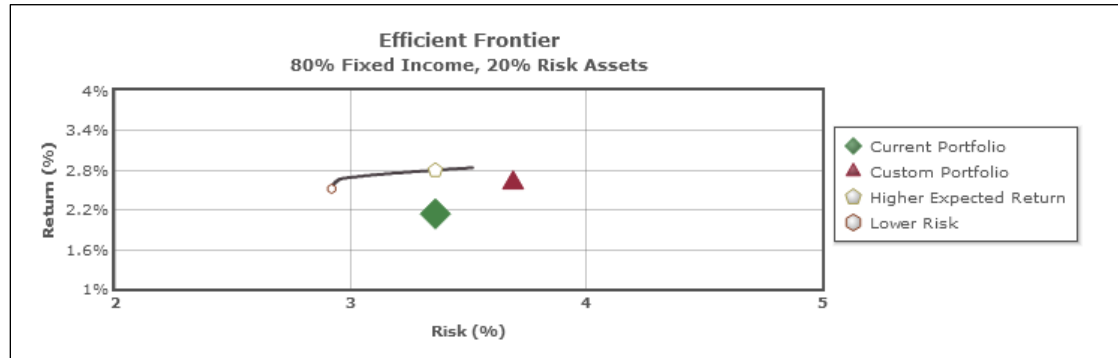
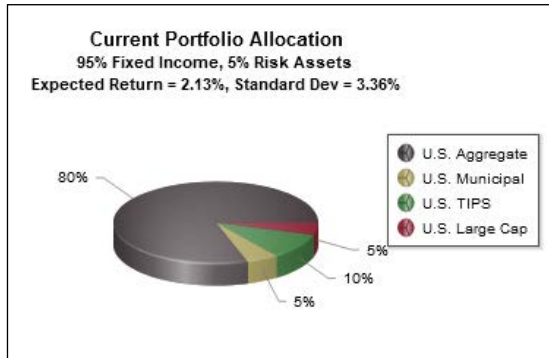


Allocate: Asset Allocation Process





Allocate: Asset Allocation – Efficient Frontier (Example)



- SAA integrates the results of efficient frontier analysis with the impact of company constraints, downside risk analysis and other variables, to develop a plan that will best achieve each client's objectives.





Allocate: Strategic Asset Allocation – Risk Asset Impact to Surplus (Example)

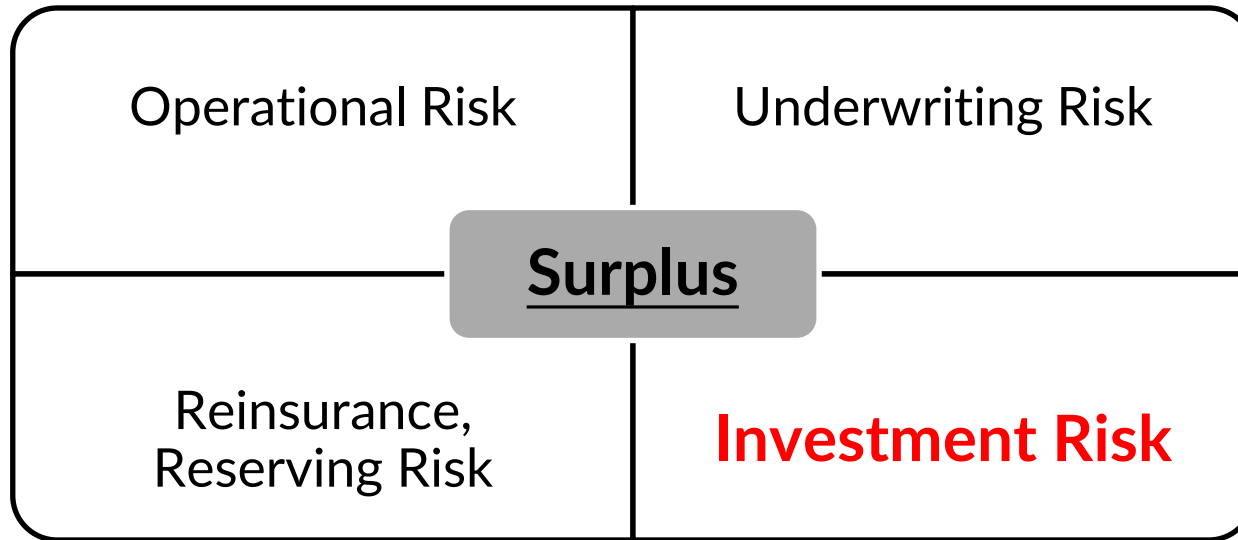
Risk Assets-to-Surplus Ratio	Net Assets/Surplus	Risk Assets	Risk Assets As % of Total Portfolio	Surplus Level (\$): Worst negative return trend	Downside Impact: As % of Surplus	Surplus Level (\$): Worst Calender Year Decline	Downside Impact: As % of Surplus
100%	\$35MM	\$35.0MM	43.80%	\$17.8MM	-49.00%	\$22.0MM	-37.00%
85%	\$35MM	\$29.8MM	37.20%	\$20.4MM	-41.60%	\$24.0MM	-31.40%
75%	\$35MM	\$26.2MM	32.80%	\$22.1MM	-36.70%	\$25.3MM	-27.70%
50%	\$35MM	\$17.5MM	21.90%	\$26.4MM	-24.50%	\$28.5MM	-18.50%
40%	\$35MM	\$14.0MM	17.50%	\$28.1MM	-19.60%	\$29.8MM	-14.80%
35%	\$35MM	\$12.2MM	15.20%	\$29.0MM	-17.20%	\$30.5MM	-12.90%
30%	\$35MM	\$10.5MM	13.10%	\$29.9MM	-14.70%	\$31.1MM	-11.10%
25%	\$35MM	\$8.8MM	11.00%	\$30.7MM	-12.30%	\$31.8MM	-9.30%
20%	\$35MM	\$7.0MM	8.80%	\$31.6MM	-9.80%	\$32.4MM	-7.40%
15%	\$35MM	\$5.2MM	6.50%	\$32.4MM	-7.30%	\$33.1MM	-5.60%
10%	\$35MM	\$3.5MM	4.40%	\$33.3MM	-4.90%	\$33.7MM	-3.70%
5%	\$35MM	\$1.8MM	2.20%	\$34.1MM	-2.50%	\$34.4MM	-1.90%

- The impact of risk asset declines on company surplus levels is a key component of SAA’s strategic asset allocation analysis given the implications these declines may have on a company’s ability to continue to operate as desired.



Allocate: An Integrated ERM Approach to Risk Management

Use an enterprise risk management approach when considering investment risk and utilize the matrix below to address the following questions:



- How much surplus does your organization need to:
 - Meet its members' needs;
 - Manage the risk exposures it is comfortable taking;
 - Maintain a cushion for contingencies.

Policy: Investment Policy & Guidelines

A Periodic “Best Practices” Review is Critical

- Provide peace of mind that the policy is relevant to today’s capital markets and the unique requirements of your insurer.
- Protect your insurer from the managers taking actions that have been a problem in other cases.

Key Components of ‘Best Practices’ Investment Policy:

- Preamble – Who? What? Roles and Responsibilities
- Investment Return and Management Objectives
- Asset Allocation and Risk Management Guidelines
- Identification of Appropriate Benchmarks
- Investment Performance Evaluation and Reporting
- Investment Policy and Guidelines Evaluation



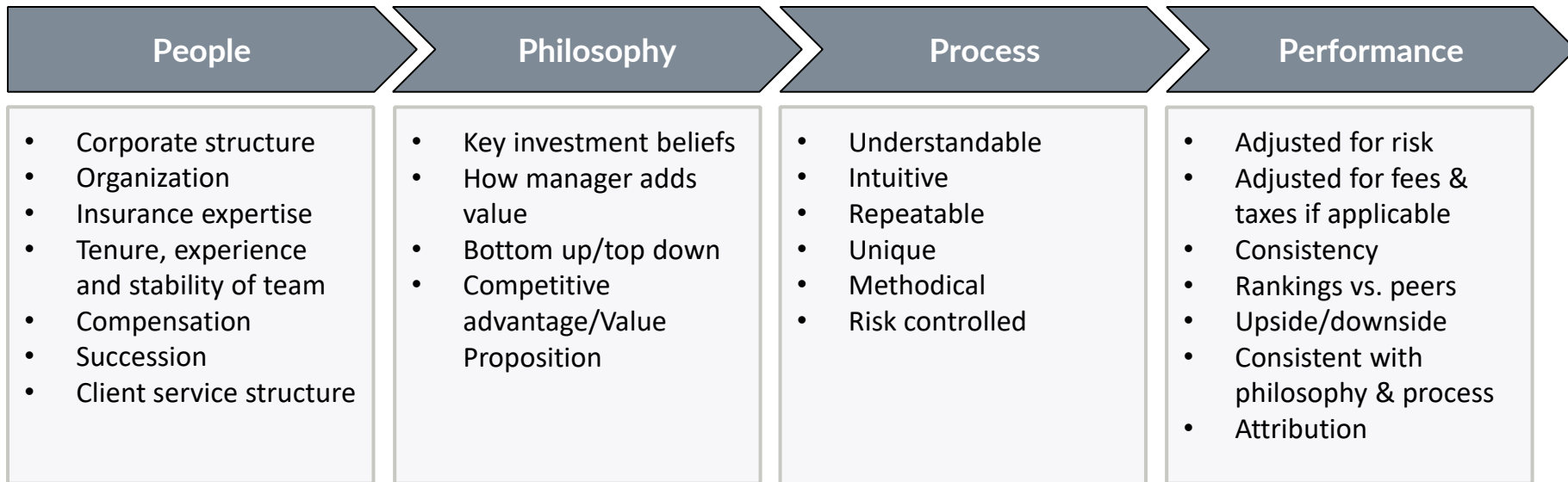
INVESTMENT MANAGER EVALUATION & SEARCH





Implement: Investment Manager Evaluation & Selection

- **Investment manager evaluation requires balancing the “four P’s” and requires both quantitative and qualitative analysis.**



- **SAA utilizes a proprietary database (Manager Select), maintained by its affiliate InsurerCIO, of ~70 fixed income managers with insurance specialization supplemented by third party databases and tools (e.g. Zephyr). For risk assets we use primarily third-party databases for analysis.**
 - Knowledge of the market enables selection of the manager with the best fit and best value proposition





(Sample) Steps to a Successful Investment Manager Search

1. Determine the organization's initial preferences.
2. Have a very specific timeline and plan.
 - ❑ Typically, the process takes between 90-120 days
3. Set criteria for search, and screen for initial list of managers.
4. Develop and transmit [a company specific questionnaire](#).
5. Recommend a final set of investment manager candidates. Transmit refined questionnaire, as necessary.
6. Schedule and attend finals presentation, assisting in final selection.
7. Schedule and attend manager due diligence visits, as necessary.
8. Negotiate acceptable fees. Establish service standards, including specific manager expectations.





(Sample) Expected Timeline - RFP Process

1. **Preparation:**
 - Develop a company-specific , investment manager questionnaire.
 - Identify and determine the number of RFP candidates.
2. **February 15th:** Distribute RFPs - RFP Candidate responses due to SAA in 15-20 business days.
3. **March 7th:** RFP due from candidates
4. **March 31st:** SAA submits RFP review presentation & finalist recommendations.
 - Includes RFP review, RFP candidate summaries, performance & fees analysis, SAA matrix ranking, & recommendations
5. **April-May:** Review the initial RFP analysis and finalist recommendations with Staff and/or the Board.
 - Selected and notify finalist candidates.
6. **May 12th:** Finalist Interviews (coincides with May IC & Board meeting)
 - Typically 3-4 finalists selected for interviews.
 - Schedule and/or attend manager due diligence visits.
 - Negotiate Investment Manager Agreement and acceptable fees.
 - Establish service standards, including specific manager expectations.
 - Schedule transition date.





ONGOING MONITORING & ANALYSIS





Monitor: Portfolio Monitoring



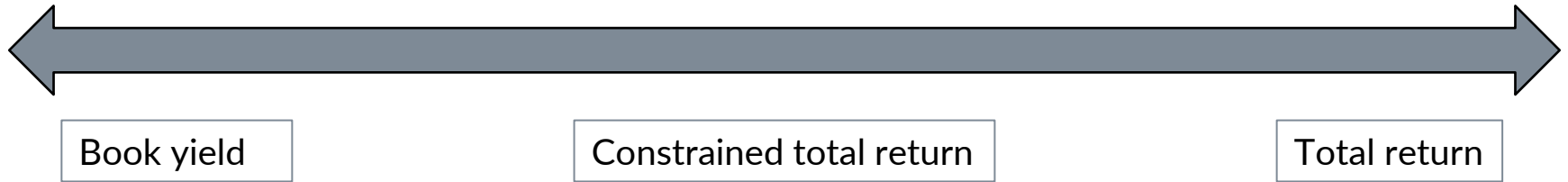
Portfolio Monitoring consists of several important components:

- Compliance monitoring
- Investment practices review
- Analytical reporting review
- Stress & sensitivity testing – potential impact on surplus, AM Best ratings, etc.
- Analysis of changing regulatory environment
- Turnover analysis
- Communication process
 - Routine vs. material event notification
 - Troubled credits – how does your manager's position compare to others?



Measure: Performance Measurement, Analysis & Reporting

Where do you fall on this objective continuum and why?



- If book income is the goal, this should be factored into the analysis of performance.
- Performance should be adjusted for risk, and fees. Risk-adjusted measures such as Sharpe Ratio and Information Ratio are important.
- Performance should be analyzed to determine why the portfolio performed as it did (attribution analysis).
- SAA reports are customized to the individual needs and circumstances of our clients. We are not bound by a “platform” but can include the information most relevant to you.



Summary Performance: As of March 31, 2022 (Sample)

Account / Index	Market Value ^{1,2}	% of Total Portfolio	Unrealized G/L	Book Yield	Q1-2022	Annualized				Inception Date ³
						1 Yr	3Yr	5Yr	Inception	
Consolidated Portfolio	\$143,492,342	100.0%	\$21,165,941	0.63%	-3.28%	-0.54%	4.52%	3.61%	3.48%	Jul-11
Market-Weighted Benchmark ⁴					-3.23%	-0.70%	4.41%	3.50%	3.52%	
Relative Performance					↓ -0.05%	↑ 0.16%	↑ 0.11%	↑ 0.11%	↓ -0.04%	
Fixed Income Portfolio	\$110,316,854	76.9%	(\$1,755,272)	2.21%	-4.62%	-3.95%	1.54%	1.92%	2.07%	Jun-10
80% Int Gov/Credit / 20% MBS ⁵	Duration: 4.08 Years / Market Yield 2.89%				-4.60%	-4.26%	1.31%	1.72%	2.02%	
Relative Performance					↓ -0.02%	↑ 0.31%	↑ 0.23%	↑ 0.20%	↑ 0.05%	
Risk Asset Portfolio	\$33,175,488	23.1%	\$22,921,213	2.74%	-2.24%	7.46%	11.37%	9.52%	8.80%	Jul-11
Market-Weighted Benchmark ⁶	Risk Assets to Surplus Ratio: 23.1% (Max 25%)				-2.11%	7.79%	11.73%	9.73%	9.07%	
Relative Performance					↓ -0.13%	↓ -0.33%	↓ -0.36%	↓ -0.21%	↓ -0.27%	
Risk Asset Performance Relative to Fixed Income					↑ 2.38%	↑ 11.41%	↑ 9.83%	↑ 7.60%		

Key Market Indices									
Barclays Capital U.S. Aggregate					-5.93%	-4.15%	1.69%	2.14%	
Barclays Intermediate U.S. Government/Credit					-4.51%	-4.10%	1.50%	1.81%	
Barclays Capital U.S. Corporate Investment Grade					-7.69%	-4.20%	3.02%	3.34%	FIXED INCOME
Barclays Capital U.S. Corporate High Yield					-4.84%	-0.66%	4.58%	4.69%	
Citigroup WorldBIG Index					-6.57%	-7.27%	0.40%	1.58%	
Russell 3000					-5.28%	11.92%	18.24%	15.40%	
MSCI EAFE Index					-5.79%	1.65%	8.29%	7.23%	
MSCI EM (EMERGING MARKETS)					-6.92%	-11.08%	5.31%	6.35%	EQUITY
MSCI World Index					-5.26%	7.73%	14.30%	12.20%	
MSCI World Ex. US Index					-5.33%	-1.04%	8.01%	7.26%	
Citigroup 3-month T-bill					0.03%	0.06%	0.76%	1.09%	CASH





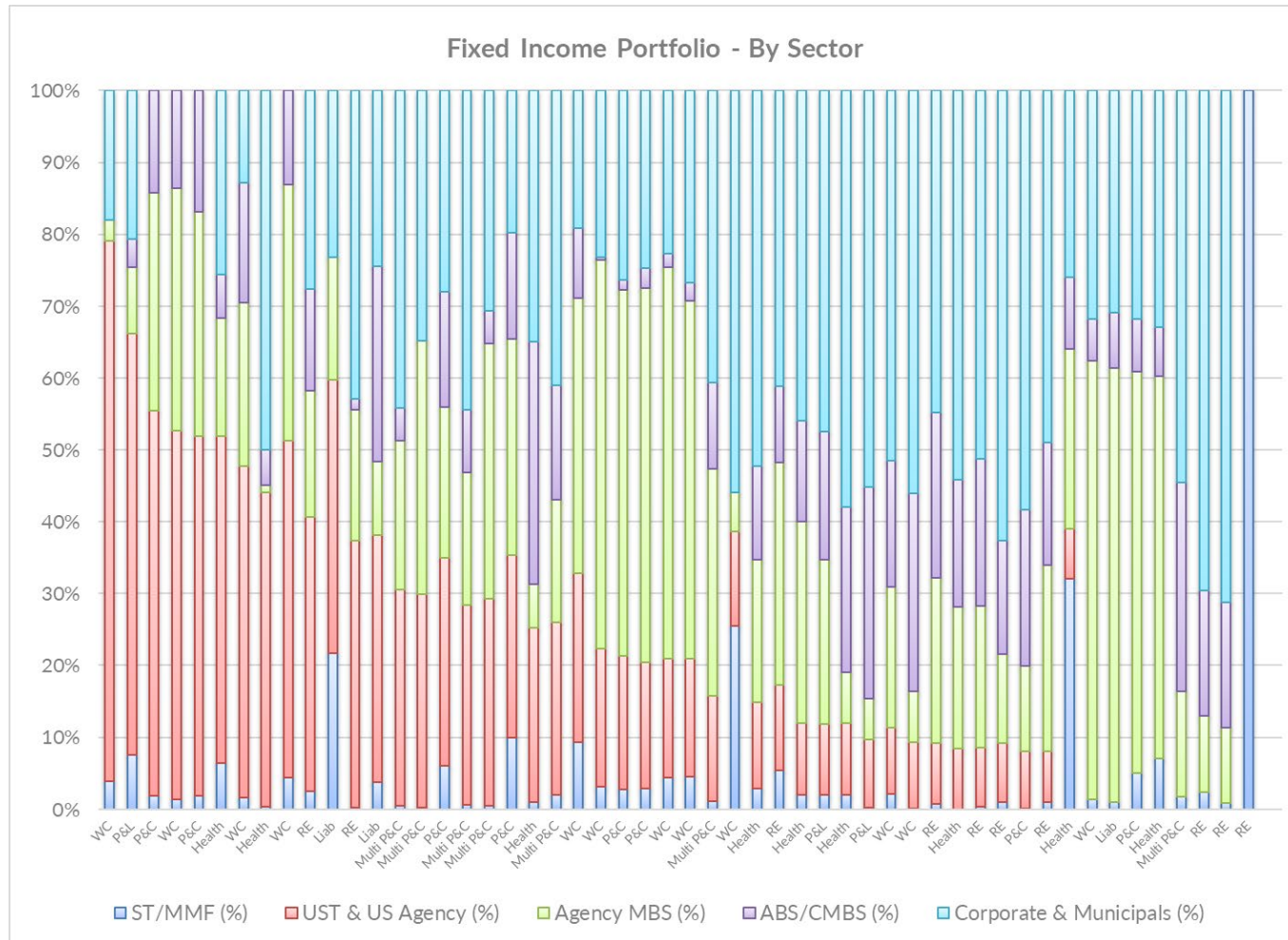
Peers: Peer Group Analysis

- How have peers structured their investment portfolios and how does it compare to what we have done?
- Are they using strategies, tactics or ideas we should consider?
- How does their investment structure mesh with their business – can this help us from a competitive perspective?
- We provide an analysis along a number of important metrics. Each analysis includes the following as well as what it means to you:

• Peer Group Analysis Summary	• Risk Assets/Surplus (Net Position)
• Risk Asset Allocation Breakdown	• Fixed Income Book Yield vs. Duration
• Risk and Total Portfolio Performance	• Investment Manager Fees



Pooling Peer Group: Fixed Income Allocation By Sector (Sample)



	ST/MMF (%)	UST & US Agency (%)	Agency MBS (%)	ABS/CMBS (%)	Corporate & Taxable Muni (%)
Max	100.00%	75.10%	60.98%	33.71%	71.17%
Median	2.00%	16.48%	20.89%	12.54%	33.90%
Average	5.82%	21.29%	25.12%	12.13%	35.36%



Education for Staff, Board, and Trustees

SAA Provides a Flexible Approach to Staff & Board/Trustee Education, Focusing on the Overall Process, Important Concepts, and Trending Strategies

Education Library:

an investment resource center for risk pools to learn the essential elements of investing:

www.InsurerCIO.com/Education

Education Sessions:

We provide overviews to help Board/Trustees interpret our presentations and reports

Case Studies:

SAA maintains a library of case studies based on real client experiences that can be presented by request. SAA will prepare a custom case study for topics not in our library

Insurer Investment Forum:

SAA hosts the only investment conference that focuses on all types of insurers, consisting of case studies, panels, etc.



**SAA is Committed to Client Education
that is Custom & Convenient**



STRATEGIC ASSET ALLIANCE

NON-DISCRETIONARY INVESTMENT ADVISORY SERVICES AGREEMENT

THIS AGREEMENT, dated as of the 15th day of **August, 2024** by and between SAA Advisors, Inc. dba Strategic Asset Alliance (the “Adviser”), having its principal place of business at 11 Bellwether Way, Suite 209, Bellingham, WA and **New Mexico County Insurance Authority / New Mexico County Reinsurance (“NMCIA”)** having its principal place of business at **444 Galisteo Street, Santa Fe, NM 87501**.

The undersigned (referring to any trustee, sponsor, administrator, custodian and/or any other authorized person or fiduciary signing as or for the “Client” or “Clients” as designated on the signature page of this Agreement) hereby employs SAA Advisors, Inc. dba Strategic Asset Alliance (the “Adviser”), according to the following terms and conditions:

1. **Scope of Advisory Services.** The Client hereby appoints the Adviser, and the Adviser hereby accepts the appointment, to perform the following non-discretionary investment services, as selected by the Client:
 - A. **Strategic Asset Allocation Analysis:** Review and recommendations regarding NMCIA’s strategic asset allocation, including risk tolerance. Including, recommending suitable asset classes for implementation for recommended allocation structure.
 - B. **Investment Policy Review:** Ongoing review, development and recommendations regarding NMCIA’s investment policy and guidelines.
 - C. **Benchmarking:** Review of benchmark indices and recommendations for overall and individual asset class portfolio benchmarks, including the development of custom benchmarks, if necessary.
 - D. **Investment Manager Evaluation:** Review of current investment manager(s). If necessary, conduct a fixed income manager search to identify a suitable partner to manage fixed income portfolio(s).
 - E. **Peer Group Analysis:** Annual investment peer analysis to determine how NMCIA compares to similar/peer companies.
 - F. **Performance Measurement:** Customized quarterly reporting, as requested, including performance assessment of overall portfolio and individual asset class portfolios.
 - G. **Portfolio Monitoring:** Ongoing monitoring of overall and individual portfolios for NMCIA. Including portfolio holdings and risks and evaluation of performance vs recommended market benchmarks.
 - H. Access to SAA’s affiliated www.insurercio.com website and its reporting and information resources.
 - I. Review of investment regulatory guidelines.

- J. Customized education sessions for the Committee, Management, or staff, as desired.
- K. Complimentary registration to SAA’s annual Insurer Investment Forum.
- L. Attendance at NMCIA Board/Committee and Management meetings, as necessary.
- M. Assistance in dealing with auditors and/or rating agencies on investment-related subjects, as necessary.
- N. Assistance with custodian due diligence, as needed.
- O. Assistance with other investment-related activities not specified above, as required by NMCIA.

The Client acknowledges that the services covered by this Agreement are non-discretionary and confer no investment authority or responsibility to the Adviser over any assets of the Client regardless of how such assets are held by the Client.

2. **Applicable Investment Guidelines.** The Adviser may deem it prudent, in performing its services hereunder, to solicit from, and/or review with, the Client the investment objectives, policies, instructions, limitations and/or designations of the Client (the “Client Documentation”). The Client acknowledges and agrees that the Client is responsible for ensuring the accuracy and the legality of the Client Documentation and that the Client Documentation is in compliance with governing documents. The Client represents that the Client Documentation and any other written information provided to the Adviser is accurate and complete, and the Client agrees that the Adviser and its agents or designees may each rely on such information in performing their responsibilities hereunder. The Client acknowledges and understands that it shall be the responsibility of the Client to promptly furnish the Adviser with written notice of changes in such Client Documentation or other written information provided by the Client to the Adviser.

3. **Client Representations and Acknowledgements.** The Client represents and/or acknowledges that: (a) this Agreement does not violate any obligations by which the Client is otherwise bound and upon execution and delivery, this Agreement will be binding upon the Client in accordance with its terms; (b) the Client has received Part II of the Adviser’s Form ADV; (c) the Client has delivered to the Adviser, and from time to time hereafter promptly will deliver to the Adviser, in writing, all of the information which the Adviser may require or reasonably request in order to perform its duties hereunder, and promptly will notify the Adviser, in writing, of any material changes in the information furnished; and (d) the Client is independent of and unrelated to the Adviser and its affiliates.

4. **Adviser Representations and Acknowledgements.** The Adviser represents and/or acknowledges that: (a) the Adviser is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940; (b) Adviser has delivered to the Client Part II of its Form ADV; and (c) to the extent required by law and in accordance with the Adviser’s privacy policy, Adviser will treat as confidential any information obtained from or about the Client or the Client’s Account through the performance of its obligations under this Agreement.

5. **Non-exclusivity.** It is understood that the Adviser performs investment advisory services for various clients. The Client agrees that the Adviser may give advice and take action in the performance of its duties with respect to any of its other clients which may differ with respect to the actions taken in the performance of its duties to the Client hereunder. The Advisor represents, however, that the Advisor shall not advise the Client to make any investments for which the Advisor receives a benefit, commission, or

other financial remuneration of any kind, and Advisor’s sole compensation from any source for investments made pursuant to this Agreement shall be the fee for services described in Section 7 of this Agreement.

6. **Limitation of Liability.** In providing services under this Agreement, the Client acknowledges that except for negligence, malfeasance or violation of applicable law, neither Advisor, nor its principals, directors, officers, employees or agents shall be liable for any damages, losses, expenses, or costs (including without limitation any attorneys’ fees) (collectively a “Loss”) arising out of or in connection with any acts or omissions or for any errors of judgment in performing its duties hereunder.

The Advisor agrees to hold harmless and indemnify the Client and its officers, employees and agents against any Loss which the Client may incur if and to the extent such Loss is caused by the Advisor’s or its agent’s or designee’s own actions or omissions or by any inaccuracy or breach by the Advisor of any of its representations or acknowledgements hereunder. Without limiting the foregoing indemnification in any way, the Advisor also agrees to hold the Client harmless and indemnify the Client against any Loss which the Client may incur or suffer under applicable laws, if and to the extent such Loss is caused by the inaccuracy or breach by the Advisor of any of the representations, warranties or obligations of the Advisor set forth in this Agreement.

The Client agrees to hold harmless and indemnify the Advisor and its principals, directors, officers, employees or agents against any Loss which the Advisor may incur if and to the extent such Loss is caused by the Client’s or its agent’s or designee’s (other than the Advisor) own actions or omissions or by any inaccuracy or breach by the Client of any of its representations or acknowledgements hereunder. Without limiting the foregoing indemnification in any way, the Client also agrees to hold the Advisor harmless and indemnify the Advisor against any Loss which the Advisor may incur or suffer under applicable laws, if and to the extent such Loss is caused by the inaccuracy or breach by the Client of any of the representations, warranties or obligations of the Client set forth in this Agreement. The Client understands that federal and/or state securities laws give rights to the Client that may not be waived by this Agreement. This Section 6 shall survive the termination of this Agreement.

The Client also acknowledges that the Advisor does not offer legal or tax advice and it is the separate responsibility of the Client to retain legal and tax professionals to the extent deemed necessary.

7. **Compensation.** The compensation due to the Advisor for this annual agreement is **\$65,000**, billed quarterly in advance. Reasonable travel-related expenses (*i.e. full fare coach*) will be billed separately at cost. Following completion of the second year of this agreement, this fee would be subject to review and/or annual inflation adjustments based on the CPI.

8. **Termination, Assignment and Amendment.** The Client acknowledges and understands that this Agreement may be terminated by either party to this Agreement at any time upon thirty (30) days’ prior written notice to the other party, with a pro-rata refund provided. No assignment (as defined in the Investment Advisers Act of 1940, as amended) of this Agreement by the Advisor shall be effective without the Client’s consent. Unless otherwise provided herein, any amendment of this Agreement shall require the written consent of both parties.

9. **Governing Law.** The Client understands that unless preempted by federal law, this Agreement shall be governed by the laws of the State of Washington without giving effect to any conflict of laws, principle, doctrine or statute.

10. **Notices.** The Client understands that unless subsequent written notice is given, any notice, report or other written communication provided to a party may be mailed to such party’s address as stated

on the signature page of this agreement. Pursuant to SEC Release 1562, the Client permits the Adviser to provide SEC-required information via electronic communication. The client acknowledges that electronic communications may include non-public information. This Agreement serves as notice that the Client will receive communications and disclosure information from the Adviser via electronic communication. The Client acknowledges that it has received, upon the signing of this Agreement, the Adviser’s Form ADV and Privacy Notice.

11. **Severability.** If any part of this Agreement is determined to be illegal, invalid, or unenforceable, then such part will be considered severed from this Agreement and the remainder of the Agreement will continue in full force and effect.

12. **Entire Agreement.** This Agreement (and any accompanying exhibits) represents the entire agreement between the parties and expressly supersedes any prior written or oral agreement.

AGREED TO AND EXECUTED this ___ day of August, 2024.

Client:
**NEW MEXICO COUNTY INSURANCE
AUTHORITY / NEW MEXICO COUNTY
REINSURANCE**

Adviser:
**SAA ADVISORS, INC. dba STRATEGIC ASSET
ALLIANCE**

Signature

Signature

Print Name

Alton Cogert
President & CEO

Title (if signing in representative capacity)

Address to which notices will be sent:

**11 Bellwether Way, Ste. 209
Bellingham, WA 98225**

Address to which notices will be sent:

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

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

<u>Item Number:</u> 4.D.	<u>Item Title:</u> Appoint Members to Fill Sub-committee Vacancies
<u>Presenter (s):</u> Grace Philips, Risk Management Director	
Motion by:	Seconded by:



NMCIA Committees

LITIGATION CLAIMS COMMITTEE

<p>Lisa Sedillo-White <i>Bernalillo Deputy County Manager for General Services</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work: 505-468-7013 Cell: 505-264-9440 E-Mail lswwhite@bernco.gov</p>	<p>Kate Fletcher <i>Cibola County Manager</i></p> <p>700 Roosevelt Ave., – Suite 50 Grants, NM 78020 Work (505) 285-2590 Cell (505)285-8052 Kate.fletcher@co.cibola.nm.us</p>	<p>Danny Monette <i>Valencia County Manager</i></p> <p>Valencia County Manager 444 Luna Ave. Los Lunas, NM 87031 Work (505)866-2014 Danny.monette@co.valencia.nm.us</p>
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<p>Charlene Webb <i>Grant County Manager</i></p> <p>PO Box 898 Silver City, NM 88062 Work (575) 574-0008 Cell (575) 574-8675 cwebb@grantcountynm.gov</p>

Alternate:
Gregory S. Shaffer
Santa Fe County Manager
 102 Grant Ave.
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 Work (505) 986-6200
gshaffer@santafecountynm.gov

FINANCE AND AUDIT COMMITTEE

<p>Gregory S. Shaffer <i>Santa Fe County Manager</i></p> <p>102 Grant Ave. Santa Fe, NM 87504 Work (505) 986-6200 gshaffer@santafecountynm.gov</p>	<p>Brandy Thompson <i>Union County Manager</i></p> <p>200 Court St. / PO Box 430 Clayton, NM 88415 Work (575) 374-8896 ext. 4 Cell (575) 207-8896 brandy.thompson@unionnm.us</p>	<p>Shirley Ragin <i>Bernalillo Deputy County Manager of Finance</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work (505)468-7308 Cell (505) 250-4621 sragin@bernco.gov</p>
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<p>Lisa Sedillo-White <i>Bernalillo Deputy County Manager for General Services</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work: 505-468-7013 Cell: 505-264-9440 lswwhite@bernco.gov</p>
--

Alternate:
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Curry County Manager
 417 Gidding, Suite 100
 Clovis, NM 88311
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 Cell (575)799-1405
lpyle@currycounty.org

UNDERWRITING COMMITTEE

<p>Lisa Sedillo-White <i>Bernalillo Deputy County Manager for General Services</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work: 505-468-7013 Cell: 505-264-9440 lswhite@bernco.gov</p>	<p>Gregory S. Shaffer <i>Santa Fe County Manager</i></p> <p>102 Grant Ave. Santa Fe, NM 87504 Work (505) 986-6200 gshaffer@santafecountynm.gov</p>	<p>Lance Pyle <i>Curry County Manager</i></p> <p>417 Gidding, Suite 100 Clovis, NM 88311 Work (575) 763-6016 Cell (575)799-1405 lpyle@currycounty.org</p>
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Cynthia Singleton
Claims Manager

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cynthia.singleton@sjcounty.net

Alternate:

Kate Fletcher
Cibola County Manager

700 Roosevelt Ave. – Suite 50
Grants, NM 78020
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Cell (505)285-8052
Kate.fletcher@co.cibola.nm.us

STRATEGIC PLANNING COMMITTEE

<p>VACANT</p>	<p>Brandy Thompson <i>Union County Manager</i></p> <p>200 Court St. / PO Box 430 Clayton, NM 88415 Work (575) 374-8896 ext. 4 Cell (575) 207-8896 brandy.thompson@unionnm.us</p>	<p>Lisa Sedillo-White <i>Bernalillo Deputy County Manager for General Services</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work (505) 468-7013 Cell (505) 264-9440 lswhite@bernco.gov</p>
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Staff:

Grace Philips
Risk Management Director

Cynthia Stephenson
Risk Management Specialist

Lori Urban
Asst. Risk Management Director

DETENTION COMMITTEE

<p>Shirley Ragin <i>Bernalillo Deputy County Manager for Finance</i></p> <p>415 Silver SW Albuquerque, NM 87102 Work: 505-468-7308 Cell: 505-250-4621 sragin@bernco.gov</p>	<p>VACANT</p>	<p>Name <i>Detention Affiliate Representative</i></p> <p>Street Address City/State/Zip Work (xxx) xxx-xxxx Cell (xxx) xxx-xxxx email</p>
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Staff:

Grace Philips
Risk Management Director

Greg Rees
Loss Prevention Manager

Mark Allen
General Counsel

Clay Corn
Loss Prevention Specialist

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

<u>Item Number:</u> 5.A.	<u>Item Title:</u> 2025 Meeting Schedule
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

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

<u>Item Number:</u> 5.B.	<u>Item Title:</u> Litigation Claims Committee Schedule
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

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

<u>Item Number:</u> 5.C.	<u>Item Title:</u> AGRiP Culture Survey
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

NMC Culture Assessment

- Survey completed in July 2024
- 29 participants responded
- Coordinated through AGRiP for interpretation in a pooling environment

Traditional

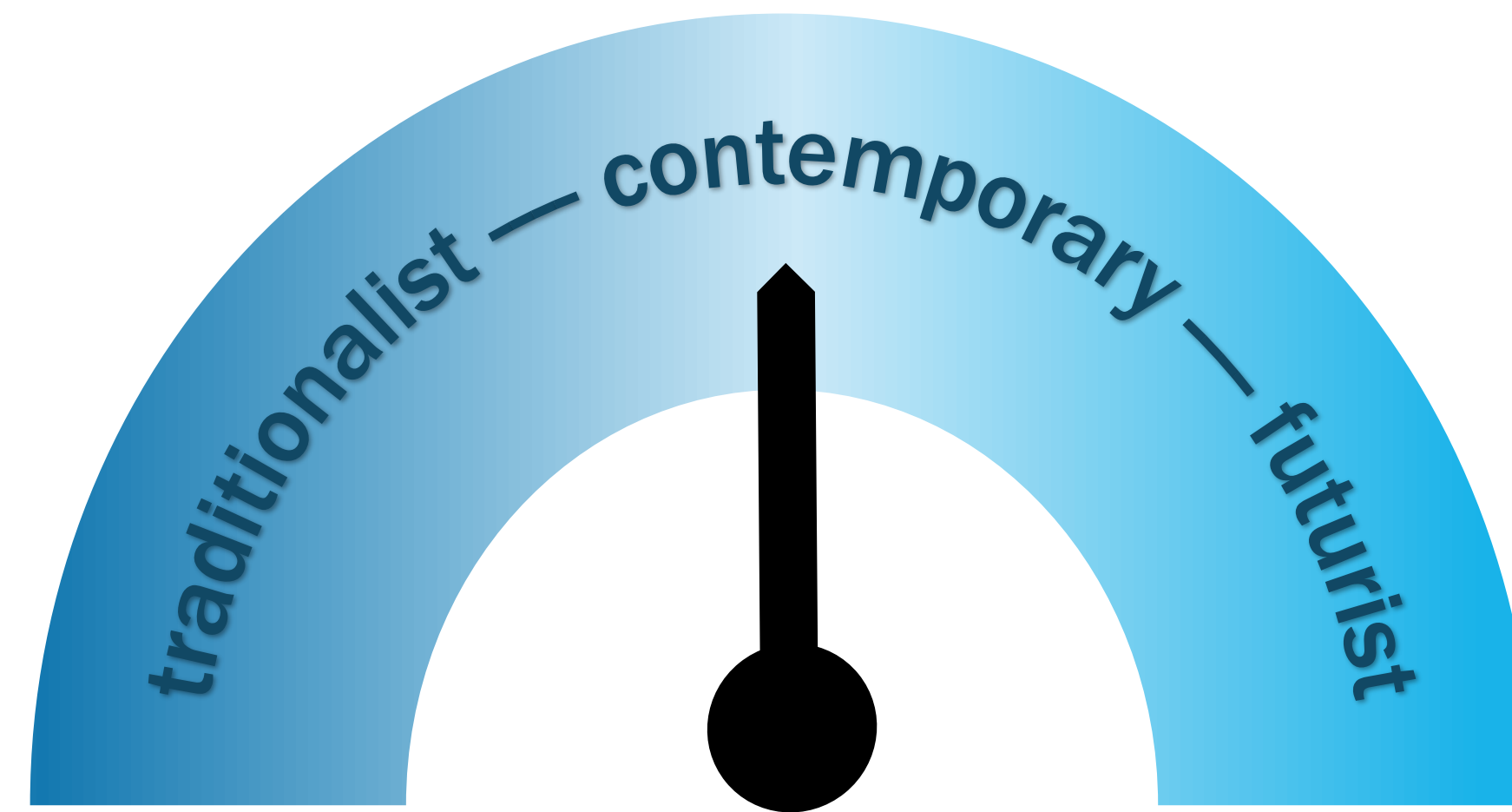
The pool operates within a hierarchy and prefers stable operations based on activities and metrics similar to those used historically.

Contemporary

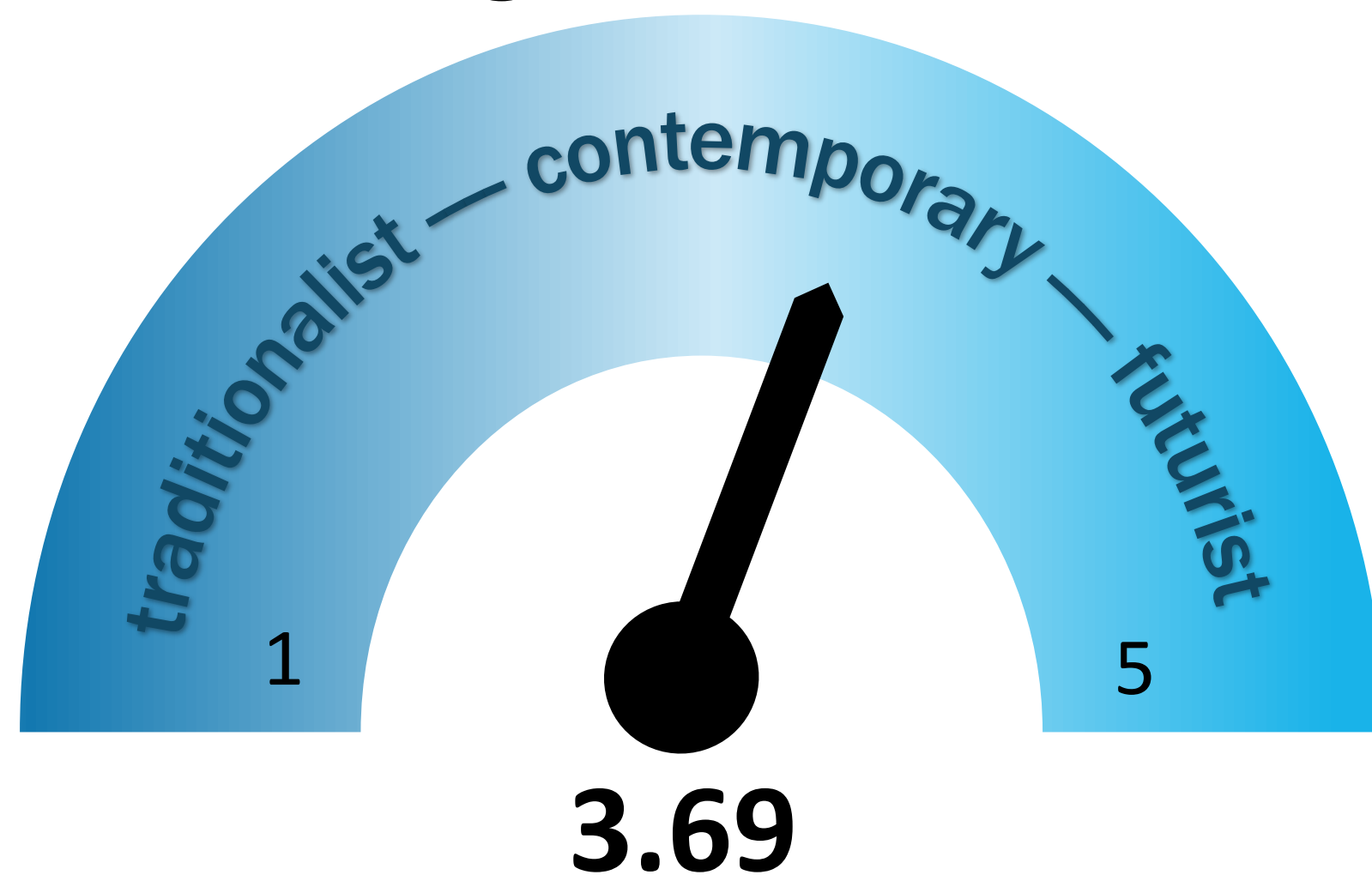
The pool operates in mostly traditional ways but is moving toward a futurist culture in some areas.

Futurist

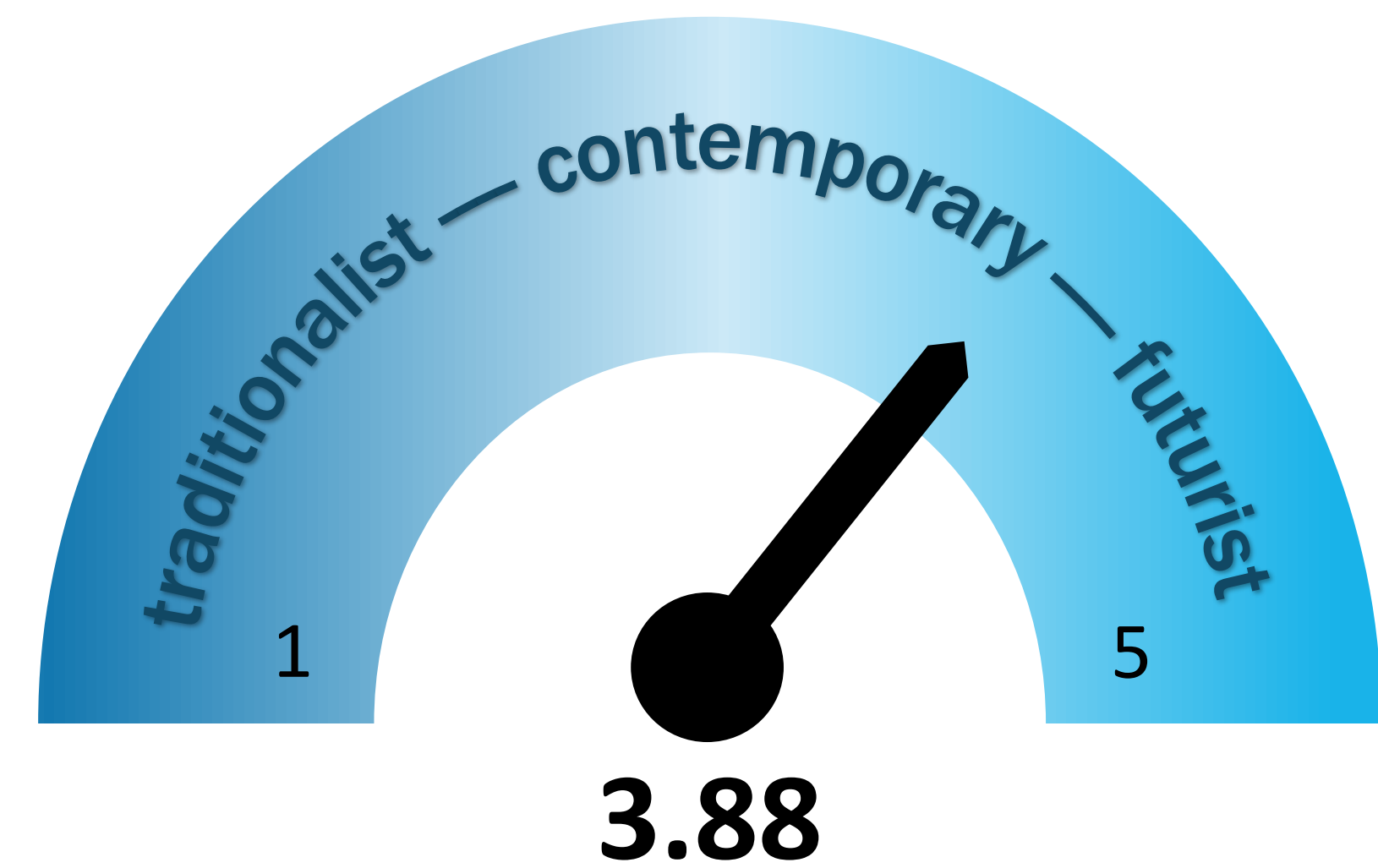
The pool operates with a fluid hierarchy and complete transparency of information, valuing rapid innovation and agility.

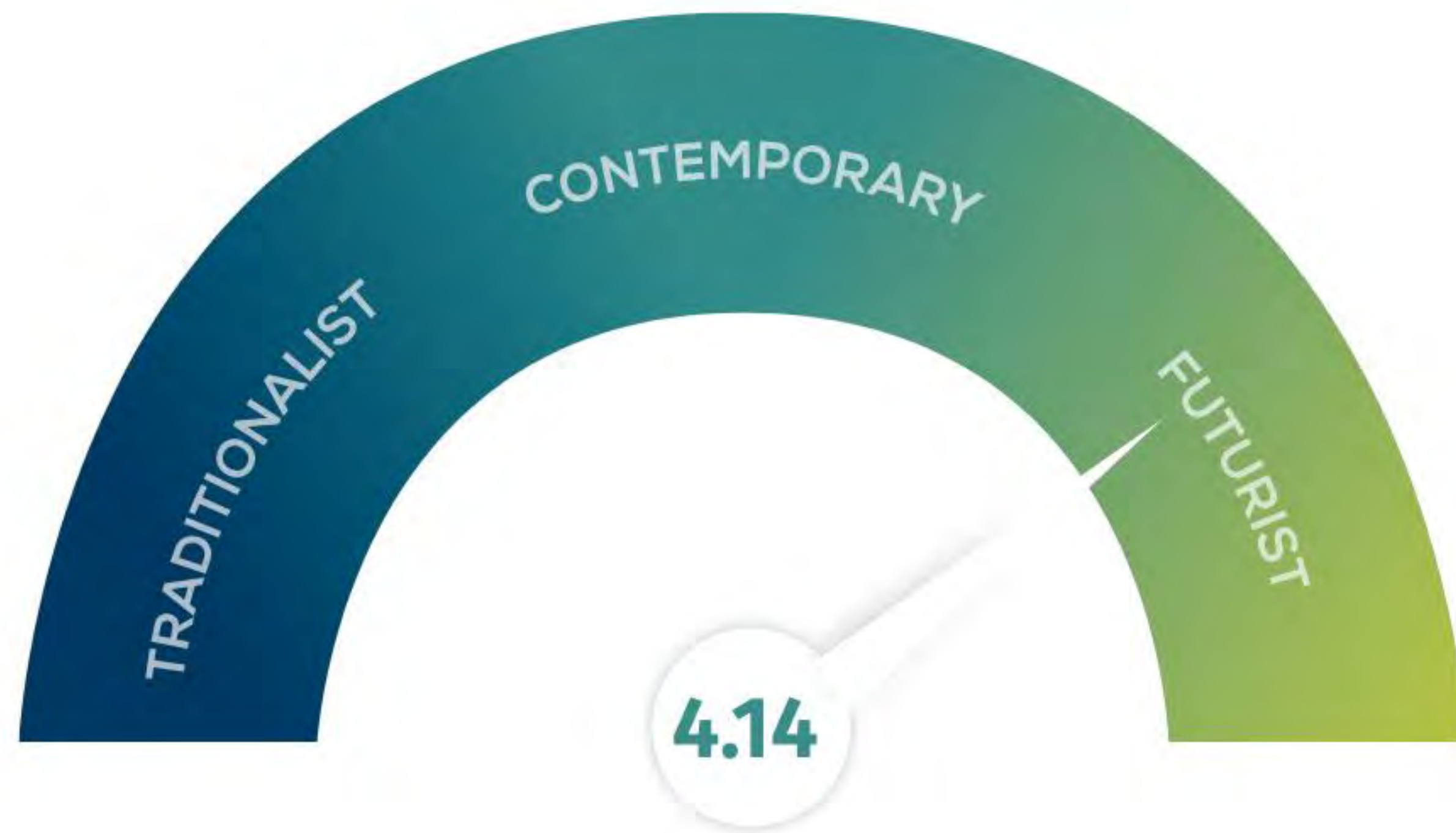


All Organizations



AGRiP Member Pools





NMCMIA results

Your organization is **Futurist**

Culture Markers

 **AGILITY**

How the pool **manages change**, removes obstacles and distributes control

 **COLLABORATION**

How the pool facilitates **working together** and manages operational silos

 **GROWTH**

How the pool **develops people** and champions well-being

 **INCLUSION**

How the pool supports authenticity and **wide participation**

 **INNOVATION**

How the pool is creative, future-focused, risk-taking and **experimental**

 **SOLUTIONS**

How the pool **solves problems** and meets needs (internally and externally)

 **TECHNOLOGIES**

How the pool leverages technology and embraces a **digital mindset**

 **TRANSPARENCY**

How the pool builds trust and **shares info** reactively and proactively

● Futurist ● Contemporary ● Traditionalist



CULTURE MARKERS	ALL ORGS	AGRIP MEMBER POOLS	OUR SCORES
Agility	3.52	3.65	3.98
Collaboration	3.80	4.02	4.24
Growth	3.78	4.02	4.24
Inclusion	3.92	4.14	4.39
Innovation	3.69	3.80	4.01
Solutions	3.61	3.81	4.10
Technologies	3.60	3.91	4.07
Transparency	3.60	3.89	4.09

Culture Building Blocks and Patterns

Agility

Agility: 3.98

How the pool **manages change**, removes obstacles and distributes control

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Quality Management (A8)	We can move quickly while still maintaining quality	3.80	4.04	4.35
Managing Change (A1)	We embrace change	3.62	3.75	3.96
Distribution of Power (A2)	Knowledge/expertise matters more than title/tenure	3.57	3.73	4.08
Decision Making and Problem Solving (A4)	People can make decisions even if they are not in charge	3.55	3.56	3.96
Assignment of Responsibility (A7)	Work is shared not based on who owns it, but who can best get it done	3.53	3.73	3.88
Leadership Facilitation (A6)	The senior level gets out of the way	3.49	3.48	3.88
Efficiency (A5)	We eliminate activity that's not moving us to our goal (stopping things)	3.34	3.50	3.65
Changing Directions (A3)	If something is broken, we can fix it with ease (fixing things)	3.28	3.67	4.08

Heavy Agility

Agility: 3.98

Valuing **forward action** more than **effective action**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
forward action	Quality Management (A8)	We can move quickly while still maintaining quality	1	1	4.35
	Managing Change (A1)	We embrace change	2	4	3.96
	Distribution of Power (A2)	Knowledge/expertise matters more than title/tenure	3	2	4.08
	Decision Making and Problem Solving (A4)	People can make decisions even if they are not in charge	4	5	3.96
effective action	Assignment of Responsibility (A7)	Work is shared not based on who owns it, but who can best get it done	5	7	3.88
	Leadership Facilitation (A6)	The senior level gets out of the way	6	6	3.88
	Efficiency (A5)	We eliminate activity that's not moving us to our goal (stopping things)	7	8	3.65
	Changing Directions (A3)	If something is broken, we can fix it with ease (fixing things)	8	3	4.08

Collaboration

Collaboration: 4.24

How the pool facilitates **working together** and manages operational silos

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Sharing the Workload (C4)	If I ask someone for help, they generally will help me	4.38	4.55	4.65
Leveraging Relationships (C5)	The relationships we have at work help us get more done	4.02	4.11	4.15
Facilitation (C7)	We are good facilitators here	3.98	4.27	4.54
Teaming Up (C6)	I can work with people from other groups without needing permission	3.89	4.18	4.31
Communications Platforms (C2)	We use our tools/platforms to collaborate with others	3.75	4.17	3.92
Egos in Check (C8)	We put aside pride in order to collaborate	3.69	3.84	4.31
Boundaries, Borders and Territories (C3)	We bust our silos; we're not territorial	3.39	3.54	4.08
Cross-Functional Communications (C1)	We know what info other groups need to collaborate with us and we share it.	3.32	3.67	3.92

Awkward Collaboration

Collaboration: 4.24

Valuing **collaborative individuals** more than **collaborative groups**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
collaborative individuals	Sharing the Workload (C4)	If I ask someone for help, they generally will help me	1	1	4.65
	Leveraging Relationships (C5)	The relationships we have at work help us get more done	2	5	4.15
	Facilitation (C7)	We are good facilitators here	3	2	4.54
	Teaming Up (C6)	I can work with people from other groups without needing permission	4	4	4.31
collaborative groups	Communications Platforms (C2)	We use our tools/platforms to collaborate with others	5	7	3.92
	Egos in Check (C8)	We put aside pride in order to collaborate	6	3	4.31
	Boundaries, Borders and Territories (C3)	We bust our silos; we're not territorial	7	6	4.08
	Cross-Functional Communications (C1)	We know what info other groups need to collaborate with us and we share it.	8	8	3.92

Growth

Growth: 4.24

How the pool **develops people** and champions well-being

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Passion and Purpose (G5)	The work we do matters	4.28	4.41	4.58
Pool Citizenship (G4)	We care about making the community a better place	4.04	4.36	4.58
Constructive Feedback (G6)	We welcome comments from others even if we disagree	3.86	3.98	4.31
Core Value Accountability (G8)	We are evaluated on our core values	3.77	4.10	4.08
Exercising Judgement (G7)	I can exercise my own judgment/initiative	3.68	3.85	4.15
Feedback and Improvement (G1)	Somebody talks to me about my performance and progress	3.66	3.84	4.08
Health and Welfare (G3)	The pool cares about my health and welfare and shows it	3.62	4.11	4.15
Training and Development (G2)	The pool spends money on me learning new things	3.34	4.00	3.96

Intangible Growth

Growth: 4.24

Valuing **aspirational growth** more than **developmental growth**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
aspirational growth	Passion and Purpose (G5)	The work we do matters	1	2	4.58
	Pool Citizenship (G4)	We care about making the community a better place	2	1	4.58
	Constructive Feedback (G6)	We welcome comments from others even if we disagree	3	3	4.31
	Core Value Accountability (G8)	We are evaluated on our core values	4	6	4.08
personal growth	Exercising Judgement (G7)	I can exercise my own judgment/initiative	5	4	4.15
	Feedback and Improvement (G1)	Somebody talks to me about my performance and progress	6	7	4.08
	Health and Welfare (G3)	The pool cares about my health and welfare and shows it	7	5	4.15
	Training and Development (G2)	The pool spends money on me learning new things	8	8	3.96

Inclusion

Inclusion: 4.39

How the pool supports authenticity and **wide participation**

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Acceptance (I4)	I can be myself around others who are higher in the hierarchy	4.28	4.40	4.65
Diversity (I2)	I work with people who are different	4.22	4.33	4.58
Authenticity (I1)	I can be my whole self	4.18	4.16	4.54
Autonomy (I6)	I have autonomy in my job	4.15	4.25	4.62
Ownership (I3)	I have a sense of ownership in the success of the organization	3.91	4.19	4.27
Clarity on Success (I8)	I am clear on what drives the success of the organization	3.60	4.01	4.12
Involvement in Decisions (I7)	We involve different levels in planning	3.55	3.90	3.81
Work/Life Integration (I5)	Our commitment to hard work doesn't interfere with living life fully	3.47	4.28	4.50

Micro Inclusion

Inclusion: 4.39

Valuing **individual differences** more than **structural inclusion**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
individual differences	Acceptance (I4)	I can be myself around others who are higher in the hierarchy	1	1	4.65
	Diversity (I2)	I work with people who are different	2	3	4.58
	Authenticity (I1)	I can be my whole self	3	4	4.54
structural inclusion	Autonomy (I6)	I have autonomy in my job	4	2	4.62
	Ownership (I3)	I have a sense of ownership in the success of the organization	5	6	4.27
	Clarity on Success (I8)	I am clear on what drives the success of the organization	6	7	4.12
	Involvement in Decisions (I7)	We involve different levels in planning	7	8	3.81
	Work/Life Integration (I5)	Our commitment to hard work doesn't interfere with living life fully	8	5	4.50

Innovation

Innovation: 4.01

How the pool is creative, future-focused, risk-taking and **experimental**

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Future Focus (N3)	We focus on the future; we're not stuck in the past	3.95	3.59	4.00
Inspiration (N4)	My colleagues do work that is inspiring	3.89	3.95	4.08
Permission to Hack (N7)	If I try something new, my manager backs me up	3.88	3.99	4.31
Creativity (N5)	I get to be creative in my job	3.79	4.00	4.15
Continuous Improvement (N8)	We don't use the "we've always done it that way" excuse	3.61	3.91	3.88
Experimentation (N6)	We create containers within which we can run experiments	3.53	3.62	4.08
Risk Taking (N1)	We take risks; failure is okay	3.49	3.59	4.08
Testing New Ideas (N2)	We beta test new ideas internally and externally	3.36	3.32	3.50

Incomplete Innovation

Innovation: 4.01

Valuing **innovation concepts** more than **innovation practices**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
innovation concepts	Future Focus (N3)	We focus on the future; we're not stuck in the past	1	6	4.00
	Inspiration (N4)	My colleagues do work that is inspiring	2	3	4.08
	Permission to Hack (N7)	If I try something new, my manager backs me up	3	1	4.31
	Creativity (N5)	I get to be creative in my job	4	2	4.15
	Continuous Improvement (N8)	We don't use the "we've always done it that way" excuse	5	7	3.88
innovation practices	Experimentation (N6)	We create containers within which we can run experiments	6	4	4.08
	Risk Taking (N1)	We take risks; failure is okay	7	5	4.08
	Testing New Ideas (N2)	We beta test new ideas internally and externally	8	8	3.5

Solutions

Solutions: 4.10

How the pool **solves problems** and meets needs (internally and externally)

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Member Influence (S7)	Members and stakeholders influence what we do	4.18	4.33	4.35
Customized Engagement (S4)	We can customize our benefits, etc.	3.72	3.73	4.19
Accountability (S6)	We evaluate the quality of our decisions	3.70	3.89	3.96
Flexibility (S1)	I can work wherever, whenever I need to	3.69	3.78	4.23
External Awareness (S2)	We're in touch with what's happening globally and adapt	3.64	3.97	4.04
Tailored Responses (S3)	We respond to the unique needs of employees	3.45	3.80	4.23
Incorporating Outside Perspectives (S5)	We bring in outside voices	3.31	3.65	3.92
People-Centric Solutions (S8)	We design the organization around the needs of employees	3.16	3.60	3.85

Shallow Solutions

Solutions: 4.10

Valuing **solving problems** more than **meeting needs**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
solving problems	Member Influence (S7)	Members and stakeholders influence what we do	1	1	4.35
	Customized Engagement (S4)	We can customize our benefits, etc.	2	4	4.19
	Accountability (S6)	We evaluate the quality of our decisions	3	6	3.96
	Flexibility (S1)	I can work wherever, whenever I need to	4	3	4.23
meeting needs	External Awareness (S2)	We're in touch with what's happening globally and adapt	5	5	4.04
	Tailored Responses (S3)	We respond to the unique needs of employees	6	2	4.23
	Incorporating Outside Perspectives (S5)	We bring in outside voices	7	7	3.92
	People-Centric Solutions (S8)	We design the organization around the needs of employees	8	8	3.85

Technologies

Technologies: 4.07

How the pool leverages technology and embraces a **digital mindset**

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Systems Awareness (T6)	We have a good sense of what customers experience with us	3.82	4.10	4.12
Operating Flow (T8)	Our policies are clear	3.77	4.04	4.19
Obstacles to Progress (T7)	People don't feel inhibited or hamstrung	3.69	3.89	4.23
Modernity (T3)	Our workplace is modern	3.63	3.82	4.00
Leveraging Functionality (T1)	We fully leverage the functionality of our technology	3.53	3.85	3.92
Resources and Support (T4)	If I need a resource, I can get it easily	3.51	4.11	4.15
Competitive Technology (T2)	Our technology is as good or better than our competitors	3.43	3.61	3.88
Reliable Technology (T5)	My work is free from internal technology glitches	3.38	3.85	4.04

Incrementally Digital

Technologies: 4.07

Valuing **digital mindsets** more than **digital tools**

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
digital mindsets	Systems Awareness (T6)	We have a good sense of what customers experience with us	1	4	4.12
	Operating Flow (T8)	Our policies are clear	2	2	4.19
	Obstacles to Progress (T7)	People don't feel inhibited or hamstrung	3	1	4.23
	Modernity (T3)	Our workplace is modern	4	6	4.00
digital tools	Leveraging Functionality (T1)	We fully leverage the functionality of our technology	5	7	3.92
	Resources and Support (T4)	If I need a resource, I can get it easily	6	3	4.15
	Competitive Technology (T2)	Our technology is as good or better than our competitors	7	8	3.88
	Reliable Technology (T5)	My work is free from internal technology glitches	8	5	4.04

Transparency

Transparency: 4.09

How the pool builds trust and **shares info** reactively and proactively

BUILDING BLOCK	DESCRIPTION	AGGREGATE SCORE	POOL AGGREGATE SCORE	OUR SCORE
Trust in Each Other (Y1)	We trust each other	4.04	4.19	1
Information Credibility (Y2)	Information is meaningful and believable	3.77	4.11	2
Knowledge Sharing (Y7)	If I ask people for information, they share it	3.68	3.93	4
Managing Conflict (Y5)	We confront and handle our conflict	3.59	3.67	7
Strategic Direction and Alignment (Y8)	People understand strategy and use it in decisions	3.59	3.95	6
Information Quantity (Y6)	We create systems/processes to get more information to more people	3.46	3.68	8
Hard Truths (Y4)	Senior level is honest about tough decisions they make	3.34	3.83	5
Information Availability (Y3)	Default is that info is shared unless there is reason to keep it private	3.33	4.00	3

Lagging Transparency

Transparency: 4.09

Valuing **reactive** more than **proactive** sharing

	BUILDING BLOCK	DESCRIPTION	AGGREGATE RANKING	OUR RANKING	OUR SCORE
reactive	Trust in Each Other (Y1)	We trust each other	1	1	4.38
	Information Credibility (Y2)	Information is meaningful and believable	2	2	4.19
	Knowledge Sharing (Y7)	If I ask people for information, they share it	3	4	4.12
	Managing Conflict (Y5)	We confront and handle our conflict	4	7	3.92
proactive	Strategic Direction and Alignment (Y8)	People understand strategy and use it in decisions	5	6	4.00
	Information Quantity (Y6)	We create systems/processes to get more information to more people	6	8	3.92
	Hard Truths (Y4)	Senior level is honest about tough decisions they make	7	5	4.00
	Information Availability (Y3)	Default is that info is shared unless there is reason to keep it private	8	3	4.15

Agreement Index

Interpreting the Agreement Index

The agreement index measures standard deviation in employee responses to certain question blocks.

Lower scores indicate more agreement, meaning there is more consistency in respondents' feelings about the pool's culture.

Higher Agreement SCORES OF 0.8 OR BELOW

- Quality Management
- Sharing workload
- Facilitation
- Cross Functional Communication
- Passion purpose
- Corporate citizenship
- Acceptance
- Autonomy
- Diversity
- Authenticity
- Work life integration
- Permission to hack
- Customer influence
- Tailored responses
- Customized engagement
- Global awareness
- People centric solutions
- Competitive technology
- Information credibility, availability, sharing

Medium Agreement SCORES FROM 0.81 TO 0.99

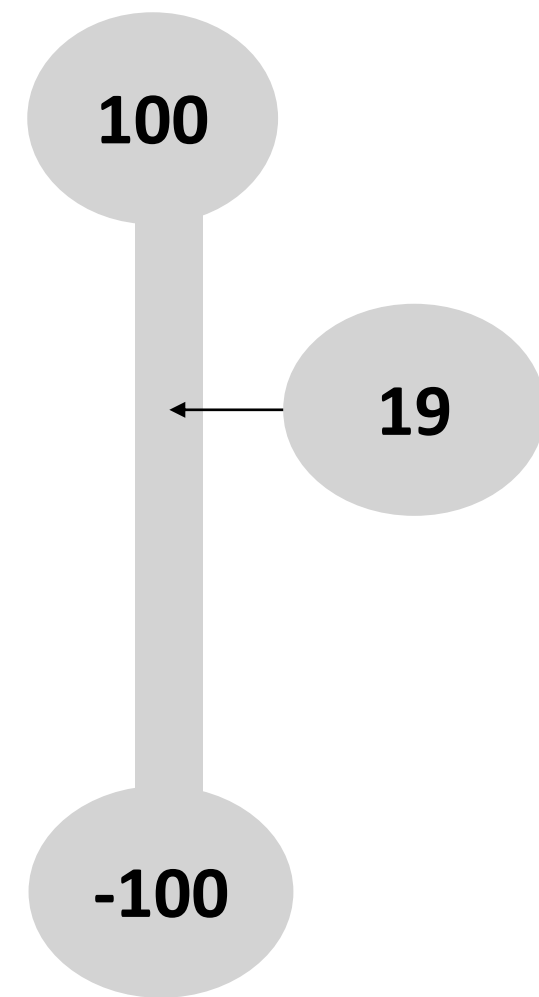
All other standards fell into this medium agreement score

Lower Agreement SCORES OF 1.0 OR ABOVE

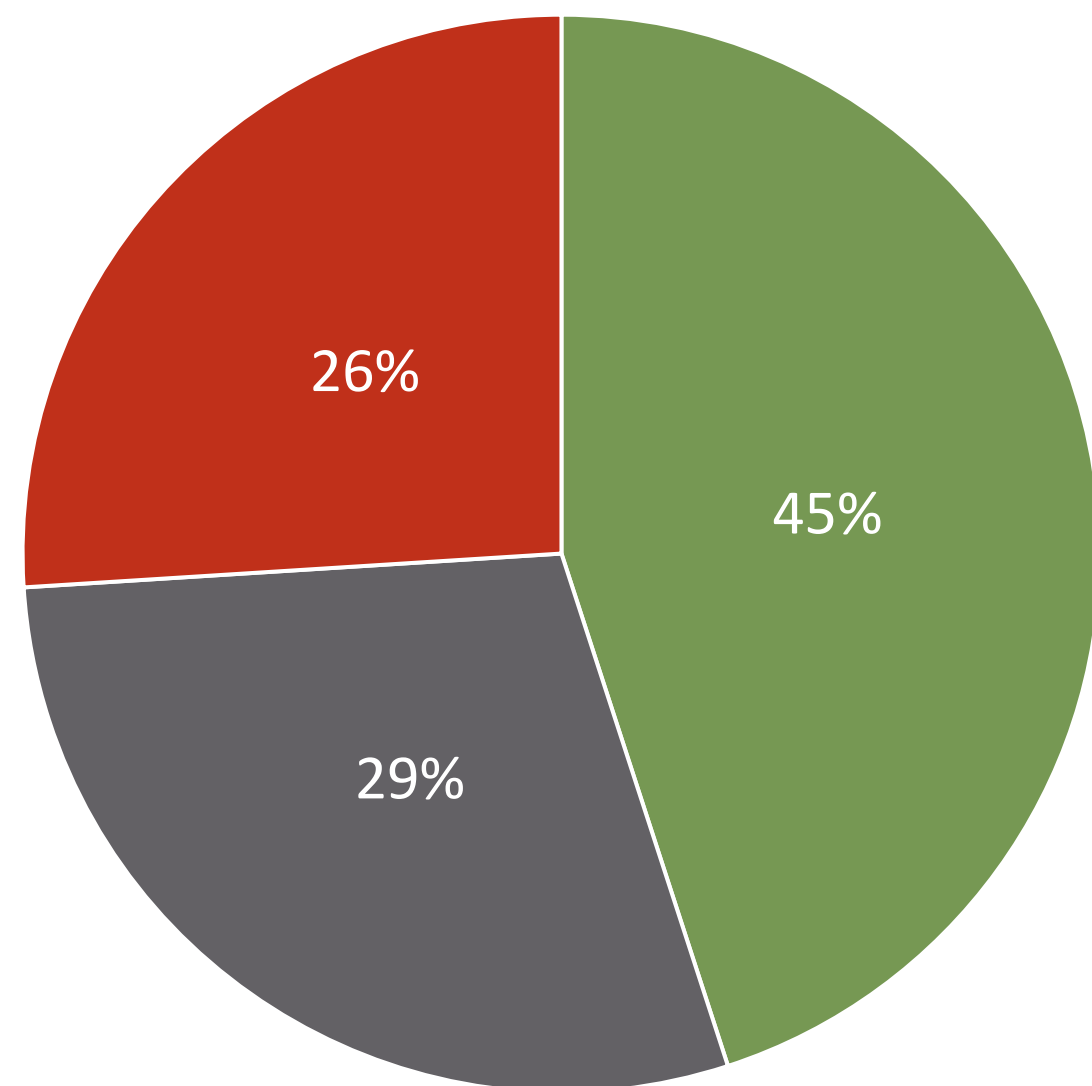
- Feedback and Improvement
- Continuous improvement
- Accountability
- Hard truths (1.11)

Net Promoter Score

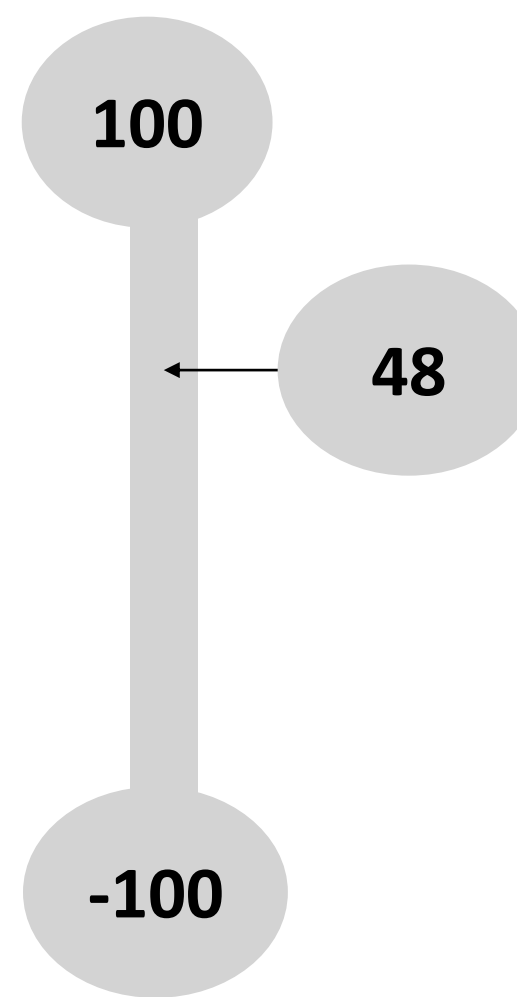
All Organizations



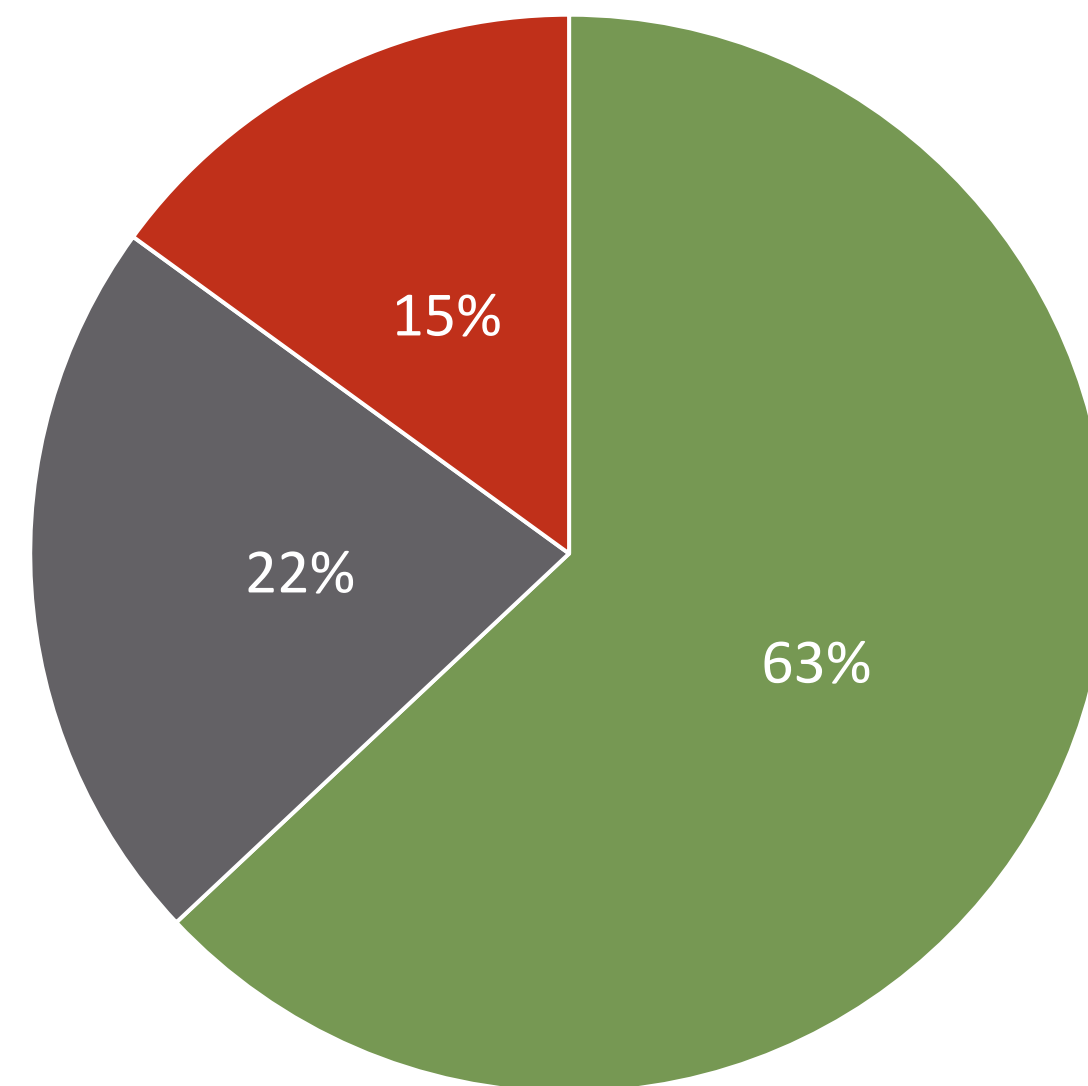
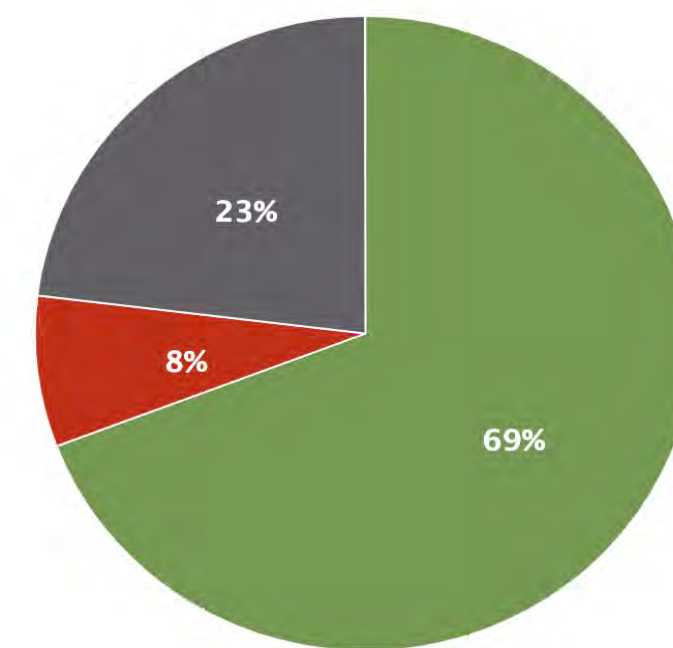
■ Promoters ■ Passive ■ Detractors



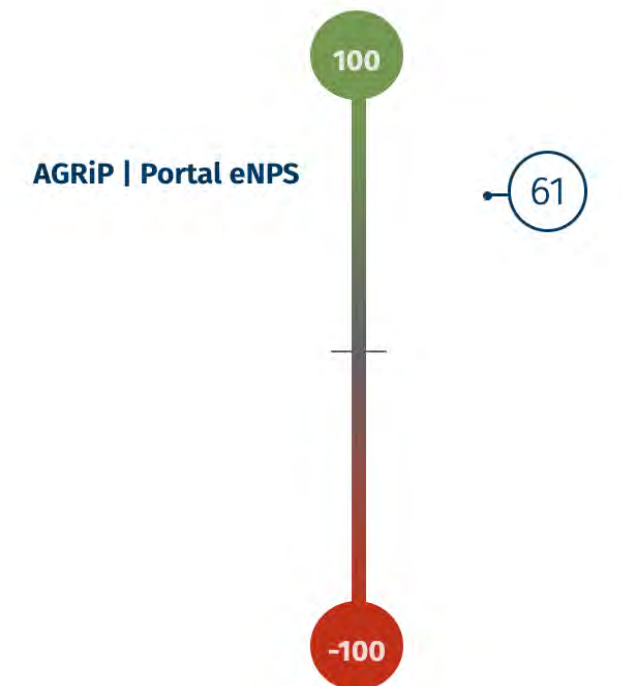
AGRiP Member Pools



● PROMOTERS ● PASSIVE ● DETRACTORS

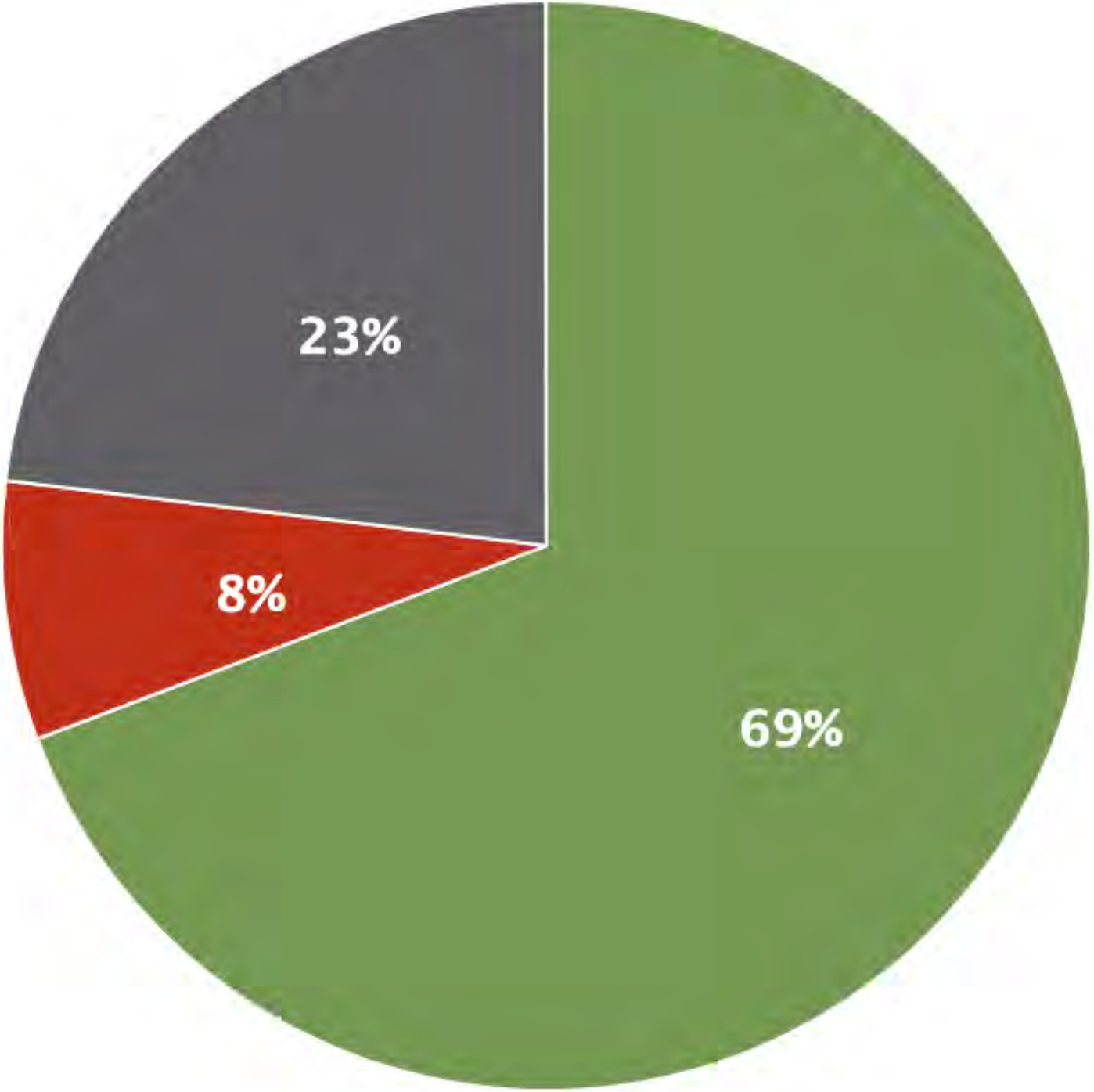


Our Pool

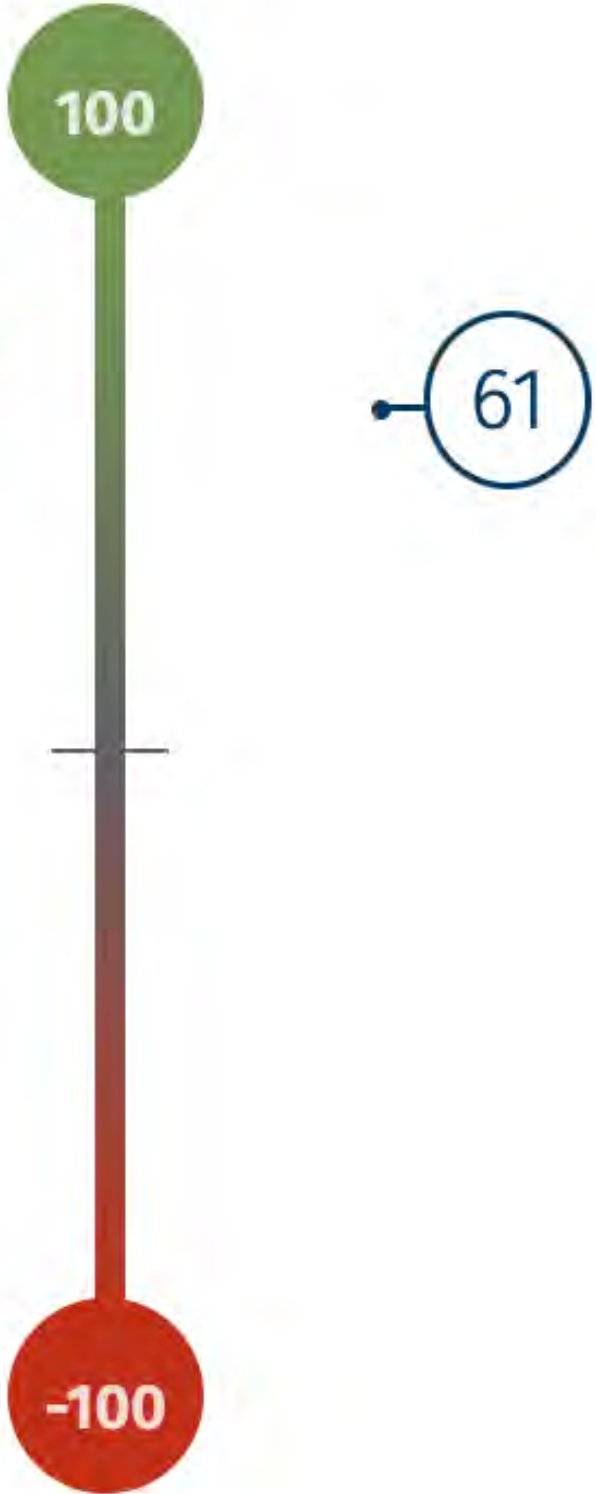


NMCIA Net Promotor Score

PROMOTERS PASSIVE DETRACTORS



AGRiP | Portal eNPS



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

<u>Item Number:</u> 6.A.	<u>Item Title:</u> Report from CRL Governance Conference
<u>Presenter (s):</u> Michael Eshelman, NMCIA Board Member Jhonathan Aragon, NMCIA Board Member	

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

<u>Item Number:</u> 8.A.	<u>Item Title:</u> Executive Director Update
<u>Presenter (s):</u> Joy Esparsen, Executive Director	



Memorandum

Date: August 14, 2024
To: NMCI Board of Directors
From: Joy Esparsen
Re: Executive Director Update

2025 Legislative Initiatives

Members of the NMC Legislative Committee, and affiliates with legislative initiatives, met on July 9th to review 21 proposals developed during the Annual Conference. In addition to the legislative proposals, the NMC Legislative Team discussed several HB2 appropriation requests anticipated during the 2025 legislative session. The recommendations from the NMC Legislative Committee were presented to the NMC Board of Directors on Thursday, August 1st.

The initiatives selected as priorities for the 2025 Legislative Session include:

1. HB2 Appropriations
 - Request to Increase the Detention Reimbursement Fund
 - Continued Courthouse Funding
 - Continued Detention Recruitment Fund
 - Continued Fire & Emergency Recruitment Fund
 - Continued EMS Services
 - Continued 700 MHz Radios
2. IPRA Improvements
3. Equitable Disclosure
4. Humanitarian and Law Enforcement Resources to Address Border-Related Crime (title subject to change)

Additional legislative initiatives endorsed by the Board for affiliate advocacy include:

Assessors

- Increase Head of Family Exemptions
- Deadline to Apply for Disabled Veterans Exemption

Attorneys

- Statutory Revisions & County Government Statutory Clean Up
- State to Pay for County Facilities Occupied by State Agencies
- Legal; Representation for Counties
- Disposal of Personal Property

Clerks

- Marriage License Fee Increase
- Update to Statistical Formula for Post Election Audits

Commissioners

- Behavioral Health Treatment

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GIS

- Amendment to Enhanced 911 Act
- Census Edge District Maps for Public Bodies

Health Services

- OSI Updates to the Health Care Consolidation Oversight Act

Treasurers

- Changes to Installment Agreements 7-38-68 and 7-38-69 for Delinquent Property Taxes

Special Legislative Session

Prior to the July 18th special legislative session, members of the NMC Legislative Team met with several legislators and representatives from the Governor's Office to discuss legislative proposals for Assisted Outpatient Treatment Centers, competency proposals, and additional law enforcement reporting requirements. We were able to provide important insights on current county practices and existing statutes. Ultimately, none of the proposals that passed had a direct impact on county operations. We anticipate that some of the crime and behavioral health proposals will be revisited during the 60-day session.

On July 18th the 56th Legislature met for a special session called by Governor Lujan Grisham to address crime. The governor's public safety package, comprised of eight bills that addressed criminal competency standards, mental health treatment, crime reporting, pedestrian safety, gun violence, drug overdoses, and wildfire relief. She also added three bills in the final hours before the session to address fentanyl distribution and racketeering but none of that came to fruition. All bills were assigned to committees and never heard.

The Legislature did appropriate a significant amount of fire relief money in the feed bill that funds the legislature. HB1 appropriated the following for fire relief:

- \$10M to Mescalero Apache for losses caused by South Fork and Salt Fires
- \$10M to Department of Energy and Minerals for wildfire mitigation
- \$10M to the Department of Homeland Security for individuals making insurance claims due to flooding and fire
- \$70M to the Board of Finance to provide zero interest reimbursable loans to political subdivisions of the state that have been approved for federal public assistance funding for projects to replace or repair public infrastructure damaged by the Salt and South Fork fires.

An additional appropriation of \$3M was made to the Administrative Office of the Courts for outpatient treatment programs and competency diversion pilot programs. The next Legislative Finance Committee will be August 20-22nd in Ruidoso. NMC legislative staff will be in attendance to begin working on 2026 NMC budget requests.

Assessors' Equity and Transparency Meetings

The Assessors' Affiliate, in collaboration with NMC, hosted its second tax stakeholder meeting on August 6th in Doña Ana County. These meetings are being facilitated at the request of the Speaker of the House Javier Martinez to discuss commercial property tax disclosure and equity. Invitees include Assessors, Commissioners, Managers, legislators, as well as representatives from local businesses, the Realtors' Association, and Chambers of Commerce. Additional meetings will be held as follows:

September 11, 2024 - Chaves County Commission Chamber
 October 1, 2024 - San Miguel County (Las Vegas TBD)
 December 4, 2024 - Santa Fe County Commission Chamber

2024 NACo Annual Conference

Executive Director Joy Esparsen and Administrative Services Director Susan Mayes attended the 2024 NACo Annual Conference in Tampa, FL along with 41 New Mexico delegates. Key takeaways include the adoption of NACo annual policy platform, installation of new officers to include President James Gore of Sonoma County, CA; First Vice President Judge J.D. Clark of Wise County, TX; Second Vice President George Dunlap of Mecklenburg County, NC and Immediate Past President Mary Jo McGuire of Ramsey County, MN. Featured workshops included election security, disaster recovery, implementation of artificial intelligence, addressing behavioral health, and much more. One of the highlights of the conference included special Presidential appointments for the following New Mexico members:

Jhonathan Aragon, Valencia	NACo Board of Directors At-Large Appointment
Randall Ryti, Los Alamos	Environment, Energy and Land Use Steering Committee Energy Subcommittee Chair
Katharine Clark, Santa Fe	Finance, Pensions & Intergovernmental Affairs Elections Subcommittee Vice Chair
Wayne Johnson, Sandoval	Finance, Pensions and Intergovernmental Affairs Steering Committee Fiscal Policy and Pensions Subcommittee Chair

State and Federal Grants

Bureau of Land Management (BLM) Wildfire Risk Reduction Grant Program (WRRGP)

- Submitted grant modification #1 for awards totaling \$1,016,522, which includes awards and administrative fees
- NM Department of Health (DOH) Personal Protection Equipment (PPE) Grant Program
- Contract period: April 1, 2022 – June 30, 2024
- 24 county detention facilities received funds
- Total reimbursements ~\$1,200,000
- NMC administrative fee \$179,000

Conference and Events

On August 5th, NMC staff met with county representatives to discuss potential locations for NMC Annual Conferences in 2026, 2027, and 2028. Based on this discussion, McKinley, Luna, and Lea have agreed to prepare RFP responses by September 18th for Board consideration at the October 4th in Los Alamos.

NMC is encouraging counties to save the date for the Better Informed Public Officials (BIPO) Conference which will be held December 10th-12th in Albuquerque for newly elected officials, veteran officials, and County Managers. Staff is in the process of contracting with the Marriott Pyramid hotel in Albuquerque.

NMC is currently seeking to fill positions for a new Loss Prevention Specialist and the Administrative Services Director position that will be available upon Susan Mayes' retirement at the end of August. NMCIA Risk Management Director Grace Philips and General Counsel

Mark Allen have both transitioned into their new roles as of July 1st and are quickly getting up to speed.

Recent rainfall has revealed significant leaks in the upper patio decking of the NMC Albuquerque office. An insurance claim has been filed for corrective action. In addition to the roof repairs, new security cameras, a remote doorbell, and lighting control panel will be installed at the Albuquerque office in mid-August. NMC will also be implementing new security cameras and a new alarm system in the Santa Fe office.

Additional Meetings & Initiatives:

NACo Annual Conference
County Reinsurance Limited Governance Conference
NCCAE Monthly Meeting
NM State Forestry Legislative Meeting
Luna College Wildfire Resiliency Training Center Advisory Council
Department of Finance & Administration Monthly Meeting
DFA Budget Workshop
NM Finance Authority/Water Trust Board of Directors
NMFA Nominating Committee
NMFA Finance and Disclosure Meeting
NMFA Public Lending Meeting
NMCIA Claims Committee Meetings
NMC Legislative Team Meeting
2024-2025 ClearGov Revenue Sharing Contract Signed
2024-2026 New Mexico Legislative Reports Contract Signed
2024-2026 Government Relations Contract Signed
2024-2027 CSAC Business Partner Development Contract Signed
2024-2029 American Institute of Architects Lease Signed
Senior Staff Meeting & All Staff Meeting
Retirement Luncheon for Taylor Horst and James Chavez
BIPO Conference Planning
NMC Contribution Letters and Annual Accomplishments
Roll out of new Business Partner Program
Sage Intact Meeting on Business Partnerships

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



2023-2024 County Member Engagement

President	Mark Cage, Eddy County Sheriff
President Elect	Annie Hogland, Curry County Clerk
Vice President	Terri Fortner, San Juan County Commissioner
Past President	Jhonathan Aragon, Valencia County Commissioner

Legislative Advocacy

\$75M	Match Fund
\$50M	Removal of TRD 3% Admin. Fee
\$25M	Detention Recruitment
\$25M	Firefighter & EMT Recruitment
\$25M	Courthouse Funding
\$11M	EMS Bureau
\$5M	Detention Reimbursement Fund
\$2.5M	DoIT 700 MHz Radios
\$218.5M	Local Government Appropriations

HB236/SB87: Public Safety Return to Work
 SJR16: Remove Elected Official Salary Cap
 New Mexico Legislative Reports Services

Loss Prevention

Course Title	Attendees
Overview of Drug and Alcohol Testing	11
Suicide Prevention	8
Harassment Prevention	509
Whistle While You Work	113
Proper Recruiting and Interviewing	68
Workplace Violence	144
Effective Employee Discipline	165
16-HR Verbal De-escalation	31
Crisis Intervention Training	32
40-HR Crisis Intervention Training	17
40-HR First Line Supervisor	10
Americans with Disabilities Act	104
Crisis Intervention Training - (CIT) 40-HR Basic	58
Instructor Development Train the Trainer	19
Interactions with Persons with Mental Illness	40
OSHA 30 General Industries	28
Overview of Drug and Alcohol Testing	86
Pregnant Workers Fairness Act	174
Religious Accommodations	9
Verbal De-Escalation	12
Grand Total	1,595

Conferences

Legislative Conference	918
Annual Conference	553

County Engagement in National Association of Counties

Conference Attendees	
Legislative Conference	52
Annual Conference	47
Steering Committee Members	
Agriculture & Rural Affairs	6
Community, Economic & Workforce	4
Environment, Energy & Land Use	8
Finance, Pensions, & Gov. Affairs	8
Health	1
Justice & Public Safety	8
Public Lands	5
Transportation	2
Federal Advocacy	
Payment in Lieu of Taxes	\$46.7M
Secure Rural Schools	\$9.8M
Special Projects	
National Public Lands Resource Center	
Operation Green Light for Veterans	

- ### Legal Advocacy
- ✓ GSD Employee Health Care Litigation
 - ✓ \$1.3 M Investment in Lexipol Policy Development Software

Grant Programs

BLM Wildfire Risk Reduction Grant Program

Claunch Pinto SWCD	\$20,000
Torrance County	\$20,000
Forest Stewards Guild	\$20,000
South Central Mtn RC&D	\$15,000
Ciudad SWCD	\$70,000
East Mtn Wildfire Preparedness	\$14,000
Taos County	\$15,000
Socorro County	\$75,000
Village of Angel Fire	\$75,000
Dixon Fire Department	\$23,000

Department of Health PPE Grant Program

Department of Justice Sheriffs' Accreditation

Payments and Acreage By State / County

Fiscal Year: 2024

State: New Mexico

PRINT

COUNTY	PAYMENT	TOTAL ACRES
BERNALILLO COUNTY	\$275,165	89,782
CATRON COUNTY	\$861,677	2,721,911
CHAVES COUNTY	\$4,010,591	1,216,379
CIBOLA COUNTY	\$2,373,039	788,627
COLFAX COUNTY	\$215,634	74,404
DE BACA COUNTY	\$142,626	44,423
DONA ANA COUNTY	\$3,952,404	1,183,275
EDDY COUNTY	\$4,441,425	1,574,296
GRANT COUNTY	\$2,821,219	1,161,466
GUADALUPE COUNTY	\$204,695	64,405
HARDING COUNTY	\$139,639	71,900
HIDALGO COUNTY	\$843,177	822,896
LEA COUNTY	\$1,406,838	424,419
LINCOLN COUNTY	\$2,314,712	921,867
LOS ALAMOS COUNTY	\$113,113	35,200
LUNA COUNTY	\$2,482,302	747,187
MCKINLEY COUNTY	\$1,244,132	419,726
MORA COUNTY	\$337,124	115,610
OTERO COUNTY	\$4,155,372	1,512,025
QUAY COUNTY	\$6,040	1,811
RIO ARRIBA COUNTY	\$3,259,690	2,017,384
ROOSEVELT COUNTY	\$35,988	10,937
SAN JUAN COUNTY	\$2,863,428	861,851
SAN MIGUEL COUNTY	\$1,168,698	395,723
SANDOVAL COUNTY	\$2,902,795	908,563
SANTA FE COUNTY	\$965,327	305,662
SIERRA COUNTY	\$1,491,991	1,301,207
SOCORRO COUNTY	\$1,778,623	1,561,055
TAOS COUNTY	\$2,277,837	763,685
TORRANCE COUNTY	\$450,834	161,438
UNION COUNTY	\$196,317	59,068
VALENCIA COUNTY	\$108,165	35,960
TOTAL	\$49,840,617	22,374,142

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

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



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by New Mexico Counties

TO: NMCIA Board of Directors
FROM: Richard Garcia, Finance Director
DATE: August 14, 2024
RE: Member Capital Adequacy Payments

To date the following counties have paid their three-year capital adequacy investment in full:

- Eddy County
- Luna County
- Roosevelt County
- Union County

The following counties have paid Year One in full:

- Curry County

The following counties have paid Year 1 (First Half):

- Catron County
- Grant County
- Lincoln County
- Rio Arriba County

Invoices for Year One were emailed to members on July 23, 2024, with a September 30, 2024, due date.

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 Counties

Statement of Financial Position (Unaudited)

6/30/2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,343,205	\$ 6,180,815
Accounts Receivable - Members	-	435,157
Accounts Receivable - Deductibles	1,032,836	1,082,267
Accounts Receivable - LE Accreditation Fee	-	2,500
Accounts Receivable - Reinsurance	155	28,407
Accounts Receivable - Hi Ded Counties	5,813	23,005
Accounts Receivable - Other	11,363	4,009,910
Note Receivable	1,261,082	1,350,585
Prepaid Expenses	406,535	510,385
Total Current Assets	<u>12,060,989</u>	<u>13,623,032</u>
Investments		
Exchange Traded Funds	56,428,180	55,400,760
US Government Bonds	32,938,025	14,173,794
Mutual Funds	8,972,290	25,836,570
Unrealized Gain/Loss	<u>(5,380,435)</u>	<u>(7,676,957)</u>
County Reinsurance Pool Equity	571,663	736,928
County Reinsurance Property Plus Equity	3,502,986	2,050,478
Captive Reinsurance	24,094,288	19,844,564
Total Investments	<u>121,126,997</u>	<u>110,366,136</u>
Total Assets	<u>\$ 133,187,985</u>	<u>\$ 123,989,168</u>
Liabilities and Pool Net Position		
Current Liabilities		
Accounts Payable	\$ 621,771	\$ 3,800,334
Accounts Payable-NMAC Legal Bureau Atty Fees	76,288	106,604
Unearned Membership Contribution	17,069,529	14,300,454
Total Current Liabilities	<u>17,767,588</u>	<u>18,207,392</u>
Long Term Liabilities		
Reserve for Future Claims		
Multi-Line Program	13,644,342	12,966,908
Law Enforcement Program	40,425,264	28,872,219
Workers' Compensation Program	19,543,583	19,937,619
Total Long Term Liabilities	<u>\$ 73,613,189</u>	<u>\$ 61,776,746</u>
Total Liabilities	<u>\$ 91,380,777</u>	<u>\$ 79,984,138</u>
Fund Balance	39,574,247	44,601,748
Current Year Pool Net Position	2,232,962	(596,719)
Total Pool Net Position	<u>\$ 41,807,209</u>	<u>\$ 44,005,030</u>
Total Liabilities and Net Position	<u>\$ 133,187,985</u>	<u>\$ 123,989,168</u>

These financial statements are unaudited.



New Mexico County Insurance Authority Pool

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

6/30/2024

	2024 Budget		Jan 01, 2024 through Jun 30, 2024	50% of Budget
Income				
Members' Contributions	\$ 42,012,768	\$	21,085,338	50%
Accreditation Fees			5,000	
Total Income	\$ 42,012,768	\$	21,090,338	50%
Expenses				
Claims & Claim Adjusting Expense				
Paid Claims	\$ 28,726,274	\$	23,171,765	49%
Pool Portion - Group 1 (up to \$5MM for IMM)	610,486		-	0%
Pool Additional - Group 1 (up to \$5MM for IMM)	484,000		-	0%
Adjustment to ULAE			-	
Nurse Case Manager			(69,381)	
Claims Reserves			(2,486,052)	
Recoveries - Deductibles			(3,799,639)	
Recoveries - Reinsurance			(1,700,037)	
Recoveries - County Settlements			(238,066)	
Recoveries - Subrogation & Salvage			(156,775)	
Reinsurance	6,866,248		2,361,083	34%
Brokerage Fees	100,000		45,000	45%
Total Claims & Claim Adjusting	\$ 36,787,009	\$	17,127,898	47%
Risk Mitigation Expense				
Administrative Fee-NMAC	\$ 555,982	\$	283,403	51%
Special Projects	90,000		33,867	38%
EDGE Detention Scholarships	15,000		-	0%
Online Training Tool	190,000		-	0%
Loss Incentive Program	50,000		35,000	70%
Legal Advice Program	50,000		19,320	39%
Lexipol	255,000		119,369	47%
Law Enforcement Accreditation	76,000		55,219	73%
Total Risk Mitigation Expense	\$ 1,281,981	\$	546,178	43%
Administrative & Other				
Administrative Fee-NMAC	\$ 4,129,170	\$	2,059,173	50%
Actuary	42,000		35,175	84%
Financial Audit	72,000		21,262	30%
Claims Audit	25,000		-	0%
Payroll Audit	60,000		48,431	81%
Legal Bureau Operations	250,000		-	0%
Property Appraisal Fees	100,000		-	0%
Legal Expense	42,500		-	0%
Software Support, Licensing, Training	410,000		146,384	36%
Board Training & Education	30,000		-	0%
Board D&O Insurance	129,000		14,822	11%
Miscellaneous	13,000		-	0%
Total Admin & Other	\$ 5,302,669	\$	2,325,247	44%
Total Expenses	\$ 43,371,659	\$	19,999,323	46%
Operating Income	\$ (1,358,891)	\$	1,091,015	
Investment Income	2,907,422		1,476,777	
Net Change in Fair Value of Investments	-		(370,046)	
Interest Income on Note Receivable	-		25,750	
Earnings from Investment in Captive Reinsurance	-		9,465	
Total Non-Operating Revenue	\$ 2,907,422	\$	1,141,946	
Net Position	\$ 1,548,531	\$	2,232,961	



New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
6/30/2024

<u>Cash</u>	<u>Current Average</u>		<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP	0.5263%		\$ 9,249,431	\$ 48,677
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	3.93%	51,441,289	56,428,179	(4,986,890)
Certificates of Deposit	0.00%	-	-	-
Government Bonds	2.99%	32,337,123	32,158,773	178,350
Govt Asset Backed Sec	5.13%	310,029	779,253	(469,224)
Mutual Funds	5.60%	8,869,619	8,972,290	(102,671)
<hr/>				
Total Investments	3.81%	\$ 92,958,060	\$ 98,338,495	\$ (5,380,435)
Total Cash & Investments	3.52%	\$ 102,207,491	\$ 107,587,926	
Estimated Annual Income on Cash & Investments		\$ 3,544,802		
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		88%	\$ 94,167,224	
Moreton Capital Markets		11%	12,219,551	
First National Santa Fe		1%	1,197,996	
State Treasurers LGIP		0%	3,155	
<hr/>				
		100%	\$ 107,587,926	

* 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
Financials



Law Enforcement Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
6/30/2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,374,047	\$ 3,461,375
Accounts Receivable - Deductibles	413,558	604,465
Accounts Receivable - LE Accreditation Fee	-	2,500
Accounts Receivable - Reinsurance	-	15,975
Prepaid Expenses	222,768	68,773
Total Current Assets	3,010,373	4,153,088
Investments		
Exchange Traded Funds	\$ 23,187,842	\$ 23,306,764
US Government Bonds	15,160,497	6,381,879
Mutual Funds	2,627,209	9,767,438
Unrealized Gain/Loss	(2,034,336)	(2,900,115)
Captive Reinsurance	23,623,095	19,844,564
Total Investments	62,564,307	56,400,530
Total Assets	\$ 65,574,680	\$ 60,553,618
Liabilities and Surplus		
Current Liabilities		
Accounts Payable	\$ 571,815	\$ 3,997,388
Accounts Payable-NMAC Legal Bureau Atty Fees	43,451	70,097
Unearned Membership Contribution	10,842,450	9,205,122
Total Current Liabilities	11,457,716	13,272,607
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 19 - 2013	\$ (239)	\$ 15,787
Fund Year 21 - 2015	1,864	-
Fund Year 22 - 2016	217,660	404,266
Fund Year 23 - 2017	1,276,990	1,264,523
Fund Year 24 - 2018	88,691	533,838
Fund Year 25 - 2019	985,844	1,265,837
Fund Year 26 - 2020	5,542,821	3,236,582
Fund Year 27 - 2021	2,821,857	5,564,196
Fund Year 28 - 2022	8,730,646	11,104,056
Fund Year 29 - 2023	11,277,183	4,108,267
Fund Year 29 - 2024	7,406,333	-
Claims Mgmt Fees-Future	2,075,614	1,374,867
Total Long Term Liabilities	\$ 40,425,264	\$ 28,872,219
Total Liabilities	\$ 51,882,980	\$ 42,144,826
Fund Balance	\$ 11,841,954	\$ 17,960,289
Current Year Net Position	1,849,746	448,503
Total Net Position	\$ 13,691,700	\$ 18,408,792
Total Liabilities and Net Position	\$ 65,574,680	\$ 60,553,618



Law Enforcement Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
6/30/2024

	2024 Budget	Jan 01, 2024 through Jun 30, 2024	50% of Budget
Income			
Members' Contribution	\$ 19,870,424	\$ 10,119,096	51%
Accreditation Fees		5,000	
Total Income	\$ 19,870,424	\$ 10,124,096	51%
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	\$ 13,837,552	\$ 12,027,473	50%
Pool Portion - Group 1 (up to \$5MM for IMMH)	610,486	-	0%
Pool Additional - Group 1 (up to \$5MM for IMMH)	484,000	-	0%
Adjustment to ULAE		-	
Claims Reserves		(3,162,624)	
Recoveries - Deductibles		(1,432,580)	
Recoveries - Reinsurance		-	
Recoveries - County Settlements		(16,250)	
Reinsurance - all (up to \$2MM for IMMH)	3,300,000	-	0%
Brokerage Fees	35,000	17,500	50%
Total Claims & Claim Adjusting Expense	\$ 18,267,038	\$ 7,433,519	41%
Risk Mitigation Expense			
Administrative Fee-NMC	\$ 148,290	\$ 79,561	54%
Special Projects	45,000	33,867	75%
EDGE Detention Scholarships	15,000	-	0%
Online Training Tool	60,000	-	0%
Law Enforcement Accreditation	76,000	55,219	73%
Legal Advice Program	30,000	19,320	64%
Lexipol	255,000	119,369	47%
Loss Incentive Program	15,000	-	0%
Total Risk Mitigation Expense	644,290	307,336	48%
Administrative & Other Expense			
Administrative Fee-NMC	\$ 1,737,040	\$ 863,104	50%
Actuary	15,000	12,625	84%
Financial Audit	30,000	7,087	24%
Legal Bureau Operations	250,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	44,108	34%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	4,939	11%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 2,236,540	\$ 931,863	42%
Total Expenses	\$ 21,147,868	\$ 8,672,718	41%
Operating Income	\$ (1,277,444)	\$ 1,451,378	
Investment Income	1,140,222	552,593	
Net Change in Fair Value of Investments		(162,498)	
Earnings from Investment in Captive Reinsurance		8,272	
Total Non-Operating Revenue	\$ 1,140,222	\$ 398,367	
Net Position	\$ (137,222)	\$ 1,849,745	



Law Enforcement Program
Administered by New Mexico Counties
Schedule of Investments 6/30/2024

<u>Cash</u>	Current Average			
	<u>Yield</u>	<u>Amount</u>	<u>Interest</u>	
Banks, Money Market Accts & State Treas LGIP	0.3352%	\$ 2,374,047	\$ 7,958	
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	3.90%	21,230,481	23,187,842	(1,957,361)
Certificates of Deposit	0.00%	-	-	-
Government Bonds	2.61%	15,033,652	14,942,363	91,288
Govt Asset Backed Sec	5.15%	88,583	218,134	(129,551)
Mutual Funds	5.72%	2,588,497	2,627,209	(38,713)
<hr/>				
Total Investments	3.53%	\$ 38,941,212	\$ 40,975,548	\$ (2,034,336)
Total Cash & Investments	3.34%	\$ 41,315,259	\$ 43,349,595	
Estimated Annual Income on Cash & Investments		\$ 1,381,193		
By Institution:				
Wells Fargo/Salmon Hauger Wealth Mgmt.		90%	\$ 38,869,868	
Moreton Capital Markets		10%	4,273,855	
First National Santa Fe		0%	205,208	
State Treasurers LGIP		0%	665	
<hr/>				
		100%	\$ 43,349,595	

* 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 Financials



Multi-Line Program
 Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
 6/30/2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 5,141,179	\$ 1,280,531
Accounts Receivable - Members	-	4,017
Accounts Receivable - Deductibles	619,278	477,802
Accounts Receivable - Other	832	4,000,000
Note Receivable	1,261,082	1,350,585
Prepaid Expenses	112,666	387,839
Total Current Assets	7,135,037	7,500,774
Investments		
Exchange Traded Funds	\$ 19,014,845	\$ 17,876,803
US Government Bonds	8,170,835	7,066,570
Mutual Funds	3,509,480	4,930,911
Unrealized Gain/Loss	(1,817,602)	(2,043,905)
County Reinsurance Pool Equity	167,121	216,701
County Reinsurance Property Plus Equity	3,502,986	2,050,478
Captive Reinsurance	471,193	-
Total Investments	33,018,858	30,097,558
Total Assets	\$ 40,153,895	\$ 37,598,332
Liabilities and Surplus		
Current Liabilities		
Accounts Payable-NMAC Legal Bureau Atty Fees	\$ 32,837	\$ 36,507
Accounts Payable - Other	38,544	-
Unearned Membership Contribution	6,227,079	5,095,332
Total Current Liabilities	6,298,460	5,131,839
Long Term Liabilities		
Reserve for Future Claims		
Fund Year 21 - 2009	\$ 1,615	\$ 1,615
Fund Year 23 - 2011	142,630	156,956
Fund Year 29 - 2017	75,330	-
Fund Year 30 - 2018	621,462	94,068
Fund Year 31 - 2019	415,711	594,069
Fund Year 32 - 2020	1,494,437	444,067
Fund Year 33 - 2021	1,609,469	1,098,140
Fund Year 34 - 2022	1,649,557	3,228,895
Fund Year 35 - 2023	3,354,135	3,874,974
Fund Year 36 - 2024	3,668,921	2,856,652
Claims Mgmt Fees-Future	611,075	617,472
Total Long Term Liabilities	\$ 13,644,342	\$ 12,966,908
Total Liabilities	\$ 19,942,802	\$ 18,098,747
Fund Balance	20,412,792	20,381,630
Current Year Net Position	(201,698)	(882,045)
Total Net Position	\$ 20,211,094	\$ 19,499,585
Total Liabilities and Net Position	\$ 40,153,895	\$ 37,598,332

These financial statements are unaudited.



Multi-Line Program
Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
6/30/2024

	2024 Budget	Jan 01, 2024 through Jun 30, 2024	50% of Budget
<u>Income</u>			
Members' Contributions	\$ 11,953,146	\$ 6,227,079	52%
Total Income	\$ 11,953,146	\$ 6,227,079	52%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 8,169,488	\$ 7,391,232	50%
Adjustment to ULAE		-	
Claims Reserves		811,764	
Recoveries - Deductibles		(2,141,375)	
Recoveries - Subrogation & Salvage		(61,671)	
Recoveries - Reinsurance		(1,693,390)	
Recoveries - County Settlements		(221,816)	
Reinsurance	2,611,374	1,927,049	74%
Brokerage Fees	35,000	17,500	50%
Total Claims & Claim Adjusting Expense	\$ 10,815,862	\$ 6,029,293	56%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMC	\$ 122,202	\$ 61,124	50%
Special Projects	45,000	-	0%
Online Training Tool	60,000	-	0%
Legal Advice Program	10,000	-	0%
Total Risk Mitigation Expense	\$ 237,202	\$ 61,124	26%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMC	\$ 1,333,128	\$ 666,541	50%
Actuary	15,000	12,750	85%
Financial Audit	30,000	7,087	24%
Claims Audit	15,000	-	0%
Property Appraisal Fees	100,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	57,235	44%
Board Training & Education	7,500	-	0%
Board D&O Insurance	43,000	4,944	11%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	\$ 1,697,628	\$ 748,557	44%
Total Expenses	\$ 12,750,692	\$ 6,838,974	54%
Operating Income	\$ (797,546)	\$ (611,895)	
Investment Income	817,387	440,953	
Net Change in Fair Value of Investments		(57,699)	
Interest Income on Note Receivable	-	25,750	
Earnings from Investment in Captive Reinsurance		1,193	
Total Non-Operating Revenue	\$ 817,387	\$ 410,197	
Net Position	\$ 19,840	\$ (201,698)	



Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 6/30/2024

<u>Cash</u>	Current Average	<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP		0.518%	\$ 5,047,405	\$ 26,132

<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>
Exchange Traded Funds	3.95%	17,384,875	19,014,845	(1,629,970)
Certificates of Deposit	0.00%	-	-	-
Government Bonds	1.75%	7,912,380	7,829,650	82,730
Govt Asset Backed Sec	5.41%	105,393	341,186	(235,793)
Mutual Funds	5.55%	3,474,911	3,509,479	(34,569)
Total Investments	3.55%	\$ 28,877,559	\$ 30,695,160	\$ (1,817,602)
Total Cash & Investments	3.10%	\$ 33,924,963	\$ 35,742,565	

Estimated Annual Income on Cash & Investments \$ 1,050,835

By Institution:

Wells Fargo/Salmon Hauger Wealth Mgmt.	99%	\$ 35,252,902
First National Santa Fe	1%	489,200
State Treasurers LGIP	0%	463
	100%	\$ 35,742,565

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

Workers' Compensation
Program
Financials



Workers' Compensation Program
 Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
 6/30/2024

	As of June 30, 2024		As of June 30, 2023							
Assets										
Current Assets										
Cash and Cash Equivalents	\$	1,827,979			\$	1,438,909				
Accounts Receivable-Members		-				431,140				
Accounts Receivable-Reinsurance		155				12,432				
Accounts Receivable-Hi Ded Counties		5,813				23,005				
Accounts Receivable-Other		10,531				9,910				
Prepaid Expenses		71,101				53,773				
Total Current Assets		1,915,579				1,969,170				
Investments										
Exchange Traded Funds	14,225,493				14,217,193					
US Government Bonds	9,606,693				725,345					
Mutual Funds/ETF	2,835,601				11,138,221					
Unrealized Gain/Loss	(1,528,497)	25,139,290			(2,732,937)	23,347,821				
County Reinsurance Limited Equity		404,542				520,227				
Total Investments		25,543,832				23,868,048				
Total Assets		\$ 27,459,410				\$ 25,837,218				
Liabilities and Surplus										
Current Liabilities										
Accounts Payable	\$	11,412			\$	(197,054)				
Unearned Membership Contribution		-				-				
Total Current Liabilities		11,412				(197,054)				
Long Term Liabilities										
Reserves for Future Claims:										
Claims Reserves FY 3 - 1989/90	\$	(8)			\$	-				
Claims Reserves FY 5 - 1991/92		20,184				24,863				
Claims Reserves FY 6 - 1992/93		23,747				25,047				
Claims Reserves FY 8 - 1994/95		9,240				9,746				
Claims Reserves FY 9 - 1995/96		32,575				40,882				
Claims Reserves FY 11 - 1997/98		10,917				18,062				
Claims Reserves FY 12 - 1998/99		(1,252)				26,536				
Claims Reserves FY 14 - 2000/01		2,026				11,903				
Claims Reserves FY 15 - 2001/02		74,559				81,045				
Claims Reserves FY 16 - 2002/03		10,502				15,632				
Claims Reserves FY 17 - 2003/04		116,925				-				
Claims Reserves FY 18 - 2004/05		279,783				306,506				
Claims Reserves FY 19 - 2005/06		98,300				126,925				
Claims Reserves FY 20 - 2006/07		67,620				75,006				
Claims Reserves FY 21 - 2007/08	446,588		Bernalillo County	Other HDC's	492,177	Bernalillo County Other HDC's				
Claims Reserves FY 22 - 2008/09	323,781		-	-	358,876	-				
Claims Reserves FY 23 - 2009/10	57,540		-	-	63,240	-				
Claims Reserves FY 24 - 2010/11	97,102		-	-	233,569	-				
Claims Reserves FY 25 - 2011/12	176,104		-	-	200,042	-				
Claims Reserves FY 26 - 2012/13	365,554		-	-	354,717	-				
Claims Reserves FY 27 - 2013/14	451,464		-	-	542,538	-				
Claims Reserves FY 28 - 2014/15	455,229	(147,716)			550,094	(157,644)				
Claims Reserves FY 29 - 2015/16	665,477	(37,594)			899,895	(190,382)				
Claims Reserves FY 30 - 2016/17	535,134				836,597	-				
Claims Reserves FY 31 - 2017/18	497,554			(5,239)	735,891	(6,581)				
Claims Reserves FY 32 - 2018/19	749,232	(10,743)			944,249	(42,302)				
Claims Reserves FY 33 - 2019/20	885,197				1,112,846	-				
Claims Reserves FY 34 - 2020/21	2,452,542	(60,660)			2,980,603	(71,124)				
Claims Reserves FY 35 - 2021/22	1,943,724			(76,573)	2,846,761	(86,922)				
Claims Reserves FY 36 - 2022/23	3,355,882			(51,399)	5,783,830	(156,239)				
Claims Reserves FY 37 - 2023/24	4,927,262			(135,388)	-	-				
Claims Mgmt Fees-Future	938,410				950,736	-				
Total Reserve for Future Claims	\$	20,068,895	\$	(256,713)	\$	20,648,813	\$	(461,452)	\$	(249,742)
Total Long Term Liabilities		19,543,583				19,937,619				
Total Liabilities		\$ 19,554,995				\$ 19,740,565				
Fund Balance		7,319,501				6,259,829				
Current Year Net Position		584,914				(163,177)				
Total Net Position		\$ 7,904,415				\$ 6,096,653				
Total Liabilities and Net Position		\$ 27,459,410				\$ 25,837,218				



Workers' Compensation Program
 Administered by New Mexico Counties
Income/Budget Statement (Unaudited)
 6/30/2024

	<u>Budget 2024</u>	<u>6/30/2024</u>	<u>50%</u> <u>of budget</u>
<u>Income</u>			
Members' Contributions	\$ 10,189,198	\$ 4,739,163	47%
Total Income	\$ 10,189,198	\$ 4,739,163	47%
<u>Expenses</u>			
<u>Claims & Claim Adjusting Expense</u>			
Paid Claims	\$ 6,719,234	\$ 3,753,060	48%
Adjustment to ULAE		-	
Claims Reserves		(135,192)	
Recoveries- Deductibles		(225,684)	
Recoveries- Reinsurance		(6,647)	
Recoveries- Subrogation		(95,104)	
Nurse Case Manager		(69,381)	
Reinsurance	954,874	434,034	45%
Brokerage Fees	30,000	10,000	33%
Total Claims & Claim Adjusting Expense	\$ 7,704,109	\$ 3,665,086	48%
<u>Risk Mitigation Expense</u>			
Administrative Fee-NMAC	\$ 285,490	\$ 142,718	50%
Legal Advice Program	10,000	-	0%
Loss Incentive Program	35,000	35,000	100%
Online Training Program	70,000	-	0%
Total Risk Mitigation Expense	\$ 400,489	\$ 177,718	44%
<u>Administrative & Other Expense</u>			
Administrative Fee-NMAC	\$ 1,059,002	\$ 529,528	50%
Actuary	12,000	9,800	82%
Claims Audit	10,000	-	0%
Financial Audit	12,000	7,088	59%
Payroll Audit	60,000	48,431	81%
Legal Expense	2,500	-	0%
Software Support, Licensing, Training	150,000	45,041	30%
Board Training and Education	15,000	-	0%
Board D&O Insurance	43,000	4,939	11%
Miscellaneous Expenses	5,000	-	0%
Total Admin & Other Expense	\$ 1,368,501	\$ 644,827	47%
Total Expenses	\$ 9,473,099	\$ 4,487,631	47%
Operating Income	\$ 716,099	\$ 251,532	35%
Interest Income Investments	949,813	483,231	
Net Change in Fair Value of Investments		(149,849)	
Total Non-Operating Revenue	\$ 949,813	\$ 333,382	
Net Position	\$ 1,665,913	\$ 584,914	



Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 6/30/2024

<u>Cash</u>	Current Average		<u>Yield</u>	<u>Amount</u>	<u>Interest</u>
Banks, Money Market Accts & State Treas LGIP			0.7980%	\$ 1,827,979	\$ 14,587
<u>Securities</u>	<u>Est. Ann. Yld</u>	<u>Ending Market Val</u>	<u>Cost</u>	<u>Market Gain/Loss *</u>	
Exchange Traded Funds	3.95%	12,825,934	14,225,493	(1,399,559)	
Certificates of Deposit	0.00%	-	-	-	
Government Bonds	4.59%	9,391,092	9,386,760	4,332	
Govt Asset Backed Sec	4.84%	116,053	219,933	(103,880)	
Mutual Funds	5.53%	2,806,211	2,835,601	(29,389)	
<hr/>					
Total Investments	4.37%	\$ 25,139,290	\$ 26,667,787	\$ (1,528,497)	
Total Cash & Investments	4.13%	\$ 26,967,269	\$ 28,495,766		
Estimated Annual Income on Cash & Investments			\$ 1,112,774		
By Institution:					
Wells Fargo/Salmon Hauger Wealth Mgmt.		70%	\$ 20,044,454		
Moreton Capital Markets		28%	7,945,696		
First National Santa Fe		2%	503,589		
State Treasurers LGIP		0%	2,027		
<hr/>					
		100%	\$ 28,495,766		

* 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**

<u>Item Number:</u> 8.C.	<u>Item Title:</u> Risk Management Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by New Mexico Counties

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

CHAIR

Lance Pyle

VICE CHAIR

Gregory S. Shaffer

NMC REPRESENTATIVE

Michael Meek

GEOGRAPHIC DIRECTORS

Jhonathan Aragon

Lance Pyle

Charlene Webb

CLASS A DIRECTORS

Lisa Sedillo-White

Shirley Ragin

Diana Murillo

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Michael Meek

Gregory S. Shaffer

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Brandy Thompson

Kate Fletcher

Danny Monette

EX-OFFICIO DIRECTORS

Annie Hogland

NMC President

Terri Fortner

NMC President Elect

Michael Eshleman, Attorney
Affiliate Representative

444 Galisteo Street
Santa Fe, NM 87501

877-983-2101

505-983-2101

Fax: 505-982-4396

NMCOUNTIES.ORG

TO: NMCIA Board of Directors
FROM: Grace Philips, Risk Management Director
DATE: August 14, 2024
RE: Risk Management Update

Professional Development

I traveled with staff and board members to the CRL Governance Conference in Louisville, July 22-25 and attended the AGRiP CEO Institute August 4-7 in St. Louis where the focus was on organizational culture. AI was discussed at length and how it is being used in pooling to address data management and underwriting. I will meet with appropriate staff to start the discussion about organizational culture and how we can best utilize AI technology to create efficiency in our processes.

Pool Membership Developments

Dona Ana County left the Workers' Compensation coverage program effective July 1, as they now self-insure those risks. San Juan County has submitted their notice of intent advising they may leave the WC pool in 2025.

Actuary Report

Our actuary, Steven Glicksman, is working on our LE actuarial report. executive summary and draft LE actuarial report. Estimated losses have increased dramatically since December 31, 2022:

The estimated outstanding losses are:

- **\$58.4M as of June 30, 2024.**
- \$45.8M for December 31, 2023 (previous study dated March 5, 2024)
- \$29.2M as of June 30, 2023 (previous study dated August 3, 2023)
- \$26.5M as of December 31, 2022 (previous study dated February 14, 2023)

Presentation to LHHS

On July 31 I presented to LHHS regarding implementation of MAT in county detention facilities. (Materials attached).

Project ECHO for Detention Medical Providers

From 2000–2019 the number of local jail inmates who died from all causes increased 33 percent; the number who died from drug/alcohol intoxication and detox during the same period increased **397%** ECHO for medical providers is our attempt to reduce the incidents of detox related deaths in our jails.

CRL Renewal

We received and paid our CRL WC and Property renewals (attached). Renewals included both surcharge and capital adequacy contributions.

Phone Cord Length

Following a completed suicide in the Otero County Detention Facility using a telephone cord, Clay Corn contacted all pool facilities to confirm that their telephone cord lengths had been shorted. (see attached) The ADPSC has been asked to consider adding a standard on phone cord length.

Medication Assisted Treatment in County Detention Facilities

(LHHS August 1, 2024)

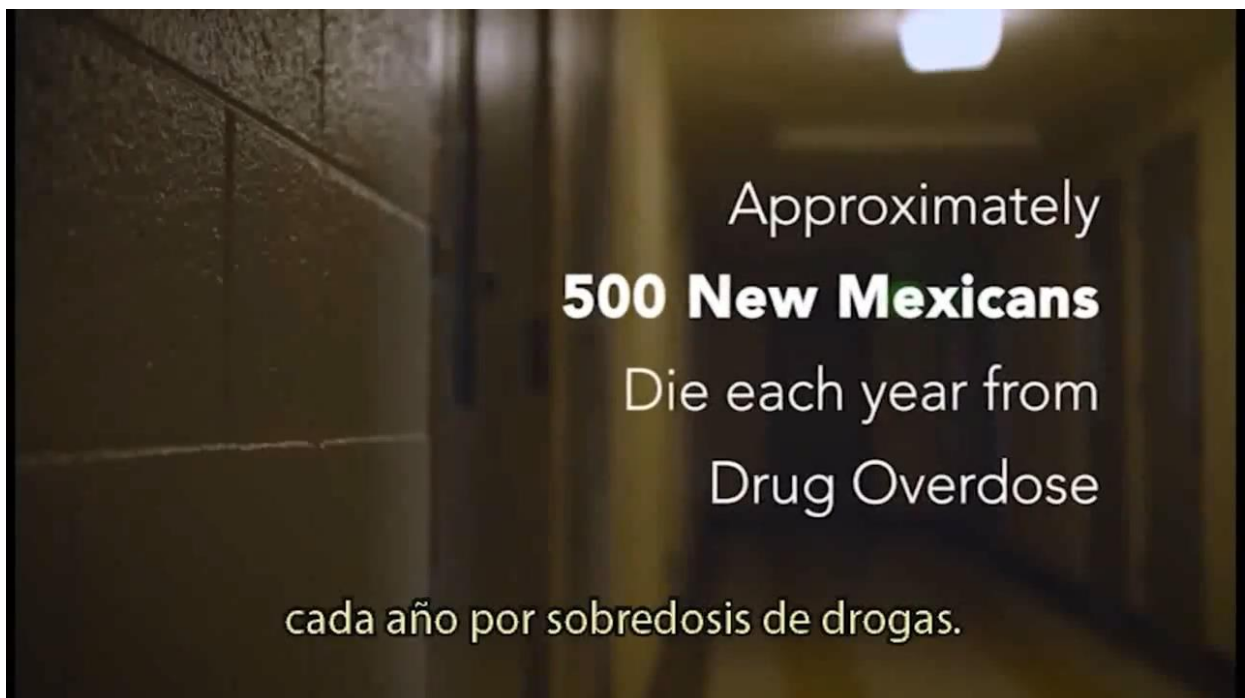
Ongoing Training Efforts Since 2019

RISE Counties

Accreditation Standards

- Intake screen now explicitly requires inquiry into “including whether the detainee has been prescribed medications for opioid use disorder (such as methadone, buprenorphine, buprenorphine-naloxone, or injectable naltrexone)” (MM-30).
- The detox standard now provides that the facility must provide evidence-based medication assisted detox (MM-39).
- New Medication for Opioid Use Disorder standard (Added as MM-44) provides that the medical provider shall evaluate all detainees for continuation of established MAT treatment and shall continue treatment as recommended by the medical provider.

Training Videos for Adults and Youth in custody www.nmcounties.org/video/



NM Detention Medical Provider ECHO

SAVE THE DATE: NM Detention Centers Substance Use Treatment ECHO

Launching July 12th!



Learn to manage patients in the detention center environment who use opioids and other substances. Learn how to prescribe medications for opioid use disorder (MOUD) and other medications to treat substance use disorders. Engage with substance use treatment experts and become an expert yourself while earning free CME credits!

Project ECHO has been teaching and supporting primary care providers in caring for patients who use substances for many years. You can learn to effectively treat patients in the detention center environment, and Project ECHO is here to support you along the way



Register

When: 2 nd & 4 th Friday of each month 12 p.m.-1 p.m. MT	Where: Online via Zoom	Who: Medical and allied health care providers and administrators working in county detention centers	For more information please Email: MOUDECHO@salud.unm.edu
---	----------------------------------	--	---

Program Overview

This ECHO program is designed to engage medical and allied health providers who work in county detention centers with detainees who have opioid use disorders. The goal is to educate and support providers as they learn to manage detainees who would benefit from medications for opioid use disorders (MOUD). The series will run from July 2024 through the first week of January 2025 and is open to medical and allied health providers and administrators working in county detention settings.

Session Details

Meets every 2nd and 4th Friday from 12 p.m. to 1:00 p.m. MT

Focus Area

Providing education and support to medical and allied health professionals caring for detainees with opioid use disorders who are residing in county detention centers.

Target Audience

Medical and allied health professionals working in county detention centers and detention administrator.

Accreditation Information

This ECHO session is accredited by the Joint Accreditation Office (JAO).

Certification & Credits

We offer Medical and Physician Assistant Continuing Medical Education (CME) units, Nursing Continuing Education Units (CEU), and Continuing Pharmacy Education units (CPE).

Contact Information

Email the MOUD in County Detention Centers team @ MOUDECHO@salud.unm.edu

Partner Acknowledgement

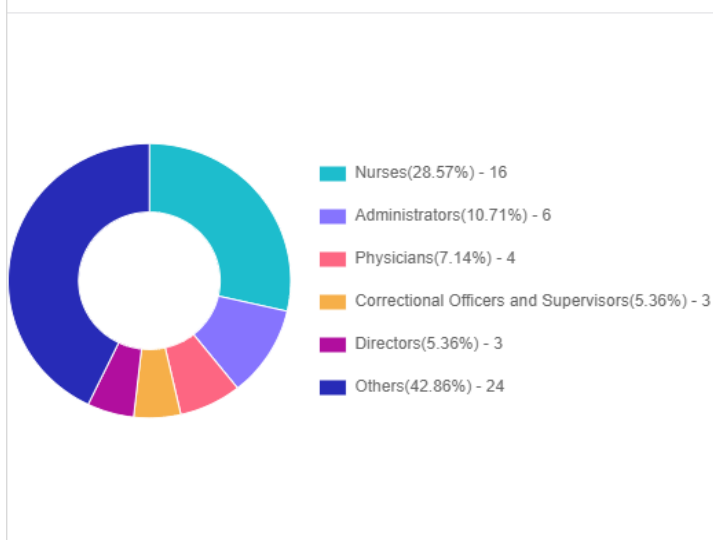
Project ECHO wishes to acknowledge support from the New Mexico Association of Counties.

59 Active Participants
37.7 Average Attendance
30 Participant Learning Sites

RSS909: NM Detention Center Substance Use Treatment ECHO Curriculum

NM Detention Center Substance Use Treatment ECHO Curriculum 2 nd and 4 th Friday of the Month from 12:00-1:00 pm MT		
July 12, 2024	Intro to ECHO & Opioid Withdrawal Management	Nate Birnbaum, MD
July 26, 2024	Introduction to Buprenorphine Initiation	Caitlin F Bonney, MD
August 9, 2024	Methadone and Naltrexone	Nate Birnbaum, MD
August 23, 2024	Screening for OUD	Alexandra Ninneman, MD
Sept. 13, 2024	Neurobiology of Addiction – OUD as a Brain Disease	Montserrat Orozco
Sept. 27, 2024	Systems Changes, Key Roles & Partnerships	Nate Birnbaum, MD
Oct. 11, 2024	Jail MOUD: Best Med Practices for Continuity	Alexandra Ninneman, MD
Oct. 25, 2024	Legal Requirements of MOUD	Grace Philips
Nov. 8, 2024	Diversion & Security	Dr. Elizabeth Evans & Ed Hayes
Nov. 22, 2024	Behavioral Health Interventions	Kathryn Lenberg, MPH, PhD
Dec. 13, 2024	Reentry	Dr. Lisa Puglisi
Jan 10, 2024	Evaluation & Sustainability	Tom Senst & Dr. Peter Friedman

Profession Distribution



Location wise Attendance

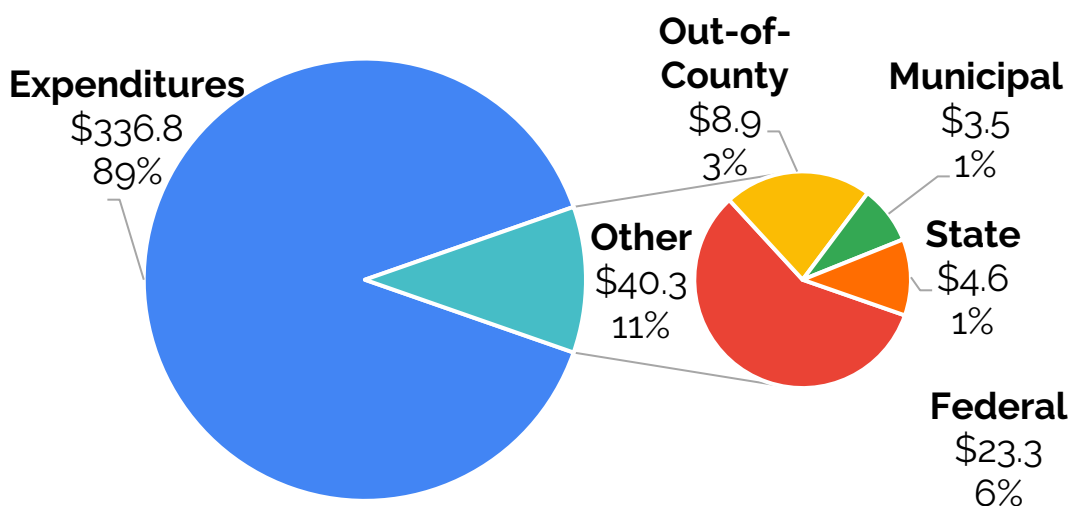
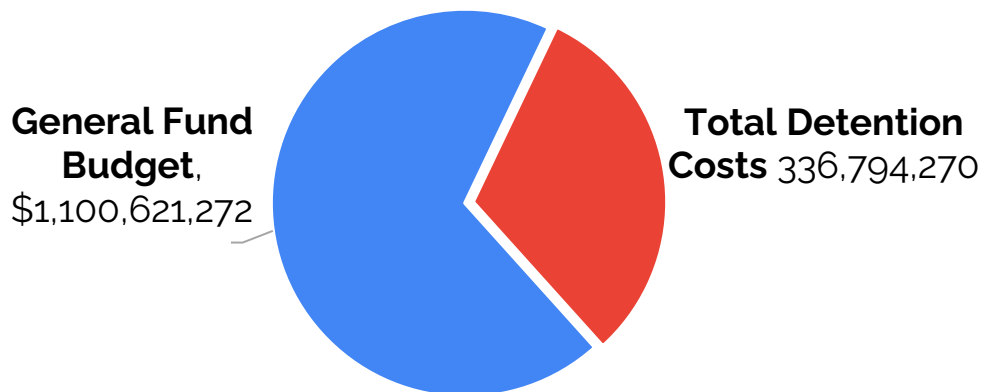


County Data

- 20 of 25 detention facilities utilize an electronic medical record
- 12 require their contractors to comply with Adult Detention Professional Standards
- 22 report active collaboration with the local NMDOH office (STD testing and vaccination, TB, Flu, education)
- All provide for Narcan Distribution
- 18 report providing Suboxone
- 1 on site and 3 use a local clinic to provide methadone
- Only 1 county reports billing Medicaid for MOUD medication

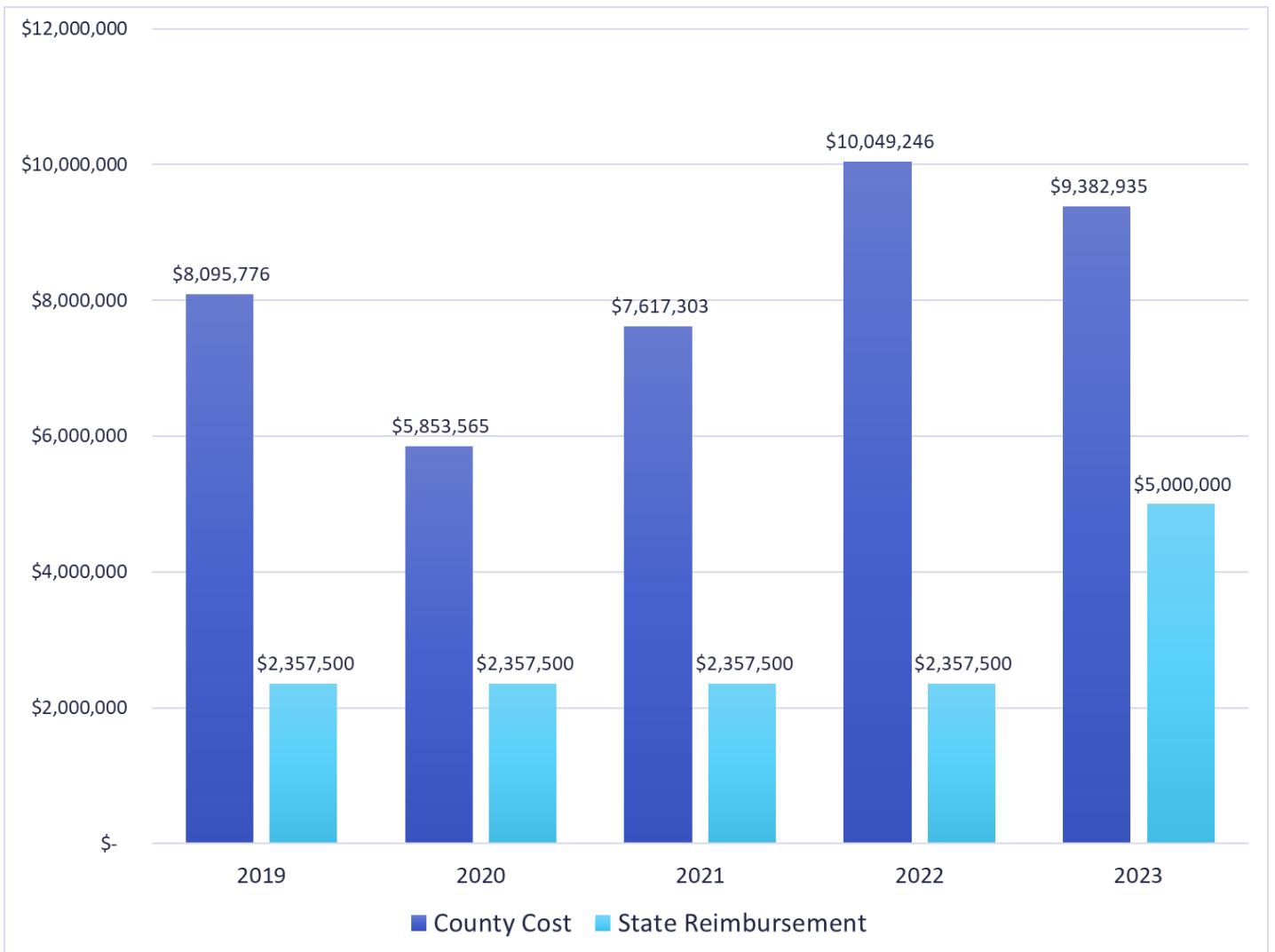
Cost of Detention

In FY2023 the 25 counties that operate adult detention facilities collectively spent \$336.8 million on personnel, operations, capital, and medical for their jails.



Counties' projected detention budget for FY2024 is more than \$383 million.

Shortfall in State Funding



5-year State reimbursement shortfall = \$26,568,825

What can you do?

- Support fully funding state's obligation in Inmate Reimbursement Fund
- Allow people in recovery to work in medical profession
- Expand RISE funding
- Help us access Medicaid funding for medications (17 counties have separate pharmacy contracts) and treatment

Contact

Grace Philips, Risk Management Director, NM Counties
gphilips@nmcounties.org | 505.690.6319

County Reinsurance, Limited

Workers' Compensation Renewal Summary

Program Summary

Ceding Entity: New Mexico County Insurance Authority Workers' Compensation Pool
Coverage Period: Inception Date: 7/1/2024
Expiration Date: 7/1/2025

Payroll: \$604,078,592

CRL General Account Premium: \$674,169
CRL General Account Premium Surcharge: \$33,708
SNCC Premium: \$0
Total Premium: \$707,877
CRL General Account Capital Contribution: \$67,417 * Ceding Entity will be invoiced separately for Capital Contribution
Total Premium + Capital Contribution: \$775,294

CRL Reinsurance Structure

Ceding Entity's Retention: WC: \$750,000 per Occurrence
EL: \$750,000 per Occurrence
Reinsurance Limit: WC: Difference between the Ceding Entity's Retention and \$3,000,000 per Occurrence
EL: Difference between the Ceding Entity's Retention and \$3,000,000 per Occurrence
Method: Expenses inside the limit of liability
Deductibles inside the retention
Rate: 0.1116 (per \$100 in payroll)
Premium: \$674,169
Certificate: CRL WC Certificate Approved 12-27-17
New Mexico Amendatory Endorsement

County Reinsurance, Limited

Property Reinsurance Renewal Summary

Coverage Summary

Ceding Entity: New Mexico County Insurance Authority Multi-Line Pool
 Coverage Period: Inception Date: 7/1/2024
 Expiration Date: 7/1/2025
 Ceding Entity's Retention: \$400,000 All Other Perils, regardless of the number of Original Insureds involved
 \$100,000 Equipment Breakdown, regardless of the number of Original Insureds involv
 CRL Reinsurance Limit: Difference between the Ceding Entity's Retention and \$5,000,000. CRL Property
 Plus will retain \$25,000,000 excess of \$5,000,000.
 Panel Reinsurance Limit: Difference between the CRL Reinsurance Limit and \$1,000,000,000
 Method: Loss expenses are calculated pro rata
 Deductibles are inside the retention; except for SFHA, New Madrid EQ,
 Severe Convective Storm, and Tier 1 Named Storm deductibles, which are outside
 Policy Reinsured: CRL Master Policy (see endorsement for details)

Premium Detail

CRL General Account Premium: \$1,971,768 *Ceding Entity's Retention up to \$5M layer of Coverage
 CRL General Account Premium Surcharge: \$98,588
 CRL Property Plus Premium: \$646,203 *\$25M excess \$5M layer of coverage
 CRL Property Plus Premium Surcharge: \$71,800
 Panel Premium: \$511,055 *Above \$30M up to \$1B layer of coverage
Total Property Premium: \$3,299,414
 CRL General Account Capital Contribution: \$197,177 *Ceding Entity to be ir Ceding Entity to be invoiced separately for General Account Cap*
Total Premium + Capital Contribution: \$3,496,591

Rating Detail

	Non-Tier/EQ				
Total TIV:	4,518,816,246				
CRL Rate (in cents):	4.3635				
PP Layers:	5x5	5x10	5x15	5x20	5x25
CRL Property Plus Base Rate:	0.54484	0.32176	0.23166	0.18161	0.15015
CRL Property Plus Surcharge Rate:	0.06060	0.03570	0.02580	0.02020	0.01660
Panel Rate (in cents):	1.1309				
Panel Rate (in cents):	1.1309				
Total Rate (in cents):	7.083				
Total Premium:	3,200,826				



County Reinsurance, Limited
6201 Towncenter Dr Ste 240
Clemmons, NC 27012 US

INVOICE

BILL TO

New Mexico County
444 Galisteo Street
Santa Fe, NM 87505

INVOICE # 2024-297
DATE 06/30/2024
DUE DATE 07/30/2024
TERMS Net 30

ACTIVITY	DESCRIPTION	AMOUNT
Premiums Written - PR	Property Renewal: Coverage Period 07.01.24 - 07.01.25	3,299,414.00

Payment can be wired or mailed, per the following instructions:

Wire/ACH Instructions:

Bank Name: US Bank NA

Bank Address: 425 Walnut Street

Cincinnati, OH 45202

ABA: 091 000 022

Credit Account (beneficiary): 173103781832

Credit Name (beneficiary): ITC South & East Depository
Account

FFC/REF: County Re 001050985783

BALANCE DUE

\$3,299,414.00

Check Instructions:

Payable to: County Reinsurance, Limited

Mail to: PO Box 274

Brattleboro, VT 05302-0274

County Facility	Short Cords (12 inches or less)	Long Cords (More than 12 inches)
Bernalillo		*X
Bernalillo (Juvenile)		*X
Catron	X	
Chaves	X	
Colfax	X	* X
Curry	X	
De Baca	X	* X
Doña Ana	X	
Doña Ana (Juvenile)	X	
Eddy	X	
Grant	X	
Hidalgo	X	
Lea	Not in pool	
Lea (Juvenile)	Not in Pool	
Lincoln	Not in Pool	
Los Alamos	Not in pool	
Luna	X	* X
McKinley	X	
Otero	Not in pool	
Quay	X	
Rio Arriba	Not in pool	
Roosevelt	X	
San Juan	Not in pool	
San Juan (Alt. Sent.)	Not in pool	
San Juan (Juvenile)	Not in pool	
San Miguel	X	
Sandoval	X	
Santa Fe	X	
Sierra	X	
Socorro	X	
Taos	X	
Valencia	X	

***Bernco Adult** have long cords. Warden Smith advised they've contacted vendor and will

* **Bernco Juvi** have long cords. Dep Director Gray ordered shorter ones to replace all.

* **Colfax** have a few cords that need shortening Warden Slade contacted Securus for replacements.

* **Debaca** all detainee housing cords are shortened. There is one in visitation that needs to be replaced. Contacted Entel for replacement.

***Luna** has cords that need to be shortened. Dep Warden Apodaca Contacted their phone vendor for replacements.



Title: Inmate finds joy, local fame and purpose with art

Author: By Jessica Carranza Pino El Defensor Chieftain Editor

Size : 111 Inches Sq Socorro,NM Circulation: 2500

Keywords: Detention Center OR Facility ~ New Mexico Association of Counties

Inmate finds joy, local fame and purpose with art

By Jessica Carranza Pino

El Defensor Chieftain Editor

Prescott Apachito, an inmate at the Socorro County Detention Center, has become locally recognized as a talented muralist. He attributes the recognition and his personal growth to the RISE (Reach, Intervention, Support and Engage) program for inmates.

The first time Prescott Apachito remembers being recognized for his artwork was in fifth grade. As a student at Magdalena schools, he submitted a painting of a crane that was displayed at the Macey Center. He won first place for his piece; he was only ten years old.

When he was young he felt pulled in different directions and didn't ever really think about what he wanted and needed in his life. He said school wasn't easy for him and he started finding himself in trouble. He remembers during in-school suspension at the school library, he began drawing more.

"This is why I'm actually enjoying the things that I'm doing right now. Because this is what I want and this is what I need. And if it wasn't for Vanessa, Eddie and some of the RISE members there uplifting and encouraging me. That's what has helped me step up my game, it's made my mind clear, where I can be at ease and where I can enjoy my life and what I want to do with my life." Apachito said.

The Socorro County Detention Center has been paving the way for inmate rehabilitation with its RISE program, a jail-based community alternatives program.

Participants can be found cleaning up cemeteries all over the county, growing vegetables for the county fair's salsa competition, and, most recently, filling up sandbags to help communities in flooding zones.

For Eddie Garcia, Socorro County Detention administrator,

■ See ***Inmate***, Page 3

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Jessica Carranza Pino | El Defensor Chieftain

Prescott Apachito, stands by one of his murals inside the Socorro County Detention Center. He has contributed to several murals and beautification projects in Socorro and Magdalena.

Inmate

from PAGE 1

Apachito is evidence of the program's success. Garcia has watched Apachito's transformation firsthand.

Garcia says Apachito is always engaged. He gets up early and participates in all of the programs, such as literacy, kitchen, garden, acupuncture and group.

"If you saw his booking picture from his first day here to now, he's totally different. He would never talk or say much; he just

stayed to himself but he has opened up gradually. We trust him, we believe in him and he's respectful to my staff to other inmates," Garcia said.

Apachito never imagined that being in jail would lead him to where he is now.

"Being incarcerated has changed my ways, my life, my thinking," Apachito said

With all the support, he now has a future to look forward to and is grateful for the relationships he has made, especially with his family.

"One day, I talked to my

auntie, and they put me on speaker. I could hear my grandparents and they were crying. It made me proud because I know it was a tears of joy," Apachito said.

One of the joys he's discovered while incarcerated is mentoring and inspiring other inmates. He wants others to know that you don't have to be incarnated to change your life. He encourages people to look into themselves, avoid trouble, stay in school and to help each other.

"I believe in them, I know they can make it, it's one of the things I do enjoy

Title: Inmate finds joy, local fame and purpose with art

Author: By Jessica Carranza Pino El Defensor Chieftain Editor

Size : 111 Inches Sq Socorro,NM Circulation: 2500

Keywords: Detention Center OR Facility ~ New Mexico Association of Counties

helping the community,”

Apachito said.

Garcia said other inmates, both male and female, look up to Apachito and he’s had a huge positive influence on the culture in the pods.

“He’s a leader in the pod, and if there’s something going on, he’s one of the guys that says, ‘Hey, we can’t be doing this; we get a lot of privileges in here.’ So he’s a mentor and they look up to him as he’s involved

in so much right now, either inside the facility or on the outside,” Garcia said.

Garcia said he has seen the program grow, and the community has become enthusiastic and supportive

of it. Now, he is getting calls from people asking if the RISE participants can come help with projects all over the county. Last month, Apachito was invited to speak at a 100%

Community event and had an overwhelmingly positive response.

“It’s just amazing that our program took off like the way it is, and we’re like the big brother of the program

in the state,” Garcia said.

“People come down from Farmington and Gallup to check out a RISE program and see all the creative stuff we do.”

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Photo Submitted | El Defensor Chieftain

RISE inmates assisted in making sand bags for flooding New Mexico counties in partnership with the emergency management department. 750 bags were filled in three hours. They also clean up cemeteries and work on beautification projects.

NMCIA LAW ENFORCEMENT LOSS RATIO SUMMARY

COUNTY	FY 20 2014	FY 21 2015	FY 22 2016	FY 23 2017	FY 24 2018	FY 25 2019	FY 26 2020	FY 27 2021	FY 28 2022	FY 29 2023	FY 20-29 Pool Avg.	FY 30 2024
Bernalillo	58.25%	148.39%	61.69%	156.88%	72.93%	98.99%	138.14%	227.18%	343.57%	183.09%	148.91%	138.81%
Catron	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	288.39%	0%	2556.23%	77.17%	292.18%	0.00%
Chaves	13.95%	16.98%	198.73%	209.23%	0.00%	42.38%	234.47%	360.50%	305.91%	220.71%	160.29%	151.09%
Cibola	0.00%	371.15%	557.92%	292.82%	0.00%	0.00%	36.67%	0%	0.00%	0.00%	125.86%	0.00%
Colfax	1064.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4732.62%	0.00%	0.00%	579.71%	0.00%
Curry	124.22%	25.49%	580.16%	0.04%	0.00%	36.50%	34.75%	323%	19.92%	0.00%	114.44%	0.00%
De Baca	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	897.37%	1953.92%	0.00%	0.00%	285.13%	0.00%
Dona Ana	15.72%	41.83%	101.61%	74.45%	4.08%	18.66%	24.75%	76%	65.40%	268.67%	69.13%	59.84%
Eddy	0.00%	545.78%	0.00%	0.00%	0.00%	726.35%	140.49%	371.46%	73.57%	31.42%	188.91%	10.72%
Grant	0.00%	0.00%	407.53%	50.73%	160.61%	25.84%	0.00%	0%	0.00%	9.02%	65.37%	26.39%
Guadalupe	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	151.27%	15.13%	0.00%
Harding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0%	0.00%	0.00%	0.00%	0.00%
Hidalgo	76.56%	195.96%	0.00%	0.00%	0.00%	251.76%	0.00%	0.00%	0.00%	0.00%	52.43%	72.37%
Lincoln	30.03%	174.43%	0.00%	216.47%	58.67%	71.73%	0.08%	57%	56.31%	33.57%	69.79%	0.00%
Luna	0.00%	0.00%	261.10%	13.90%	3.02%	137.75%	11.79%	26.99%	26.94%	714.14%	119.56%	0.00%
McKinley	0.00%	103.33%	91.82%	0.00%	0.00%	13.26%	0.00%	41%	1170.58%	74.58%	149.45%	0.00%
Mora	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Otero	599.57%	28.67%	18.94%	5.01%	547.71%	0.00%	0.00%	31%	0.00%	192.72%	142.37%	112.42%
Quay	0.00%	0.00%	0.00%	95.65%	0.00%	0.00%	0.00%	98.30%	0.00%	0.00%	19.40%	0.00%
Roosevelt	0.00%	268.93%	159.11%	0.00%	956.17%	0.00%	234.68%	0%	119.11%	0.00%	173.80%	0.00%
San Miguel	0.00%	708.37%	151.78%	0.00%	18.07%	16.36%	73.24%	641.13%	26.89%	15.17%	165.10%	71.56%
Sandoval	402.76%	270.30%	44.09%	37.93%	22.59%	46.54%	54.78%	0%	48.99%	11.84%	93.98%	17.68%
Santa Fe	230.00%	139.04%	97.97%	8.34%	3.40%	180.86%	11.18%	55.69%	103.18%	26.38%	85.60%	29.24%
Sierra	840.69%	0.00%	336.26%	0.00%	0.00%	0.00%	25.59%	0%	73.38%	2.65%	127.86%	29.43%
Socorro	0.00%	11.98%	282.88%	725.99%	4.14%	219.75%	0.00%	2.35%	81.05%	62.36%	139.05%	122.04%
Taos	38.63%	211.34%	486.57%	0.00%	0.00%	44.76%	31.85%	158%	18.83%	314.44%	130.44%	0.00%
Torrance	0.00%	190.36%	0.00%	0.00%	6.89%	0.00%	0.00%	691.77%	125.53%	0.00%	101.46%	0.01%
Union	0.00%	0.00%	0.00%	0.00%	0.00%	617.89%	0.00%	0%	0.00%	0.00%	61.79%	0.00%
Valencia	69.65%	83.42%	27.61%	6.31%	45.67%	15.57%	29.72%	30.68%	346.14%	0.00%	65.48%	2.59%
TOTAL	98.72%	138.78%	132.05%	75.85%	55.26%	91.72%	73.49%	185.75%	195.34%	139.82%	118.68%	81.61%

Multi-Line Loss Ratios

(coverage for general liability, property, crime, cyber liability, equipment breakdown, public officials errors and omissions, employment practices liability, automobile liability, etc.)

As of 7/31/24

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

COUNTY	FY 31 2019	FY 32 2020	FY 33 2021	FY 34 2022	FY 35 2023	FY 31 - 35 Pool Avg.	FY 36 2024
Bernalillo	66.87%	10.63%	115.85%	92.86%	202.31%	97.71%	101.39%
Catron	0.00%	15.82%	97.65%	0.00%	605.08%	143.71%	0.00%
Chaves	0.00%	50.35%	434.07%	498.35%	16.22%	199.80%	27.20%
Cibola	78.34%	31.41%	0.00%	0.00%	0.00%	21.95%	484.76%
Colfax	14.67%	2.70%	5.78%	0.00%	223.78%	49.38%	599.53%
Curry	12.54%	3.27%	7.86%	5.44%	48.55%	15.53%	0.00%
De Baca	196.94%	0.00%	0.00%	27.33%	62.85%	57.42%	0.00%
Dona Ana	1.06%	53.72%	124.11%	91.98%	136.40%	81.45%	50.06%
Eddy	0.00%	20.92%	33.16%	75.45%	449.44%	115.79%	38.67%
Grant	2.99%	0.00%	0.00%	0.00%	332.88%	67.17%	0.00%
Guadalupe	0.00%	1.75%	0.00%	70.27%	0.00%	14.40%	0.00%
Harding	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hidalgo	165.30%	0.00%	0.00%	0.00%	0.00%	33.06%	0.00%
Lincoln	3.54%	23.44%	3.51%	80.21%	6.32%	23.40%	0.00%
Luna	23.48%	0.00%	0.00%	0.00%	32.86%	11.27%	8.27%
McKinley	0.00%	25.85%	0.00%	76.33%	24.49%	25.33%	23.08%
Mora	152.25%	0.00%	710.45%	220.36%	3.20%	217.25%	190.02%
Otero	90.09%	113.96%	554.85%	52.53%	34.51%	169.19%	0.00%
Quay	25.35%	89.88%	2.74%	133.04%	0.00%	50.20%	101.91%
Roosevelt	5.71%	0.00%	0.00%	0.00%	62.51%	13.64%	0.00%
SanMiguel	0.81%	97.44%	0.75%	26.88%	132.93%	51.76%	78.37%
Sandoval	25.25%	25.28%	10.17%	74.49%	287.07%	84.45%	374.66%
Santa Fe	38.22%	261.72%	38.22%	75.83%	351.60%	153.12%	112.78%
Sierra	0.00%	75.88%	423.35%	0.00%	131.12%	126.07%	2.49%
Socorro	0.00%	0.93%	0.00%	32.18%	2.43%	7.11%	0.00%
Taos	2.98%	71.15%	185.59%	1.23%	257.78%	103.75%	236.95%
Torrance	0.00%	7.80%	21.03%	103.35%	258.75%	78.19%	178.92%
Union	0.00%	0.00%	382.46%	0.00%	214.16%	119.33%	0.00%
Valencia	56.84%	37.92%	14.54%	71.67%	311.21%	98.44%	59.38%
TOTAL	33.67%	47.61%	106.28%	79.83%	171.72%	87.82%	85.86%

Note >1 Claim data is by claim, not event resulting in higher claim counts.

As of 7/31/24

NMCIA Auto Physical Damage (APD) LOSS RATIO SUMMARY

COUNTY	FY 31 2019	FY 32 2020	FY 33 2021	FY 34 2022	FY 35 2023	FY 31-34 Pool Avg.	FY 36 2024
Bernalillo	48.12%	41.20%	85.50%	164.89%	78.07%	83.56%	111.01%
Catron	19.66%	402.27%	307.25%	0.00%	123.98%	170.63%	245.43%
Chaves	287.37%	165.61%	0.00%	19.68%	24.69%	99.47%	0.00%
Cibola	12.49%	9.22%	46.72%	60.20%	70.35%	39.80%	142.18%
Colfax	244.02%	0.00%	17.09%	94.66%	107.78%	92.71%	121.66%
Curry	9.63%	110.33%	73.77%	114.12%	270.85%	115.74%	242.42%
De Baca	200.14%	737.13%	0.00%	0.00%	22.35%	191.93%	0.00%
Dona Ana	10.22%	0.00%	5.38%	210.62%	0.00%	45.25%	63.47%
Eddy	189.97%	169.02%	161.13%	117.36%	193.11%	166.12%	14.16%
Grant	2.31%	58.47%	34.36%	37.61%	43.61%	35.27%	36.16%
Guadalupe	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Harding	0.00%	7.62%	2.02%	0.00%	0.00%	1.93%	0.00%
Hidalgo	0.00%	0.00%	125.86%	0.00%	0.00%	25.17%	0.00%
Lincoln	6.34%	87.20%	117.00%	148.34%	28.93%	77.56%	44.42%
Luna	146.89%	12.06%	0.00%	19.13%	3.17%	36.25%	82.93%
McKinley	62.31%	57.99%	50.13%	780.00%	187.10%	227.51%	50.47%
Mora	0.00%	86.51%	402.29%	57.39%	136.99%	136.64%	171.30%
Otero	50.83%	208.40%	311.11%	20.72%	0.00%	118.21%	68.33%
Quay	18.59%	6.26%	182.03%	0.00%	118.17%	65.01%	0.00%
Roosevelt	34.48%	0.00%	155.94%	0.00%	122.54%	62.59%	5.27%
SanMiguel	40.92%	9.63%	38.20%	18.95%	428.65%	107.27%	44.89%
Sandoval	39.05%	78.92%	110.42%	108.76%	48.01%	77.03%	24.76%
Santa Fe	79.25%	0.34%	27.31%	49.94%	0.00%	31.37%	1.10%
Sierra	33.74%	42.37%	622.33%	423.57%	32.63%	230.93%	0.00%
Socorro	78.39%	0.00%	35.29%	0.00%	0.46%	22.83%	13.68%
Taos	16.09%	56.57%	23.95%	207.24%	23.55%	65.48%	45.31%
Torrance	168.78%	36.88%	16.03%	276.36%	0.00%	99.61%	0.00%
Union	39.83%	0.00%	679.48%	142.78%	462.79%	264.98%	0.00%
Valencia	54.06%	36.25%	26.59%	172.18%	33.88%	64.59%	81.28%
TOTAL	61.45%	56.62%	82.40%	144.42%	70.37%	83.05%	65.90%

Note >1 Claim data is by claim, not event resulting in higher claim counts.

Workers' Compensation Loss Ratios

NMCA WORKERS' COMPENSATION LOSS RATIO SUMMARY

COUNTY	FY 28 2014-15	FY 29 2015-16	FY 30 2016-17	FY 31 2017-18	FY 32 2018-19	FY 33 2019-20	FY 34 2020-21	FY 35 2021-22	FY 36 2022-23	FY 37 2023-24	FY 28-37 Pool Avg.	FY 38 2024-25
*Bernalillo	0.00%	0.00%	109.81%	140.82%	0.00%	540.95%	281.46%	382.19%	344.10%	144.94%	194.43%	39.40%
Catron	10.60%	391.54%	0.41%	366.13%	672.06%	693.31%	1.56%	38.38%	32.00%	0.00%	220.60%	0.00%
Chaves	12.44%	26.89%	89.19%	31.60%	20.87%	20.23%	273.31%	36.55%	42.11%	72.14%	62.53%	47.91%
Cibola	48.14%	111.72%	26.90%	15.90%	0.38%	29.59%	0.14%	1.19%	110.74%	17.08%	36.18%	0.00%
Colfax	4.32%	64.77%	39.93%	5.32%	15.21%	6.30%	5.88%	89.20%	14.03%	72.12%	31.71%	0.00%
Curry	144.60%	99.77%	128.85%	78.49%	111.52%	117.32%	14.30%	36.50%	173.12%	56.99%	96.15%	20.78%
DeBaca	1.05%	39.92%	1.01%	286.47%	86.08%	1.42%	1.56%	5.10%	4.05%	0.15%	42.68%	590.59%
*Doña Ana	37.93%	20.05%	10.40%	17.46%	*	*	114.79%	47.45%	89.64%	133.22%	58.87%	*
Eddy	37.53%	147.07%	12.38%	28.30%	15.47%	62.97%	118.00%	71.18%	44.34%	88.49%	62.57%	20.04%
Grant	78.18%	19.72%	52.04%	49.70%	34.94%	16.68%	135.25%	94.90%	23.51%	80.85%	58.58%	71.82%
Guadalupe	1.59%	85.16%	6.30%	50.08%	516.37%	176.90%	10.19%	8.26%	23.85%	119.50%	99.82%	0.00%
Harding	0.00%	0.00%	0.06%	0.00%	46.62%	2.11%	0.00%	0.00%	0.00%	0.00%	4.88%	0.00%
Hidalgo	60.00%	4.33%	1.40%	11.02%	0.68%	7.01%	39.74%	0.25%	1.69%	46.81%	17.29%	0.00%
Lea	178.22%	103.82%	148.48%	13.10%	39.56%	20.39%	34.75%	11.20%	20.31%	19.63%	58.94%	0.65%
Lincoln	7.50%	310.65%	653.81%	5.26%	21.96%	20.30%	303.92%	4.38%	110.22%	111.77%	154.98%	1.86%
Los Alamos	*	*	*	*	*	*	*	*	60.51%	117.42%	88.97%	42.69%
Luna	94.34%	247.71%	595.62%	71.25%	64.84%	59.80%	94.27%	26.28%	234.54%	15.12%	150.38%	5.24%
McKinley	16.46%	136.09%	36.15%	65.62%	52.88%	33.82%	25.77%	7.88%	49.00%	8.93%	43.26%	0.00%
Mora	3.56%	0.37%	47.80%	0.38%	493.99%	3.52%	1.63%	0.84%	220.49%	15.69%	78.83%	0.00%
Otero	51.75%	178.62%	167.20%	209.27%	*	*	*	*	*	*	151.71%	*
Quay	11.31%	10.60%	7.99%	4.71%	355.65%	5.53%	18.08%	10.33%	39.05%	36.44%	49.97%	0.00%
Rio Arriba	*	*	*	*	182.10%	171.35%	57.18%	99.99%	41.60%	76.46%	104.78%	1.81%
Roosevelt	208.99%	14.53%	22.43%	42.93%	39.25%	206.01%	8.86%	4.78%	14.18%	10.72%	57.27%	0.00%
*San Juan	52.35%	71.24%	81.64%	28.74%	67.61%	125.38%	356.62%	168.77%	74.62%	175.13%	120.21%	0.00%
San Miguel	59.13%	14.28%	1.04%	9.29%	1.26%	142.60%	7.83%	6.29%	44.83%	8.63%	29.52%	60.50%
*Sandoval	28.98%	31.87%	73.29%	2.83%	95.09%	14.77%	28.72%	19.98%	44.18%	0.89%	34.06%	0.00%
*Santa Fé	212.09%	38.53%	87.98%	54.33%	82.28%	*	*	*	19.54%	230.11%	103.55%	0.00%
Sierra	1.88%	11.77%	3.89%	5.99%	1.99%	10.49%	15.97%	0.00%	14.27%	73.89%	14.02%	0.00%
Socorro	12.15%	6.38%	4.07%	19.63%	3.20%	2.52%	0.81%	6.19%	6.01%	8.30%	6.93%	0.00%
Taos	27.92%	20.37%	8.93%	78.14%	60.12%	56.40%	99.40%	82.58%	4.06%	40.70%	47.86%	0.00%
Torrance	5.56%	10.02%	0.09%	13.16%	14.20%	0.52%	3.80%	68.88%	26.29%	27.12%	16.97%	0.00%
Union	13.91%	296.91%	0.00%	2.39%	0.00%	7.16%	0.00%	0.00%	0.00%	379.21%	69.96%	0.00%
Valencia	190.01%	326.00%	185.65%	28.52%	71.91%	4.99%	2.96%	59.76%	27.53%	78.88%	97.62%	0.00%
TOTAL	63.16%	72.69%	82.56%	43.64%	70.87%	68.33%	112.71%	93.45%	102.42%	110.24%	82.01%	19.10%

*Deductible Structure Program Participation:

Bernalillo County: FY 26 - 34

Dona Ana County: FY 29- 31

Santa Fé County: FY 26, 32, 38

San Juan: FY 30- 32, 38

Sandoval: FY 30- 33, 35-38

Bernalillo, Dona Ana, Santa Fé, San Juan, Sandoval County Workers' Compensation Structure Analysis

As of 7/31/24

	a	b	c	d	e	f	g	h	i	j	k	l	m
	SIR	Annual	Claim	Total	Open	Claims	Incurred Losses	Incurred Losses Over	Annual Pool	Loss Fund	WC Pool	Loss	County Total
	(per claim)	Aggregate	Count	Incurred Losses (not net incurred)	Claims	Exceeding SIR	Over SIR	Annual Aggregate	Contributions	Contribution	Incurred YTD	Ratio	Incurred YTD
Bernalillo County											g+h	k/j	d+i-k
FY 28 2014 -15	\$400,000	\$1,750,000	273	\$1,571,263	2	0	\$0	\$0	\$765,446	\$239,327	\$0	0.00%	\$2,336,709
FY 29 2015 -16	\$400,000	\$1,750,000	270	\$1,386,167	3	0	\$0	\$0	\$851,941	\$294,014	\$0	0.00%	\$2,238,108
FY 30 2016-17	\$400,000	\$1,750,000	291	\$2,109,539	3	0	\$0	\$359,539	\$949,631	\$327,429	\$359,539	109.81%	\$2,699,631
FY 31 2017-18	\$500,000	\$2,000,000	254	\$2,394,119	4	1	\$143,065	\$251,053	\$879,715	\$279,868	\$394,119	140.82%	\$2,879,715
FY 32 2018-19	\$500,000	\$1,750,000	236	\$1,459,197	1	0	\$0	\$0	\$835,729	\$154,260	\$0	0.00%	\$2,294,926
FY 33 2019-20	\$500,000	\$1,750,000	279	\$2,508,490	6	0	\$0	\$758,490	\$805,055	\$140,216	\$758,490	540.95%	\$2,555,055
FY 34 2020-21	\$50,000	\$1,750,000	193	\$3,137,487	9	16	\$1,735,577	\$0	\$1,250,896	\$616,644	\$1,735,577	281.46%	\$2,018,553
Dona Ana County													
FY 29 2015 -16	\$25,000	\$750,000	99	\$280,757	0	2	\$85,747	\$0	\$589,908	\$427,608	\$85,747	20.05%	\$784,918
FY 30 2016 -17	\$25,000	\$750,000	72	\$273,412	1	3	\$42,187	\$0	\$571,782	\$405,654	\$42,187	10.40%	\$803,007
FY 31 2017 -18	\$25,000	\$750,000	59	\$237,255	0	2	\$77,108	\$0	\$624,926	\$441,500	\$77,108	17.46%	\$785,073
San Juan County													
FY 30 2016 -17	\$10,000	\$0	72	\$530,268	2	10	\$387,145	\$143,122	\$798,917	\$649,480	\$530,268	81.64%	\$798,917
FY 31 2017 -18	\$10,000	\$0	58	\$172,362	0	5	\$51,632	\$120,730	\$750,988	\$599,765	\$172,362	28.74%	\$750,988
FY 32 2018 -19	\$10,000	\$0	74	\$368,003	2	10	\$213,890	\$154,112	\$713,439	\$544,336	\$368,003	67.61%	\$713,439
FY 38 2024-25**	\$10,000	\$0	5	\$17,925	5	0	\$0	\$0	\$833,507	\$58,766	\$0	0.00%	\$851,432
Sandoval County													
FY 30 2016 -17	\$25,000	\$750,000	67	\$640,104	0	3	\$438,629	\$0	\$692,000	\$598,456	\$438,629	73.29%	\$893,475
FY 31 2017 -18	\$25,000	\$750,000	64	\$179,169	1	3	\$17,474	\$0	\$713,256	\$616,921	\$17,474	2.83%	\$874,951
FY 32 2018 -19	\$25,000	\$750,000	70	\$741,173	1	5	\$540,555	\$0	\$678,087	\$568,492	\$540,555	95.09%	\$878,706
FY 33 2019 -20	\$25,000	\$750,000	43	\$173,225	0	2	\$76,614	\$0	\$627,875	\$518,558	\$76,614	14.77%	\$724,486
FY 35 2021-22	\$25,000	\$750,000	46	\$264,597	4	4	\$77,029	\$0	\$656,492	\$385,546	\$77,029	19.98%	\$844,059
FY 36 2022-23	\$25,000	\$750,000	55	\$300,819	2	1	\$165,725	\$0	\$462,763	\$375,150	\$165,725	44.18%	\$597,856
FY 37 2023-24	\$50,000	\$750,000	51	\$280,305	20	1	\$2,892	\$0	\$417,387	\$324,396	\$2,892	0.89%	\$694,800
FY 38 2024-25**	\$25,000	\$0	5	\$45,163	5	0	\$0	\$0	\$660,299	\$47,383	\$0	0.00%	\$705,461
Santa Fé County													
FY 32 2018-19	\$25,000	\$750,000	85	\$811,468	1	7	\$488,165	\$0	\$835,328	\$593,267	\$488,165	82.28%	\$1,158,631
FY 38 2024-25**	\$100,000	\$0	3	\$325	1	0	\$0	\$0	\$776,330	\$48,615	\$0	0.00%	\$776,655

**FY 38 Loss Fund Contribution is pro-rated to 1 months as of 7/31/24.

Loss Fund Contribution = Annual Contribution + Investment Income - Admin. Expenses.

Deductible Structure Program Participation:

Bernalillo County: FY 22 - 34

Dona Ana County: FY 29- 31

Santa Fé County: FY 23 - 26, 32, 38

San Juan: FY 30- 32, 38

Sandoval: FY 30- 33, 35-38

Members that left the WC Program

Dona Ana County left the WC Program in FY 32 and returned in FY 34 and left again FY 38

Santa Fé County left the WC pool in FY 33 and returned in FY 36

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

<u>Item Number:</u> 9.A.	<u>Item Title:</u> Strategic Retreat Agenda
<u>Presenter (s):</u> Brandy Thompson, NMCI Board Member	

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

<u>Item Number:</u> 9.B.	<u>Item Title:</u> Policy on Coverage for Cross Commissioned Officers
<u>Presenter (s):</u> Grace Philips, Risk Management Director	

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

<u>Item Number:</u> g.C.	<u>Item Title:</u> Recommendations for Topics for BIPO/NMC Conferences
<u>Presenter (s):</u> Lance Pyle, Chair	

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

<u>Item Number:</u> 10.A.	<u>Item Title:</u> Legal Bureau Update
<u>Presenter (s):</u> Brandon Huss, Legal Bureau Director	



NMC LEGAL BUREAU UPDATE

Date: August 14, 2024
To: NMCIA Board of Directors
From: Brandon Huss, Legal Bureau Director
Re: Legal Bureau Update

Greetings Board Members,

It is my pleasure to write to you in my first update report as Legal Bureau Director. Since the last update in May 2024, the Bureau has closed an additional 20 cases. In 5 of those cases, we were able to convince the courts, or the plaintiffs themselves, that the claims failed as a matter of law. We paid no money and were granted a full dismissal. The remaining 15 cases were settled; I will update you at the meeting on the values and trends we see in those settlements.

Over the Summer, we hosted two student law clerks from the Arturo Jaramillo Clerkship program at UNM, Karina Guadarrama and Nikko Vallejos. The program's goal is to offer law students of diverse backgrounds the opportunity to clerk in legal settings that provide a foundation for the students' law careers. Nikko's performance on research and writing projects was very high; as such, we offered, and he accepted, a position as a term law clerk for an additional year.

Additionally, for those of you who have not heard, Luis Tafoya our internal investigator resigned to spend additional time with his family. We have hired a new investigator, Eric Kubler. Eric has a long background in investigations, including significant experience serving on various FBI task forces in conjunction with his employment for the Bernalillo County Sheriff's Office.

In May, David Roman had his four-year anniversary with the Legal Bureau and in October, Bree will pass her second anniversary as a lawyer. Both David and Bree are exceptional at defending counties and working to minimize risk in cases that are brought against the members.

Should you have any questions or comments, I will be happy to address them at the upcoming meeting.

Very Truly Yours,

Brandon Huss

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

<u>Item Number:</u> 10.B.	<u>Item Title:</u> Lexipol Update
<u>Presenter (s):</u> Greg Rees, Loss Prevention Manager	



Memorandum

Date: August 14, 2024
To: NMCIA Board
From: Greg Rees, Loss Prevention Manager
Re: Loss Prevention Department Update

New Mexico Counties posted online and print advertisements for the vacant Loss Prevention Safety Specialist position, previously held by James Chavez. The application process closed on August 2, 2024. The recruitment effort yielded several qualified applicants. It is my intention to schedule interviews in the next several weeks.

In addition, NMC General Counsel, Mark Allen, has developed a new online seminar. *First Amendment Audits: Avoiding Infamy & Liability* is scheduled for its debut on August 22 at 10 am. I am excited to assist Mark with this online seminar. Registration information will be available on our website next week.

Included with this memo is an updated timeline for the Lexipol Policy Management project. Also attached is the last monthly summary report. The project is moving forward nicely. As a reminder, the success with this project is dependent upon the level of engagement and customization that each Sheriff's Office provides.

The following Sheriff Offices still have not signed the Right to Use Agreement, which is the first step in the process: Cibola, Dona Ana, Harding, San Miguel, and Roosevelt. We will continue to outreach to these agencies to determine how we can best provide this service.

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Group I- Start Date June 2024	Group II- Start Date August-September 2024	Group III- Start Date October-November 2024
Curry County	Bernalillo County	Chaves County
Grant County	Catron County	Cibola County (Has not signed RTU agreement)
Guadalupe County	Colfax County	Dona Ana County (Has not signed RTU agreement)
Hidalgo County	De Baca County	Eddy County
Lincoln County	Luna County (Moved from Group III)	Harding County (Has not signed RTU agreement)
Otero County	Socorro County	McKinley County
Quay County	Taos County	Mora County
Santa Fe County	Union County	San Miguel County (Has not signed RTU agreement)
Sandoval County		Roosevelt County (Has not signed RTU agreement)
Sierra County		Torrance County
Valencia County		

Lexipol Implementation Timeline Estimates

LEXIPOL (Project Control - Monthly Summary Report)

GENERAL PROJECT INFORMATION

PROJECT NAME		SR PROJECT MANAGER	OPERATIONS MANAGER
New Mexico Counties (NMC)		Phil Holder	Richard Pascarella
EMAIL	PHONE	ORGANIZATIONAL UNIT(S)	
pholder@lexipol.com ; rpascarella@lexipol.com	949-226-8074	Lexipol Professional Services	
AGREEMENT EFFECTIVE DATE	PROJECT STATUS REPORT DATES	EXPECTED START DATE	EXPECTED COMPLETION DATE
28-Dec-23	07/01/2024 - 07/30/2024	06/01/2024	02/28/2026

PROJECT SUMMARY - JULY 2024

PURPOSE OF PROJECT	<p>Establish and implement constitutionally sound Law Enforcement Policy Manuals for the New Mexico Counties consortium of twenty-nine individual counties supported and delivered using the Lexipol Knowledge Management System.</p>
MONTHLY SUMMARY	<p>Group 1 participants include: Guadalupe CO, Hidalgo CO, Otero CO, Quay CO, Santa Fe CO, Sierra CO, Valencia CO, Sandoval CO, Lincoln CO, Curry CO, and Grant CO.</p> <p>Group 3 participants - NM McKinley CO SO and NM Luna CO SO were requested to be moved up in order. Both agencies were added to Group 1/2. McKinley CO SO has completed the pre-implementation, Discovery and K/O meetings and has started Tier I implementation. NM Luna CO SO was scheduled to meet on 7/30/24 and did not show up to the meeting; the meeting has been re-scheduled to 8/7/24.</p> <p>Group 1 participants plus NM McKinley CO SO have completed the pre-implementation meetings and have begun Tier I implementation meetings with their assigned project managers. All Group 1 agencies have regular recurring meetings with their PM's except for NM Sierra CO SO and Luna CO SO.</p> <p>Highlights:</p> <ul style="list-style-type: none"> Sandoval CO SO - Working on multiple Tiers at one time and have issued 61 policies to staff. Otero CO SO - Have almost completed Tier I policies and expect to release first group in August. McKinley CO SO - Moved to Group 1. Completed pre-implementation mtgs and have started weekly mtgs on Tier I. Lincoln CO SO - Had a delayed start due to fires in the county; has completed initial mtgs and are working on Tier V first (agency request) Hidalgo CO SO - Review of Tier I policies almost completed; will start Tier II in August. Grant CO SO - Moving through Tier I policies at steady pace Quay CO SO - Completed review of Tier I and II policies this month; starting on Tier III. Guadalupe CO SO - Delayed start due to computer problems; currently working on Tier I policies. Sierra CO SO - K/O mtg scheduled on 7/19, Lexipol computer problems caused delay. Setting new date to start process. Valencia CO SO - Completed review of Tier I policies this month; starting on Tier II. Curry CO SO - Meets only once every 3 weeks; slow progress working on Tier I.

TASK(S) COMPLETED	<ul style="list-style-type: none"> • Group 1 projects are in the implementation phase. • Group 2 and 3 contracts were reviewed. There are 5 missing contracts and follow-up is being conducted by Sales & NMC. • Two counties in Group 3 were moved to Group 1 and reassigned. • Group 2 and 3 pre-implementation meetings will start in August to prepare for implementations. • Group 2 projects have been built and accounts have been set-up.
TASK(S) DELAYED	<ul style="list-style-type: none"> • Lincoln County SO - Agency has begun the implementation process, but is slightly behind due to fires in county. • Santa Fe County SO - Agency did not attend two meetings this month with no notice provided; add'l time spent reaching out to reschedule meetings. • Sierra County SO - Original K/O mtg was delayed due to computer problems (CrowdStrike update - Lexipol). Message sent to agency to reschedule. No contact with agency after emails/calls to set up new time. • Finalize Groups 3 - Missing contracts have delayed the construction of projects and KMS accounts. Sales is attempting to contact agencies directly and NMC was notified.
UPCOMING TASKS	<ul style="list-style-type: none"> • Update each Group 1 participants into the next implementation phase by end of August with revised plan. • Complete Group 3 contract reviews and build projects. • Complete pre-implementation meetings with Group 2 participants.
RISK LOG	<ul style="list-style-type: none"> • Continue to reach out to agencies that are missing meetings, not corresponding, or haven't started the process. Document delays and communicate problems. • Monitor delays of individual projects - extended time frames to begin or continue should be evaluated and consider moving next project in line to implementation.
ISSUE LOG	<ul style="list-style-type: none"> • Any issues related to projects have been conveyed to the project manager and PS supervision for resolution.

TENTATIVE SCHEDULE

KEY MILESTONES - GROUP 1	START	FINISH
Project Discovery Meeting	06/11/2024	07/20/2024
Existing Content Received / Reviewed	June/July 24	June/July 24
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	July/August 24	08/24/2024
Completion of PWG Initial Edits to Tier 2	August/Sept 24	September
Completion of PWG Initial Edits to Tier 3	August/Sept 24	September
Completion of PWG Initial Edits to Tier 4	Sept/Oct 24	October

Completion of PWG Initial Edits to Tier 5	Sept/Oct 24	October
Existing Content Cross-Reference (As needed)	July/Oct 24	October
Onboarding / KMS Orientation	TBD	TBD
Administrative and End-User Training	TBD	TBD
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	TBD

RESOURCES

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

PREPARED BY	TITLE	DATE
Richard Pascarella	Operations Manager - West Region, Professional Services Division	08/07/2024

Policy Implementation Stages - Progress

Agency	MSA Signed / Review SoW	Pre-Implementation Meeting	EC Received & Reviewed	Kick-Off Meeting Completed	Recurring Mtg Schedule	Onboarding/KMS Orientation	Tier I - Review/Edits	Tier II - Review/Edits	Tier III - Review/Edits	Tier IV - Review/Edits	Tier V - Review/Edits	Quality Assurance Review	Policy Issuance / Handoff Meeting
NM Guadalupe County SO	√	√	√	√	√	IP	IP						
NM Hidalgo County SO	√	√	√	√	√	IP	IP	IP					
NM Otero County SO	√	√	√	√	√	IP	IP	IP					
NM Quay County SO	√	√	√	√	√	IP	√	√	IP				
NM Santa Fe County SO	√	√	√	√	√	IP	IP						
NM Sierra County SO	√	√	√	No									
NM Valencia County SO	√	√	√	√	√	IP	IP						
NM Sandoval County SO	√	√	√	√	√	IP	IP	IP					
NM Lincoln County SO	√	√	√	NA	√	IP		IP					
NM Curry County SO	√	√	√	√	√	IP	IP						
NM Grant County SO	√	√	√	√	√	IP	IP						
NM McKinley County SO	√	√	√	√	√	IP	IP						
NM Luna County SO	√	7-Aug											

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

<u>Item Number:</u> <p style="text-align: center;">10.C.</p>	<u>Item Title:</u> Workers' Compensation Update
<u>Presenter (s):</u> Kamie Denton, Workers' Compensation Claims Manager	



Memorandum

Date: August 14, 2024
To: NM Counties Insurance Authority Members
From: Kamie Denton, Workers' Compensation Claims Manager
Re: Workers' Compensation Department Update

- Effective July 1, 2024, NMCIA provides workers' compensation coverage for 31 of the 33 New Mexico counties.
- As of July 31, 2024, we have 606 open workers' compensation claims (the oldest dating back to 1991) with a total incurred of \$49.6 Million. Of these open claims, 139 are from detention centers, and 138 are from the sheriff's departments.
 - The top five causes of injury by classification are strain, fall or slip, struck or injured by an object or person, miscellaneous (includes exposure/BBP), and motor vehicle accidents.
 - The most injured body part classification is multiple body parts with 153 open claims as of July 31, 2024, and a total incurred of \$16.2 Million.
- Since inception (01/01/1987), NMC received a total of 28,004 claims with a total incurred of \$170.8 Million! *as of 7/31/2024.
- Our in-house nurse case manager had 35 open cases as of August 1, 2024; 15 new cases were opened, and 14 cases were closed in July 2024.
 - She managed 153 cases in 2024 (YTD). The average cost per claim is about \$1,600.00.
- All members participating in the NMCIA workers' compensation line of coverage are enrolled in the Company Nurse triage program effective November 1, 2022. We have been partners with Company Nurse since 2013, and this program helps injured workers as soon as a workplace

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injury occurs. Reports are provided to the member contacts which helps our members know when an incident takes place. Please contact me or Cynthia Stephenson for any questions about how this program can help with your county's workers' compensation claims.

- 357 incidents were reported to Company Nurse from October 2023 through July 2024. Only 42 were triaged to emergency care and 123 were triaged to self-care.
- We partnered with Comp IQ for our bill review management needs. They processed 6,943 bills from October 2023 through July 2024; the total billed was \$7.6 million with a net savings of \$5.2 million.
- Alius Health provides pharmacy benefit management services for our injured workers. There were 817 prescriptions filled from October 2023 through July 2024 with 1,158 being generic prescriptions providing additional savings. The retail charges for this period were \$245,933.06; our net savings during this period were \$111,549.36.
- We can provide open claim reviews and training to supervisors, managers, and directors on any workers' compensation-related topic. Please contact Kamie Denton (505-820-8159 or email: kdenton@nmcountries.org) for questions or if you would like to schedule a training or open claim review.

KD
Attachments

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NMCOUNTIES.ORG

NMC Workers' Compensation Department Update

Kamie Denton, CWCP

NMC Workers' Compensation Claims Manager

August 2024



NEW MEXICO
COUNTIES

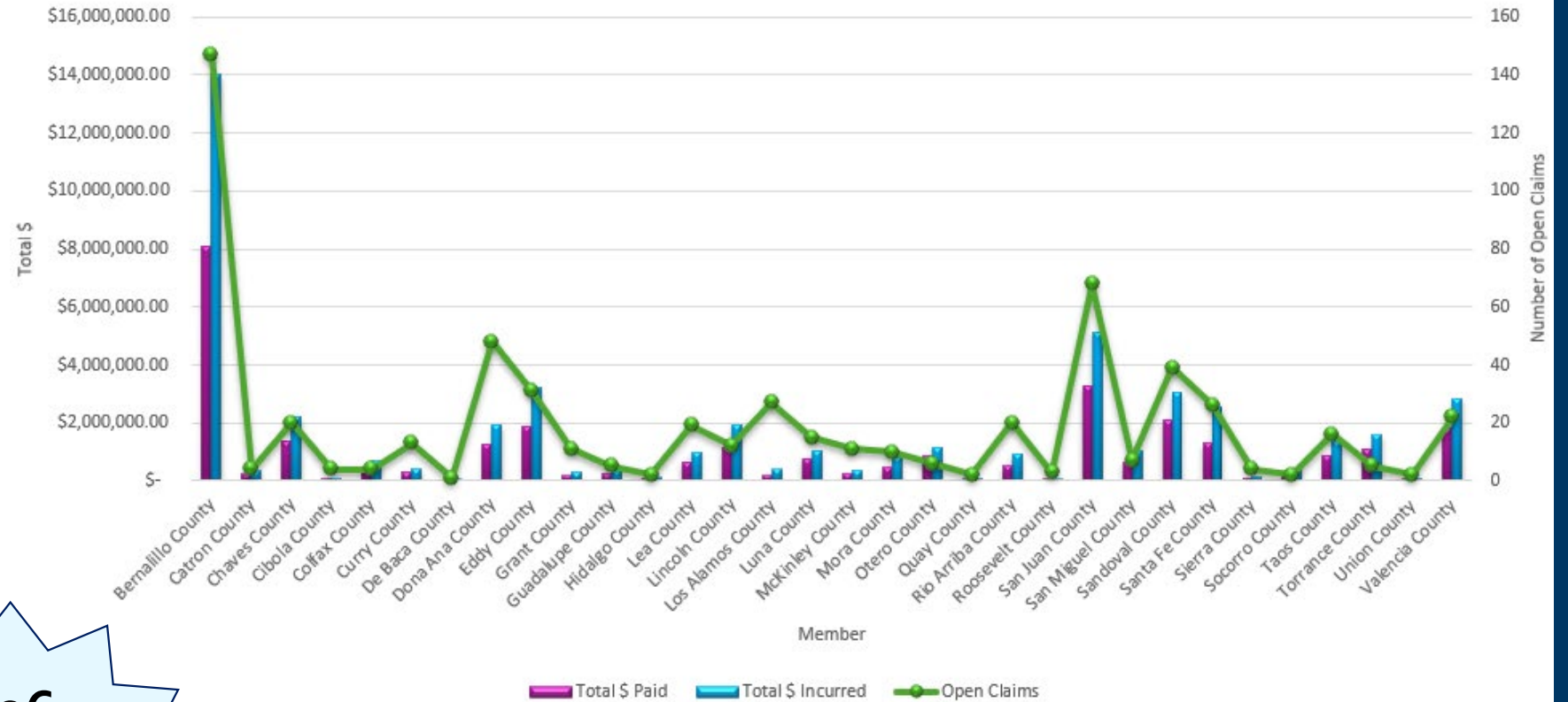
33 STRONG

Open Workers' Compensation Claims

as of 7/31/24*

**606
Open
Claims**

Total Open Work Comp Claims as of 7/31/24

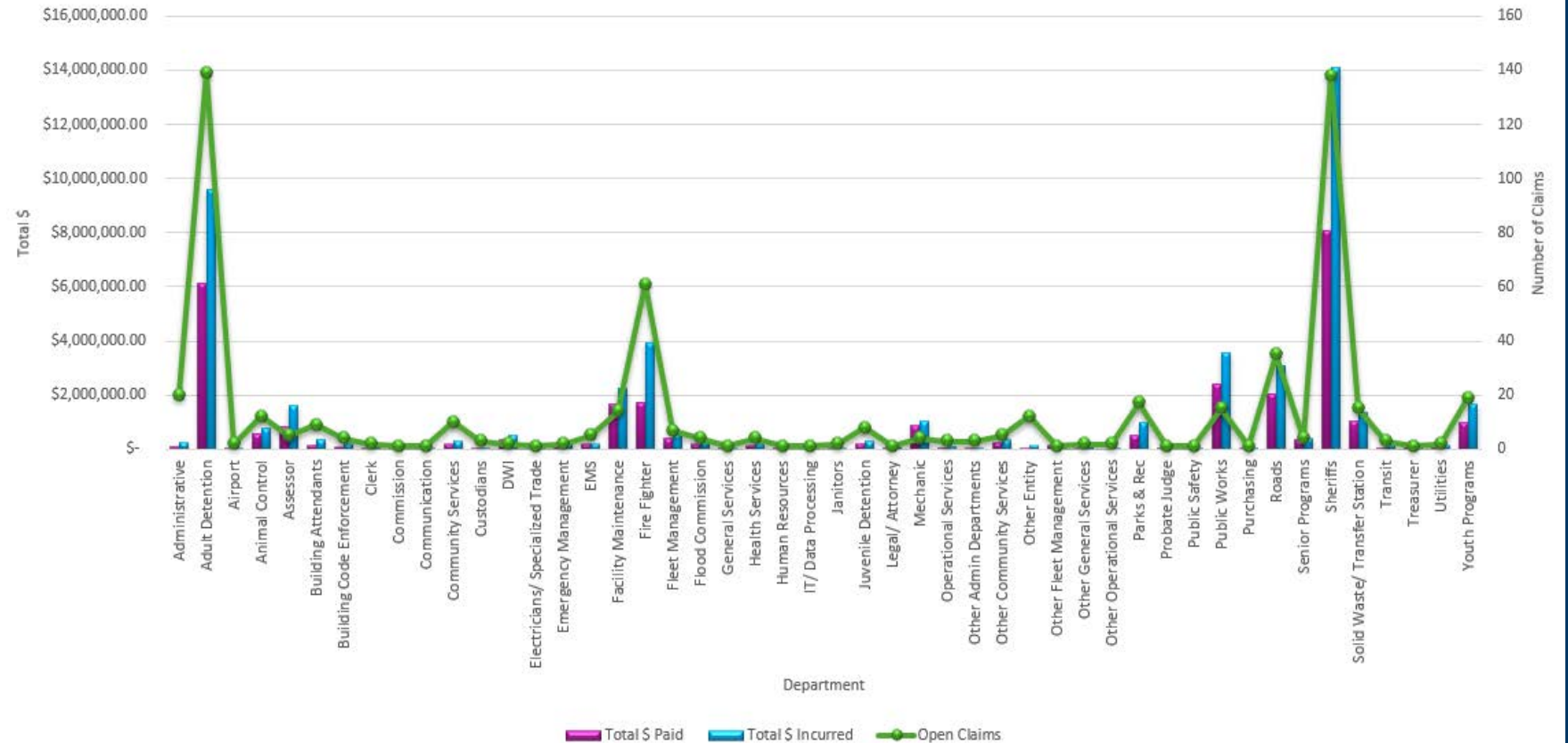


*Current open claims since inception

Open Workers' Compensation Claims by Department

as of 7/31/24*

Total Open Work Comp Claims by Department as of 7/31/24

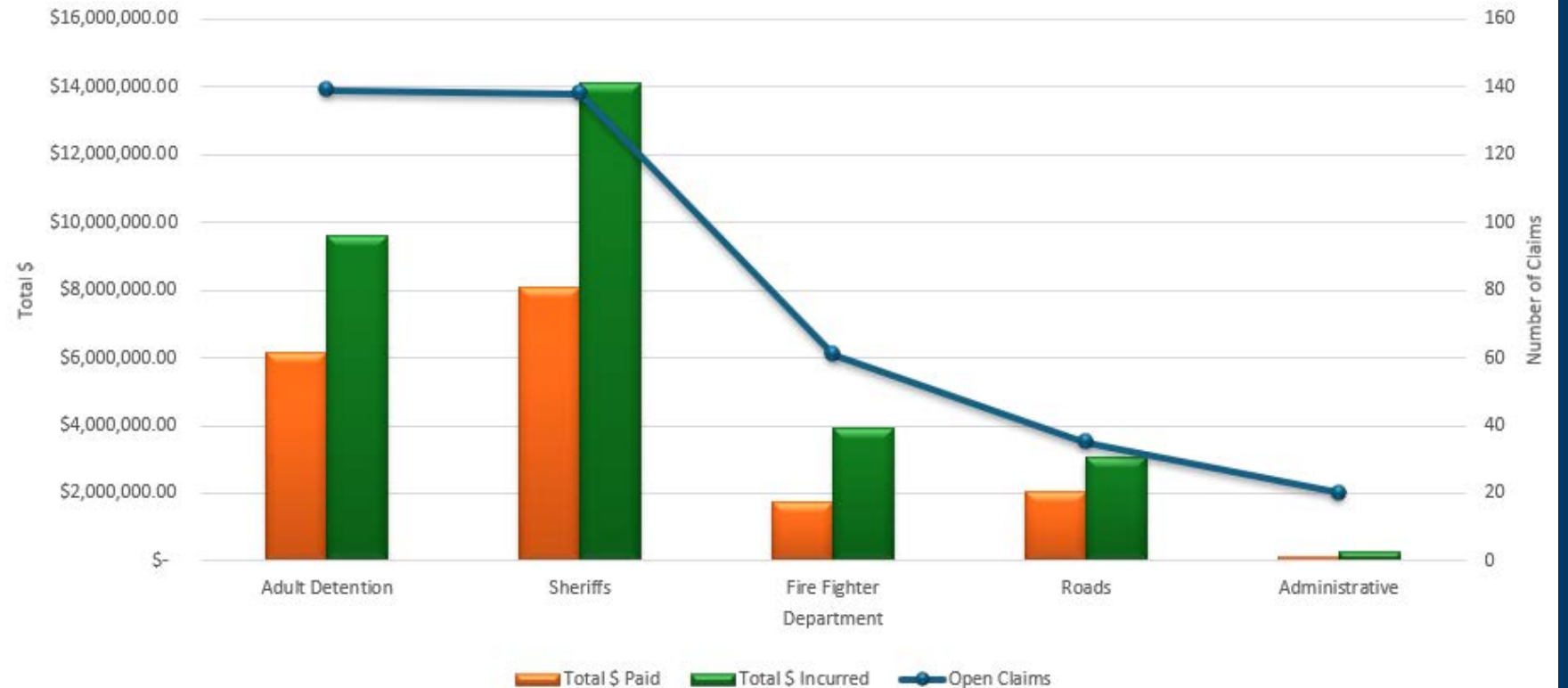


*Current open claims since inception

Open Workers' Compensation Claims: Top 5 Departments

as of 7/31/24*

Top 5 Department Open Work Comp Claims as of 7/31/24

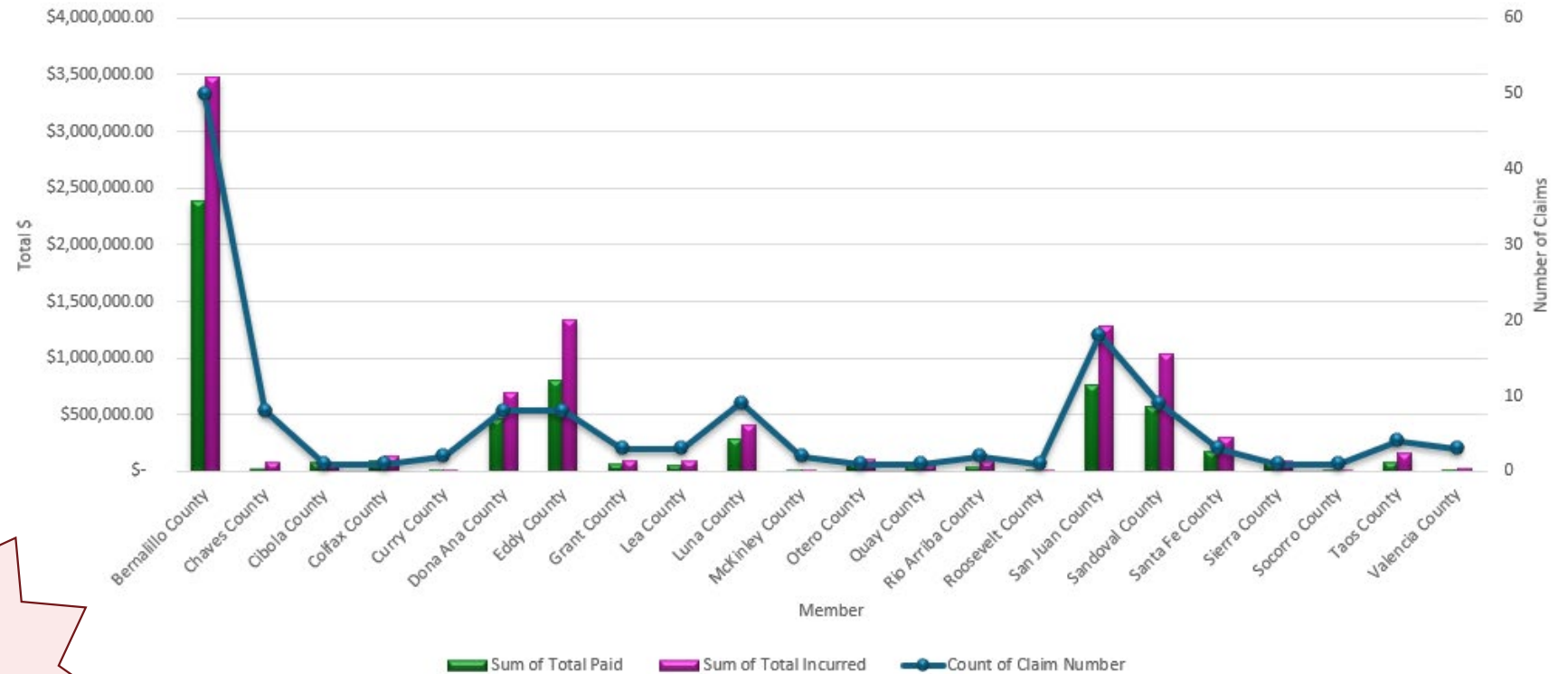


Open Workers' Compensation Claims: Adult Detention

as of 7/31/24*

139
Open
Claims

**Total Open Work Comp Claims
Adult Detention
as of 7/31/24**

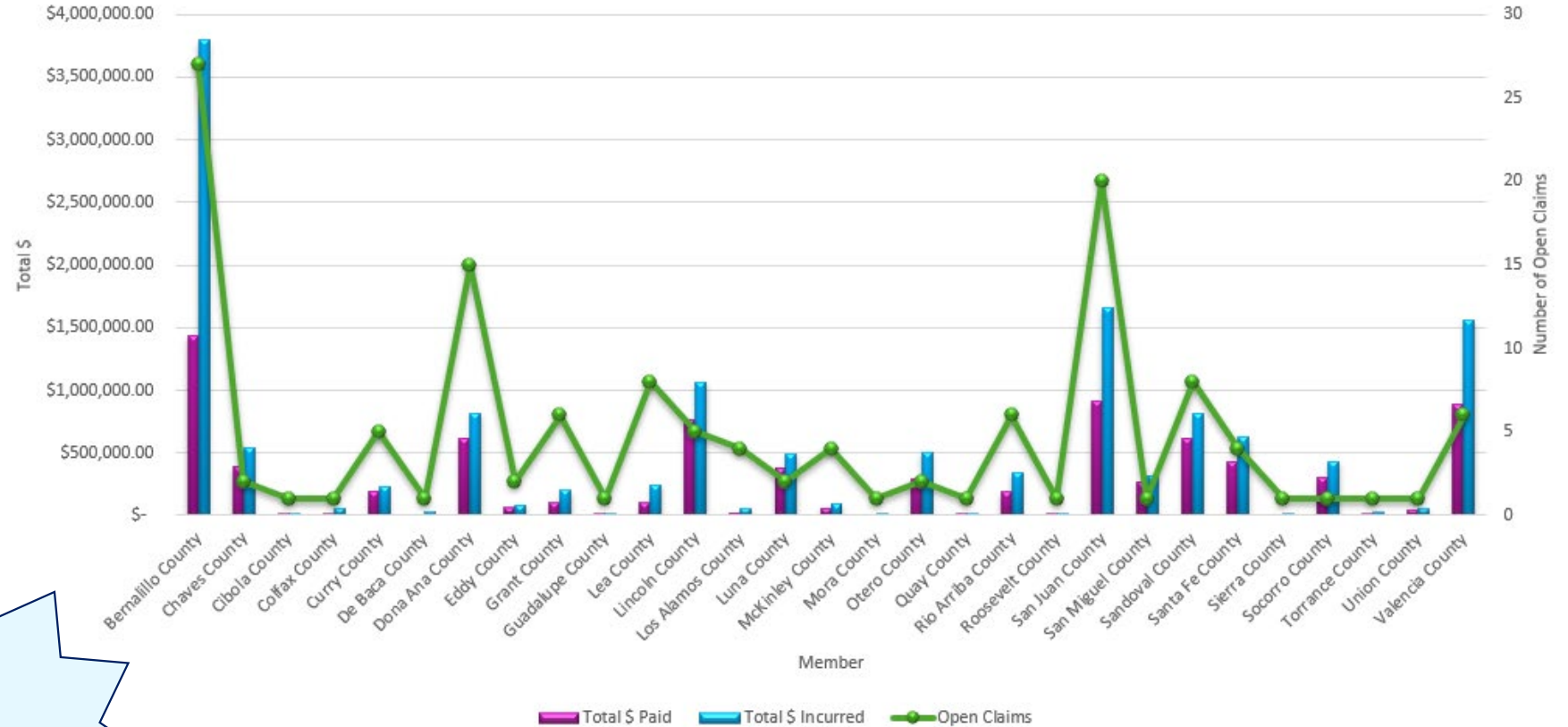


Open Workers' Compensation Claims: Sheriff

as of 7/31/24*

138
Open
Claims

Total Open Work Comp Claims
Sheriff as of 7/31/24



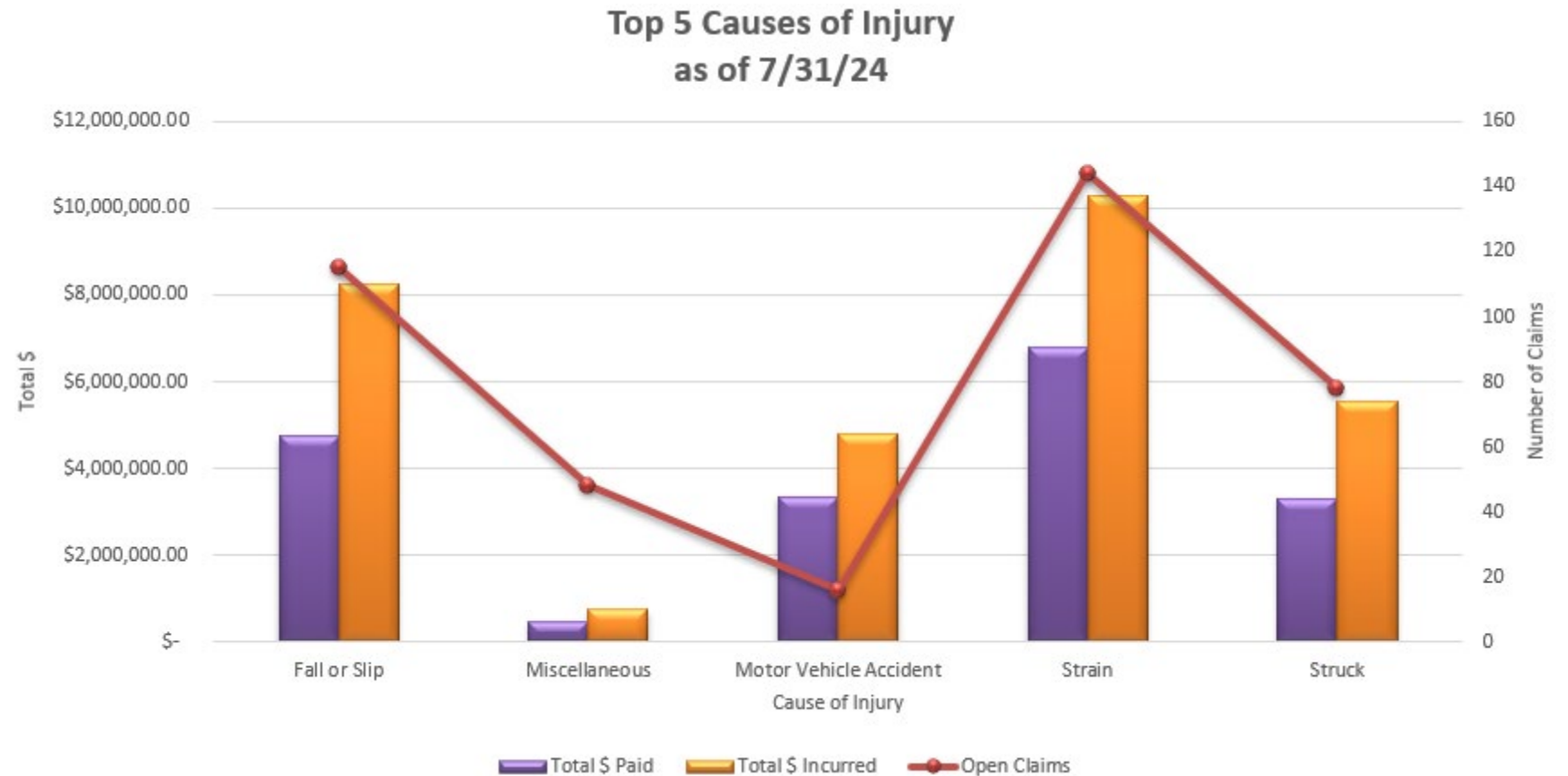
*Current open claims since inception

Open Workers' Compensation Claims:

Top 5 Causes

as of 7/31/24*

- Strains have the highest frequency and cost: 144 open claims with a total incurred of \$10.2M

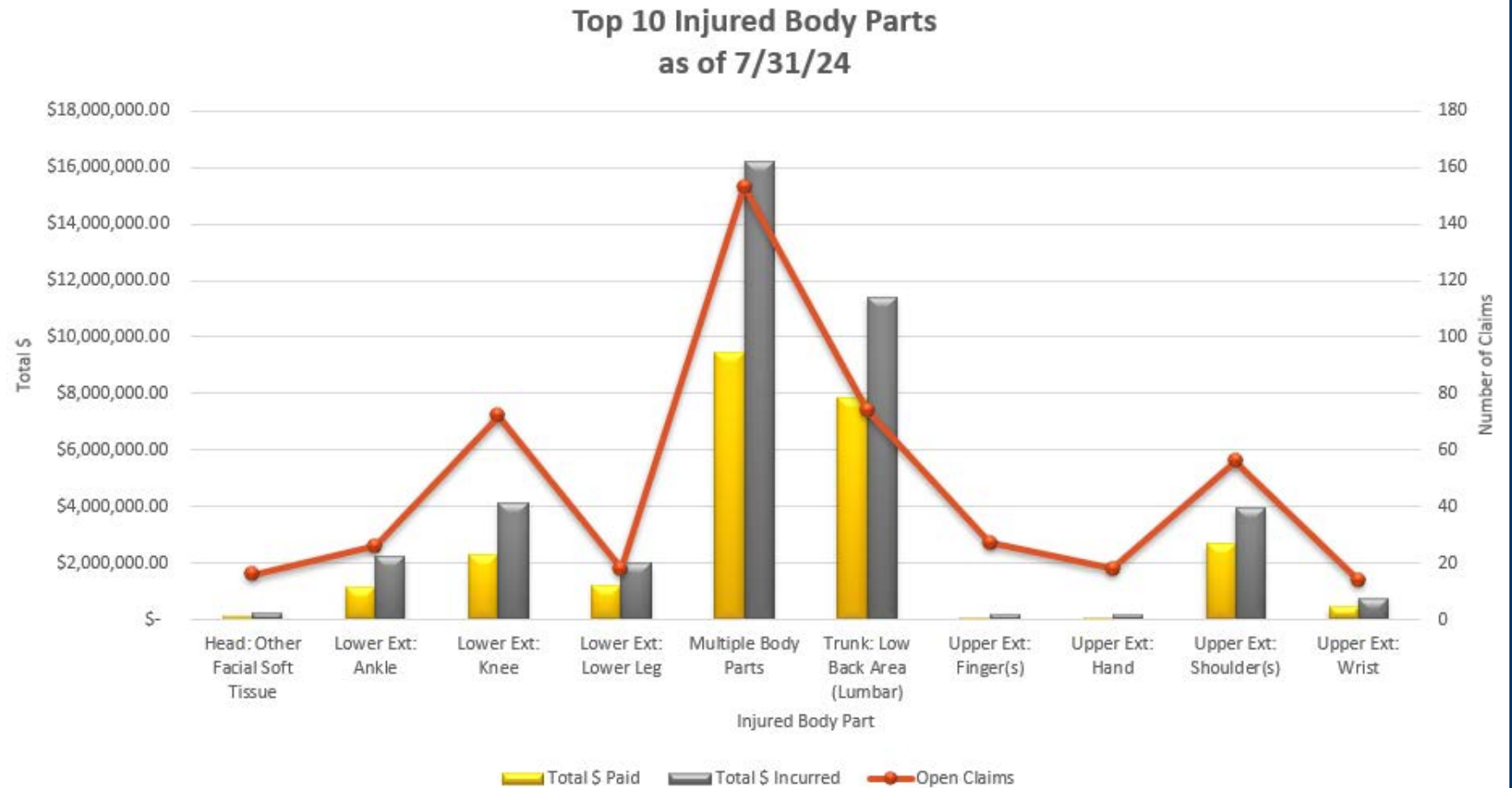


Open Workers' Compensation Claims:

Top 10 Body Parts

as of 7/31/24*

- Claims involving multiple body parts have the highest frequency and cost: 153 open claims and a total incurred of \$16.2 M

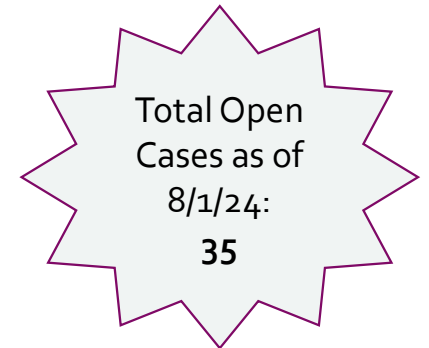


Nurse Case Management Utilization

January 2020-
July 2024

- 📌 All claims requiring nurse case management services are assigned to our in-house nurse case manager
- 📌 Our average cost per claim is about \$1,600.00

Year	Number NCM Cases	Total Paid	Average Cost/Claim	Total Claims
2020	153	\$255,171.86	\$1,667.79	670
2021	157	\$284,777.65	\$1,813.87	619
2022	159	\$270,321.14	\$1,700.13	675
2023	166	\$282,589.45	\$1,702.35	773
2024	153	\$171,774.02	\$1,122.71	489
Total	788	\$1,264,634.12	\$1,604.87	3226



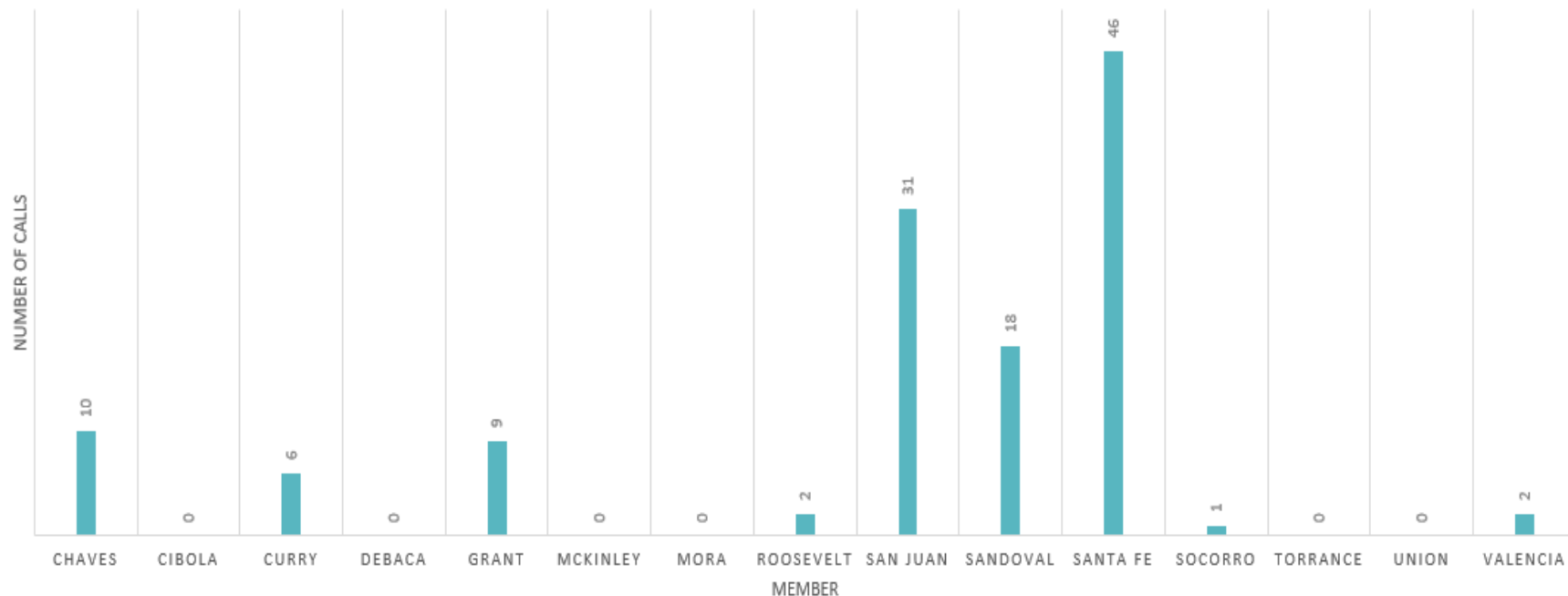


Company Nurse Triage Program Utilization

October 2023-
July 2024

All members participating in the NM CIA Workers' Compensation line of coverage are automatically enrolled in this program

COMPANY NURSE UTILIZATION OCTOBER 2023-JULY 2024



Total
Incidents
Reported
357

Triaged
to ER:
42

Triaged
to Self
Care:
123

Triaged
to Non-
ER Care:
105



Medical Bill Review Update

October 2023-
July 2024

Month	Number of Bills	Billed Amount	Allowance	Fees	Net Savings
Oct-23	621	\$ 872,776.91	\$ 186,794.12	\$ 12,222.08	\$ 673,760.71
Nov-23	724	\$ 811,208.30	\$ 209,104.18	\$ 10,379.88	\$ 591,724.24
Dec-23	473	\$ 382,702.82	\$ 113,305.61	\$ 6,069.52	\$ 263,327.69
Jan-24	766	\$ 657,649.90	\$ 218,496.32	\$ 13,329.69	\$ 425,823.89
Feb-24	683	\$ 478,845.40	\$ 214,047.70	\$ 13,327.61	\$ 251,470.09
Mar-24	774	\$ 558,750.44	\$ 242,518.65	\$ 15,407.30	\$ 300,824.49
Apr-24	632	\$ 664,636.60	\$ 217,045.48	\$ 11,839.36	\$ 435,751.76
May-24	883	\$ 1,230,026.91	\$ 267,102.75	\$ 17,175.03	\$ 945,749.13
Jun-24	603	\$ 676,052.91	\$ 228,982.69	\$ 11,280.41	\$ 435,789.81
Jul-24	784	\$ 1,290,340.46	\$ 387,383.87	\$ 12,592.08	\$ 890,364.51
Total	6943	\$ 7,622,990.65	\$ 2,284,781.37	\$ 123,622.96	\$ 5,214,586.32

Total Bills:
6943

Total Billed:
\$7,622,990.65

Net Savings:
\$5,214,586.32



Pharmacy Benefit Management Utilization

October 2023-
July 2024

Month	Retail Charge	Total Billed	Fees	Net Savings	Filled	Generic	Brand
Oct-23	\$ 23,370.98	\$ 9,566.60	\$ 4,043.79	\$ 9,760.53	123	111	12
Nov-23	\$ 20,892.25	\$ 6,296.96	\$ 3,928.47	\$ 10,666.76	98	92	6
Dec-24	\$ 27,788.35	\$ 10,848.96	\$ 3,993.11	\$ 12,946.25	119	108	11
Jan-24	\$ 26,129.07	\$ 9,357.76	\$ 4,022.72	\$ 12,748.51	129	118	11
Feb-24	\$ 20,475.89	\$ 4,630.09	\$ 3,889.08	\$ 11,956.64	103	100	3
Mar-24	\$ 21,060.56	\$ 9,785.91	\$ 3,904.63	\$ 7,369.99	116	106	10
Apr-24	\$ 34,344.59	\$ 15,344.95	\$ 3,958.28	\$ 15,041.28	129	119	10
May-24	\$ 25,903.16	\$ 10,466.59	\$ 4,132.93	\$ 11,303.61	126	117	9
Jun-24	\$ 25,523.51	\$ 9,704.91	\$ 4,071.86	\$ 11,746.71	103	95	8
Jul-24	\$ 20,444.70	\$ 8,494.90	\$ 3,940.72	\$ 8,009.08	112	103	9
Total	\$ 245,933.06	\$ 94,497.63	\$39,885.59	\$ 111,549.36	1158	1069	89

Total
Prescriptions
Filled:
1,158

Net Savings:
\$111,549.36

Need Help?



NMC can provide detailed training on any workers' compensation-related issue to your directors, managers, and supervisors.

Some training topics to consider:

- Prompt reporting of claims
- Workers' compensation benefits and how they work
- Medical care and selection of health care provider
- Litigation
- Case law updates
- Claims handling and bad faith
- Return to work
- And many other topics...

NMC Workers' Compensation Department Contacts



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Kristen Brown-Administrative Assistant
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**NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

<u>Item Number:</u> 10.D.	<u>Item Title:</u> Multi-Line Update
<u>Presenter (s):</u> Robin Martinez, Multi-Line Claims Manager	



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by New Mexico Counties

MEMORANDUM

TO: NMCIA Board of Directors
FROM: Robin Martinez, Multi-Line Claims Manager
DATE: August 14, 2024
RE: ML and LE Claim Data

The Multi-Line Department has an opening for the Administrative Assistant position, which was advertised in-house with a deadline of August 9, 2024 to submit an application. I will also be advertising for another Multi-Line Claims Examiner within the next couple of weeks based on the continued increase in ML and LE claims.

This report includes Multi-Line and Law Enforcement claim data for 1/1/24 through 7/31/24.

The graphical information includes:

- Open and closed claims with Total Incurred by County
- Open and closed claims by claim type
- Number of Claims by County

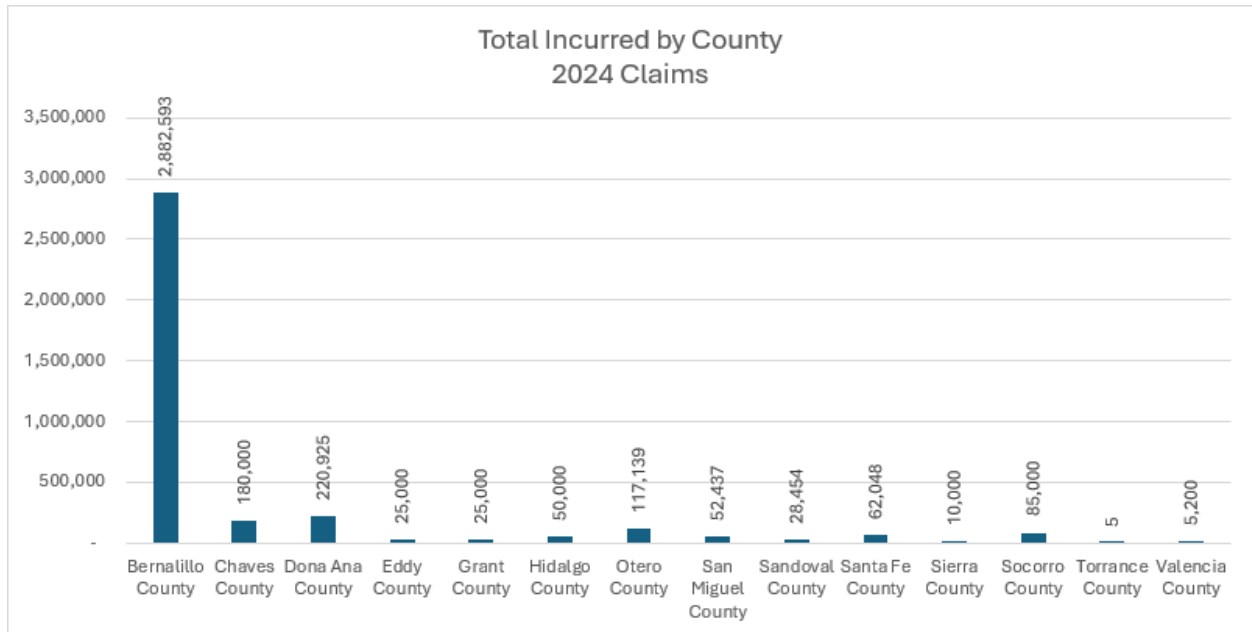
Thank you.

444 Galisteo Street
Santa Fe, NM 87501

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

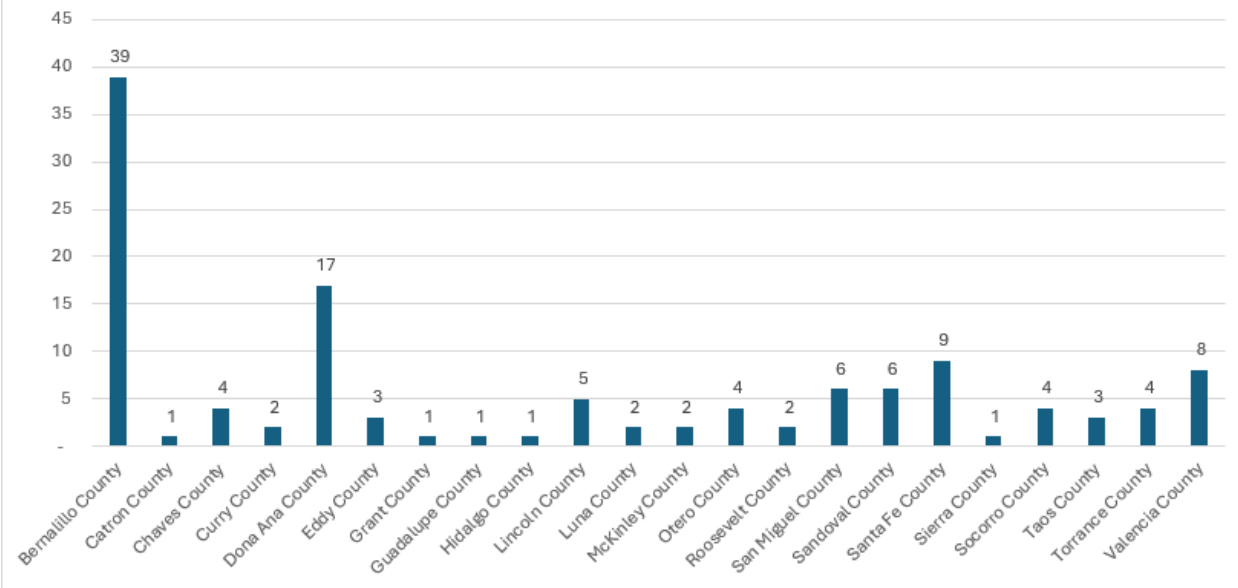
NMCOUNTIES.ORG

ML & LE CLAIM DATA – 1/1/24 – 7/31/24



Claim Type	Total Incurred
LE Breach of Duty	99,824
LE Due Process	59,391
LE Failure to Protect	459,500
LE False Arrest	2,139
LE False Imprisonment	-
LE Inadequate Medical Treatment	2,135,000
LE Inadequate Mental Health Treatment	80,000
LE Sexual Misconduct	235,000
LE Use of Force	505,606
LE Vehicle Pursuit	167,340
Grand Total	3,743,801

Number of Claims by County in 2024



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

<u>Item Number:</u> 10.E.	<u>Item Title:</u> CRL Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	



County Reinsurance, Limited

County Reinsurance, Limited
Unaudited Financial Statements - Statutory Basis
March 31, 2024

DRAFT

Prepared By:

AIG Insurance Management Services, Inc.
30 Main Street, Suite 330
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Tel: (802) 658-9405

Service Team:

Raina Tripp
Brenda Stewart, Manager

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County Reinsurance, Limited
Statutory Basis Unaudited Financial Statements
For the Period Ending March 31, 2024

Table of Contents

	<u>Page Number</u>
Statutory Statements of Admitted Assets, Liabilities and Members' Surplus	2
Statutory Statements of Operations	3
Statutory Statement of Changes in Members' Surplus	4
Cumulative Underwriting Schedule	5
Solvency, Liquidity & Profitability Ratios	6

DRAFT

County Reinsurance, Limited
Statutory Statements of Admitted Assets, Liabilities and Members' Surplus
March 31, 2024

	2024	December 2023
Admitted Assets		
Cash & Cash Equivalents	\$ 6,417,372	\$ 10,532,061
Debt securities, at carrying value	348,271,264	343,836,769
Equity securities, at fair value	17,432,668	16,576,927
Accrued Investment Income	2,002,537	2,271,908
Premiums Receivable	1,787,235	754,367
Reinsurance recoverable - paid losses	584,752	-
Fixed asset, net of accumulated depreciation	389,724	393,566
Other assets	2,506	152,903
Total Admitted Assets	\$ 376,888,057	\$ 374,518,501
Liabilities & Members' Surplus		
Liabilities		
Unearned Premiums, net of reinsurance	\$ 27,878,171	\$ 34,789,241
Outstanding Loss Reserves, net of reinsurance	169,540,415	167,700,197
Incurred But Not Reported Loss Reserves, net of reinsurance	132,095,651	130,053,967
Pass-through Losses Payable	(19,527)	176,451
Pass-through Premiums Payable	5,878,112	5,672,743
Accounts Payable and Accrued Expenses	4,658,890	1,821,988
Premium Taxes Payable	(3,385)	78,053
Deferred Commission income	69,035	151,139
Due to Broker	349,783	-
Total Liabilities	340,447,143	340,443,779
Members' Surplus		
Members' contributions	\$ 14,835,980	\$ 14,835,980
Net Unrealized Gain/(Loss) on investments	(5,111,316)	(5,893,023)
Unassigned surplus	26,716,250	25,131,765
Total Members' Surplus	36,440,914	34,074,722
Total Liabilities & Members' Surplus	\$ 376,888,057	\$ 374,518,501

County Reinsurance, Limited
Statutory Statements of Operations
For the Period Ending March 31, 2024

	<u>QTD</u>	<u>YTD</u>	<u>YTD 2023</u>
Underwriting Revenue:			
Assumed Premiums Written	\$ 13,852,364	\$ 13,852,364	\$ 12,568,711
Change in Unearned Premiums	7,564,190	7,564,190	5,352,849
Reinsurance Premiums Ceded	-	-	(164,238)
Change in Unexpired Reinsurance Premiums	(653,120)	(653,120)	(838,659)
Premiums Earned, Net of Reinsurance	20,763,434	20,763,434	16,918,663
Loss and Loss Adjustment Expenses:			
Paid Losses and Loss Adjustment Expenses, net of reinsurance	17,280,157	17,280,157	22,422,583
Change in Loss Reserves	3,836,650	3,836,650	(7,084,500)
Change in Ceded Loss Reserves	45,252	45,252	3,480,540
Total Loss and Loss Adjustment Expenses	21,162,059	21,162,059	18,818,623
Other Underwriting, Net:			
Commission Income	(86,571)	(86,571)	(185,181)
Taxes, Fees and Acquisition Cost	229,644	229,644	225,611
General and Administrative Expenses	603,589	603,765	660,042
Total Other Underwriting, Net	746,662	746,838	700,472
Underwriting Income/(Loss)	(1,145,287)	(1,145,462)	(2,600,431)
Investment Income:			
Interest Income- Money Market	1,148	1,148	113,675
Interest Income- Bonds	2,798,550	2,798,550	2,120,186
Dividend Income	119,152	119,152	131,986
Realized Gains/(Losses) on Investments	(27,324)	(27,324)	(91,929)
Premium/Discount Amortization	(41,697)	(41,697)	(98,125)
Investment Management Fees			
Miscellaneous Income	4,643	4,643	0
Investment Expenses	(126,109)	(125,933)	(101,300)
Total Net Investment Income	2,728,364	2,728,539	2,074,494
Net Income (Loss)	\$ 1,583,077	\$ 1,583,077	\$ (525,937)

County Reinsurance, Limited
Statutory Statement of Changes in Members' Surplus
March 31, 2024

	2024	December 2023
Members' Surplus- beginning of year	\$ 34,074,722	\$ 46,790,815
Paid-in Capital	-	-
Change in Net Unrealized Gain on Investments	781,707	(922,569)
Change in Non-Admitted Assets	1,408	16,595
Net Income/(Loss) Year-to-Date	1,583,077	(11,810,119)
Members' Surplus - current period	\$ 36,440,914	\$ 34,074,722

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County Reinsurance, Limited
Cumulative Underwriting Schedule From 2021 to Present

	UW Year July 2021-2022	UW Year July 2022-2023	UW Year July 2023-2024	3-Year Cummulative
Property				
Net Premiums:				
Premiums Assumed	\$ 21,958,808	\$ 24,859,957	\$ 30,616,109	\$ 77,434,875
Change in Unearned Premiums	-	-	(7,376,538)	(7,376,538)
Assumed Premiums Earned	21,958,808	24,859,957	23,239,571	70,058,337
Net Losses:				
Paid Losses & LAE	18,399,138	34,338,047	1,122,943	53,860,128
Outstanding Losses & LAE Reserve	5,398,206	17,183,233	7,350,876	29,932,316
IBNR Loss Reserve	676,655	3,932,720	10,018,181	14,627,556
Total Losses Incurred	24,474,000	55,454,000	18,492,000	98,420,000
Underwriting Profit/(Loss)	\$ (2,515,192)	\$ (30,594,043)	\$ 4,747,571	\$ (28,361,664)
	<i>Loss Ratio</i>	<i>111.45%</i>	<i>223.07%</i>	<i>79.57%</i>
	<i>Reported Loss Ratio (Excludes IBNR Reserves)</i>	<i>108.37%</i>	<i>207.25%</i>	<i>36.46%</i>
				<i>140.00%</i>
				<i>119.60%</i>
Liability				
Net Premiums:				
Net Premiums Assumed	\$ 26,021,959	\$ 29,024,553	\$ 37,477,632	\$ 92,524,144
Change in Unearned Premiums	-	-	(7,722,757)	(7,722,757)
Assumed Premiums Earned	26,021,959	29,024,553	29,754,875	84,801,387
Net Losses:				
Paid Losses & LAE	1,865,708	142,177	-	2,007,885
Outstanding Losses & LAE Reserve	4,520,710	7,415,164	1,745,000	13,680,875
IBNR Loss Reserve	17,091,581	20,035,659	11,224,000	48,351,240
Total Losses Incurred	23,478,000	27,593,000	12,969,000	64,040,000
Underwriting Profit/(Loss)	\$ 2,543,959	\$ 1,431,553	\$ 16,785,875	\$ 20,761,387
	<i>Loss Ratio</i>	<i>90.22%</i>	<i>95.07%</i>	<i>43.59%</i>
	<i>Reported Loss Ratio (Excludes IBNR Reserves)</i>	<i>24.54%</i>	<i>26.04%</i>	<i>5.86%</i>
				<i>76.00%</i>
				<i>18.50%</i>
Workers Compensation				
Net Premiums:				
Premiums Assumed	\$ 10,833,875	\$ 11,204,944	\$ 12,952,925	\$ 34,991,744
Change in Unearned Premiums	-	-	(2,624,582)	(2,624,582)
Assumed Premiums Earned	10,833,875	11,204,944	10,328,342	32,367,161
Net Losses:				
Paid Losses & LAE	109,041	1,213,928	-	1,322,969
Outstanding Losses & LAE Reserve	6,043,154	5,528,618	97,979	11,669,751
IBNR Loss Reserve	3,322,805	2,876,454	4,753,021	10,952,280
Total Losses Incurred	9,475,000	9,619,000	4,851,000	23,945,000
Underwriting Profit/(Loss)	\$ 1,358,875	\$ 1,585,944	\$ 5,477,342	\$ 8,422,161
	<i>Loss Ratio</i>	<i>87.46%</i>	<i>85.85%</i>	<i>46.97%</i>
	<i>Reported Loss Ratio (Excludes IBNR Reserves)</i>	<i>56.79%</i>	<i>60.17%</i>	<i>0.95%</i>
				<i>74.00%</i>
				<i>40.14%</i>
All Lines				
Assumed Premiums Earned	58,814,642	65,089,454	63,322,788	187,226,884
Total Losses Incurred	57,427,000	92,666,000	36,312,000	186,405,000
Underwriting Profit/(Loss)	\$ 1,387,642	\$ (27,576,546)	\$ 27,010,788	\$ 821,884
	<i>Loss Ratio</i>	<i>97.64%</i>	<i>142.37%</i>	<i>57.34%</i>
				<i>99.56%</i>

Country Reinsurance, Limited
Solvency, Liquidity & Profitability Ratios
For the Period Ending March 31, 2024

Ratio	Purpose	CRL Results	NAIC Benchmark	Vermont Regulatory Maximum
<u>Net Written Premium to Surplus Ratio (Based on Total Capital):</u>	Solvency			
Prior Year End		238%	300% or under	400%
Current Year to Date		38%	300% or under	400%
<u>Loss & LAE Reserves to Surplus Ratio (Based on Total Capital):</u>	Solvency			
Prior Year End		874%	200% or under	400%
Current Period		828%	200% or under	400%
<u>Total Liabilities to Surplus (Based on Total Capital):</u>	Solvency			
Prior Year End		999%	200% or under	500%
Current Period		933%	200% or under	500%
<u>Liabilities to Liquid Assets:</u>	Liquidity			
Prior Year End		91%	100% or under	Not Specified
Current Period		90%	100% or under	Not Specified
<u>Loss Ratio (Based on Financial Reporting Year):</u>	Profitability			
Prior Year End		130%	less than 100%	Not Specified
Current Year to Date		102%	less than 100%	Not Specified
<u>Combined Ratio (Based on Financial Reporting Year):</u>	Profitability			
Prior Year End		133%	less than 120%	120%
Current Year to Date		106%	less than 120%	120%

Definitions:

Net Written Premium to Surplus Ratio (Based on Total Capital):

This ratio measures the adequacy of the policyholders' surplus cushion, net of the effects of premiums ceded to reinsurers. The higher the ratio, the more risk the insurer bears in relation to the policyholders' surplus.

Loss & LAE Reserves to Surplus Ratio (Based on Total Capital):

This ratio is the ratio of an insurer's reserves set aside for unpaid losses. The ratio indicates how much risk each dollar of surplus supports.

Total Liabilities to Surplus (Based on Total Capital):

This ratio calculates the insurer's liabilities, including unpaid claims, reserve estimation, and unearned premiums to its policyholders' surplus.

Liabilities to Liquid Assets:

This ratio is the measurement of a company's capacity to pay its outstanding liabilities with its liquid assets on hand.

Loss Ratio (Based on Financial Reporting Year):

Loss ratio represents the ratio of losses to premiums earned. Losses in loss ratios include all incurred losses, including paid, outstanding and incurred but not reported (IBNR).

Combined Ratio (Based on Financial Reporting Year):

Combined ratio is a measure of profitability used to gauge how well the Company is performing in its total operations. The combined ratio is calculated by taking the sum of all expenses divided by earned premiums.



County Reinsurance, Limited

**County Reinsurance, Limited Property Plus
Unaudited Financial Statements - Statutory Basis
March 31, 2024**

Prepared By:

**AIG Insurance Management Services, Inc.
30 Main Street, Suite 330
Burlington, VT 05401
Tel: (802) 658-9405**

Service Team:

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Brenda Stewart, Manager

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brenda.stewart@aig.com

**County Reinsurance, Limited Property Plus
Statutory Basis Unaudited Financial Statements
For the Period Ending March 31, 2024**

Table of Contents

	<u>Page Number</u>
Statutory Statements of Admitted Assets, Liabilities and Equity	2
Statutory Statements of Operations	3
Statutory Statement of Changes in Surplus	4
Cumulative Underwriting Schedule	5
Solvency, Liquidity & Profitability Ratios	6

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County Reinsurance, Limited Property Plus
Statutory Statements of Admitted Assets, Liabilities and Equity
March 31, 2024

	2024	December 2023
Admitted Assets		
Cash & Cash Equivalents	\$ 14,716,731	\$ 23,519,790
Debt Securities, at Carrying Value	125,691,411	124,242,711
Equity Securities, at Fair Value	8,121,230	7,865,855
Accrued Investment Income	525,764	606,786
Premiums Receivable	728,309	(13,243)
Other Assets	286,598	-
Total Admitted Assets	\$ 150,070,043	\$ 156,221,899
Liabilities & Members' Surplus		
Liabilities		
Unearned Premiums	26,247,871	51,839,663
Outstanding Loss Reserves	12,590,535	22,201,112
Incurred But Not Reported Loss Reserves	12,141,572	9,136,446
Losses Payable to General Account	1,534,855	-
Premium Taxes Payable	33,207	33,029
Total Liabilities	52,548,040	83,210,250
Equity		
Paid in Capital	\$ 38,500,000	\$ 38,500,000
Net Unrealized Gain/(Loss) on Investments	(89,868)	(236,304)
Retained Earnings	59,111,872	34,747,953
Total Equity	97,522,003	73,011,649
Total Liabilities & Equity	\$ 150,070,043	\$ 156,221,899

County Reinsurance, Limited Property Plus
Statutory Statements of Operations
For the Period Ending March 31, 2024

	<u>QTD</u>	<u>YTD</u>	<u>YTD 2023</u>
Underwriting Revenue:			
Gross Written Premium	\$ 741,552	\$ 741,552	\$ -
Change in Unearned Premiums	25,591,792	25,591,792	2,613,162
Net Premiums Earned	26,333,344	26,333,344	2,613,162
Underwriting Expenses:			
Paid Losses and Loss Adjustment Expenses	10,215,451	10,215,451	-
Change in Outstanding Loss Reserves	(9,610,577)	(9,610,577)	4,264,688
Change in IBNR Loss Reserves	3,005,125	3,005,125	-
Premium Tax Expense	178	178	-
Commission Fees	-	-	-
Other Miscellaneous Expenses	-	-	-
Total Expenses	3,610,178	3,610,178	4,264,688
Underwriting Income/(Loss)	22,723,166	22,723,166	(1,651,526)
Investment Income:			
Investment income - Bonds	757,872	757,872	299,958
Investment income - Risk Assets	125,594	125,594	103,629
Amortization/Accretion expense	567,783	567,783	(25,085)
Investment income - Money Fund	176,237	176,237	29,020
Realized Gains/Losses	13,269	13,269	5,088
Total Net Investment Income	1,640,753	1,640,753	412,610
Net Income (Loss)	\$ 24,363,919	\$ 24,363,919	\$ (1,238,916)
Loss ratio	13.7%	13.7%	163.2%
Expense ratio	0.00%	0.00%	0.00%
Combined ratio	13.7%	13.7%	163.2%

**County Reinsurance, Limited Property Plus
Statutory Statement of Changes in Surplus
March 31, 2024**

	2024	December 2023
Balance Beginning of Year	\$ 73,011,649	\$ 41,991,508
Change in Paid-in Capital	-	-
Change in Net Unrealized Gain on Investments	146,436	535,537
Net Income/(Loss) Year-to-Date	24,363,919	30,484,604
Balance End of Period	\$ 97,522,003	\$ 73,011,649

DRAFT

County Reinsurance, Limited Property Plus
Cumulative Underwriting Schedule From 2021 to Present

	UW Year July 2021-2022	UW Year July 2022-2023	UW Year July 2023-2024	3-Year Cummulative
Net Premiums:				
Premiums Assumed	\$ 6,264,873	\$ 10,672,777	\$ 103,757,079	\$ 120,694,729
Change in Unearned Premiums	-	-	(26,061,470)	(26,061,470)
Assumed Premiums Earned	6,264,873	10,672,777	77,695,610	94,633,260
Net Losses:				
Paid Losses & LAE	4,677,526	18,376,677	-	23,054,203
Outstanding Losses & LAE Reserve	2,751,364	8,729,386	-	11,480,750
IBNR Loss Reserve	295,110	777,938	10,870,000	11,943,048
Total Losses Incurred	7,724,000	27,884,000	10,870,000	46,478,000
Underwriting Profit/(Loss)	\$ (1,459,127)	\$ (17,211,223)	\$ 66,825,610	\$ 48,155,260
	<i>Loss Ratio</i>	<i>123.29%</i>	<i>261.26%</i>	<i>13.99%</i>
	<i>Reported Loss Ratio (Excludes IBNR Reserves)</i>	<i>118.58%</i>	<i>253.97%</i>	<i>0.00%</i>
				<i>49.00%</i>
				<i>36.49%</i>

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**Country Reinsurance, Limited Property Plus
Solvency, Liquidity & Profitability Ratios
For the Period Ending March 31, 2024**

Ratio	Purpose	CRL Results	NAIC Benchmark	Vermont Regulatory Maximum
<u>Net Written Premium to Surplus Ratio (Based on Total Capital):</u>	Solvency			
Prior Year End		142%	300% or under	400%
Current Year to Date		1%	300% or under	400%
<u>Loss & LAE Reserves to Surplus Ratio (Based on Total Capital):</u>	Solvency			
Prior Year End		43%	200% or under	400%
Current Period		25%	200% or under	400%
<u>Total Liabilities to Surplus (Based on Total Capital):</u>	Solvency			
Prior Year End		114%	200% or under	500%
Current Period		54%	200% or under	500%
<u>Liabilities to Liquid Assets:</u>	Liquidity			
Prior Year End		53%	100% or under	Not Specified
Current Period		35%	100% or under	Not Specified
<u>Loss Ratio (Based on Financial Reporting Year):</u>	Profitability			
Prior Year End		53%	less than 100%	Not Specified
Current Year to Date		14%	less than 100%	Not Specified
<u>Combined Ratio (Based on Financial Reporting Year):</u>	Profitability			
Prior Year End		53%	less than 120%	120%
Current Year to Date		14%	less than 120%	120%

Definitions:

Net Written Premium to Surplus Ratio (Based on Total Capital):

This ratio measures the adequacy of the policyholders' surplus cushion, net of the effects of premiums ceded to reinsurers. The higher the ratio, the more risk the insure bears in relations to the policyholders' surplus.

Loss & LAE Reserves to Surplus Ratio (Based on Total Capital):

This ratio is the ratio of an insurer's reserves set aside for unpaid losses. The ratio indicates how much risk each dollar of surplus supports.

Total Liabilities to Surplus (Based on Total Capital):

This ratio calculates the insurer's liabilities, including unpaid claims, reserve estimation, and unearned premiums to it policyholders' surplus.

Liabilities to Liquid Assets:

This ratio is the measurement of a company's capacity to pay its outstanding liabilities with its liquid assets on hand.

Loss Ratio (Based on Financial Reporting Year):

Loss ratio represent the ratio of losses to premiums earned. Losses in loss ratios include all incurred losses, including paid, outstanding and incurred but not reported (IBNR).

Combined Ratio (Based on Financial Reporting Year):

Combined ratio is a measure of profitability used to gauge how well the Company is performing in its total operations. The combined ratio is calculated by taking the sum of all expenses divided by earned premiums.

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

<u>Item Number:</u> 10.F.	<u>Item Title:</u> NMCRe Update
<u>Presenter (s):</u> Grace Philips, Risk Management Director	



NEW MEXICO COUNTY INSURANCE AUTHORITY POOL
Administered by New Mexico Counties

TO: NMCI Board of Directors
FROM: Grace Philips, Risk Management Director
DATE: August 14, 2024
RE: NMCR Update

At their June 11, 2024, regular meeting, the New Mexico County Reinsurance, Inc. (NMCR) board of directors elected Roosevelt County Manager Amber Hamilton and Santa Fe County Manager Gregory S. Shaffer to the board. Doing so expanded the number of directors by one member, as the Board accepted the resignation of former Taos County Commissioner Jim Fambro.

The Board also voted to hire board member Steve Kopelman as a contract, part-time chief operating officer, as authorized by the NMCR bylaws. Steve will handle day-to-day operations of NMCR and will work closely with select New Mexico Counties staff on matters of finance, claims, and risk management.

The Board also approved a three-year resinsurance contract with Hanover for law enforcement coverage that took effect on July 1, 2024.

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

<u>Item Number:</u> 11.	<u>Item Title:</u> Other Business
<u>Presenter (s):</u> Lance Pyle, Chair	

