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NEW MEXICO COUNTY INSURANCE AUTHORITY

Board of Directors Meeting

March 26, 2025, 8:30 a.m.

NMC Office
444 Galisteo Street
Santa Fe, NM 87501

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

Item Number:	**Item Title:**
1.	Call to Order /Roll Call / Pledge of Allegiance/ Introductions

Presenter (s):

Lance Pyle, Chair
Cynthia Stephenson, Risk Management Specialist

Call to order time:

NMCIA Board of Directors
2025

Officers

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

GROUP I, GEOGRAPHICAL DIRECTORS — Term Expires 1/2027

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

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

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

BERNALILLO	BERNALILLO	DOñA ANA
Lisa Sedillo-White *Deputy County Manager for General Services*	**Shirley Ragin** *Deputy County Manager for Finance*	**Steven Mauer** *Risk Manager*

SAN JUAN	SANDOVAL	SANTA FE
Cynthia Singleton *Claims Manager*	**Michael Meek** *County Commissioner*	**Gregory S. Shaffer** *County Manager*

GROUP III, POPULATION DIRECTORS — Term Expires 1/2026

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

EX Officio Directors

President	President Elect	Attorney Affiliate Representative
Annie Hogland *Curry County Clerk*	**Terri Fortner** *San Juan County Clerk*	**Michael Eshleman** *Sandoval County Attorney*

NMCIA Committees

LITIGATION CLAIMS COMMITTEE

Lisa Sedillo-White *Bernalillo Deputy County Manager for General Services* 415 Silver SW Albuquerque, NM 87102 Work: 505-468-7013 Cell: 505-264-9440 lswhite@bernco.gov	**Kate Fletcher** *Cibola County Manager* 700 Roosevelt Ave., – Suite 50 Grants, NM 78020 Work (505) 285-2590 Cell (505)285-8052 kate.fletcher@co.cibola.nm.us	**Gregory S. Shaffer** *Santa Fe County Manager* 102 Grant Ave. Santa Fe, NM 87504 Work (505) 986-6200 gshaffer@santafecountynm.gov

Charlene Webb *Grant County Manager* PO Box 898 Silver City, NM 88062 Work (575) 574-0008 Cell (575) 574-8675 cwebb@grantcountynm.gov

Alternate:

Cynthia Singleton
San Juan County Claims Manager

100 South Oliver Drive
Aztec, NM 87410
Work (505) 334-4509
Cell (505) 419-6059
cynthia.singleton@sjcounty.net

FINANCE AND AUDIT COMMITTEE

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

Lisa Sedillo-White *Bernalillo Deputy County Manager for General Services* 415 Silver SW Albuquerque, NM 87102 Work: 505-468-7013 Cell: 505-264-9440 lswhite@bernco.gov

Alternate:

Lance Pyle
Curry County Manager

417 Gidding, Suite 100
Clovis, NM 88311
Work (575) 763-6016
Cell (575)799-1405
lpyle@currycounty.org

UNDERWRITING COMMITTEE

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

Cynthia Singleton
San Juan County Claims Manager

100 South Oliver Drive
Aztec, NM 87410
Work (505) 334-4509
Cell (505) 419-6059
cynthia.singleton@sjcounty.net

Alternate:
Kate Fletcher
Cibola County Manager

700 Roosevelt Ave. – Suite 50
Grants, NM 78020
Work (505) 285-2590
Cell (505)285-8052
kate.fletcher@co.cibola.nm.us

STRATEGIC PLANNING COMMITTEE

Jhonathan Aragon *Valencia County Deputy Manager* PO Box 1119 Los Lunas, NM 87031 Home: (505) 916-0538 Cell: (505) 610-0870 jhonathan.aragon@co.valencia.nm.us	**Brandy Thompson** *Union County Manager* 200 Court St. / PO Box 430 Clayton, NM 88415 Work (575) 374-8896 ext. 4 Cell (575) 207-8896 brandy.thompson@unionnm.us	**Lisa Sedillo-White** *Bernalillo Deputy County Manager for General Services* 415 Silver SW Albuquerque, NM 87102 Work (505) 468-7013 Cell (505) 264-9440 lswhite@bernco.gov

Staff:

Grace Philips
Risk Management Director

Cynthia Stephenson
Risk Management Specialist

Lori Urban
Asst. Risk Management Director

DETENTION COMMITTEE

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

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

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

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING

March 26, 2025, 8:30 a.m. *

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

AGENDA

* In accordance with the New Mexico Open Meetings Act, the New Mexico County Insurance Authority Board of Directors (NMCIA Board) may recess and reconvene this meeting on March 27, 2025, at 8:30 a.m. If the NMCIA Board does, in fact, recess and reconvene this meeting, notice of the date, time, and place of the reconvened meeting will be posted (1) on or near the door of the place where the original meeting was held (if any); (2) at New Mexico Counties' offices (444 Galisteo Street Santa Fe NM 87501); and (3) on New Mexico Counties' website (https://www.nmcounties.org/services/insurance).

If the NMCIA Board completes the agenda on March 26, 2025, it will not meet on March 27, 2025.

1. Call to Order / Roll Call / Pledge of Allegiance / Introductions	Lance Pyle	Pg. 2
2. Approval of Agenda	Lance Pyle	Pg. 8
3. Approval of Minutes of January 23, 2025	Lance Pyle	Pg. 11
4. Board Presentations and Action Items		
A. Strategic Asset Alliance: Proposed Investment Policy Updates	Nathan Simon	Pg. 16
B. Wells Fargo Advisors: Proposed Implementation of Investments	Ryan Salmon	Pg. 31
C. Approve SAA Recommendation to Terminate Moreton Capital	Nathan Simon	Pg. 57
D. Approve SAA Recommendation to Covert to a Discretionary Management Agreement with Wells Fargo Advisors	Nathan Simon	Pg. 58
E. Approve Updated NMCIA Investment Policy (NMCIA Investment Policy p. 70, NMCRe Investment Policy p. 83)	Nathan Simon	Pg. 69
6. 10:30 a.m. Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7)	Lance Pyle	Pg. 98
• Estate of Oscar Najera v. Chaves County		
• Estate of Elijah Hadley v. Otero County		
• Treasure Hazen v. Dona Ana County		
• Estate of Michael Gabaldon v. Valencia County		
7. Board Action Items		
A. Approve New Medical Malpractice Coverage Policy	Grace Philips Mark Allen	Pg. 99
B. Approve Exclusion and Endorsement for Medical Malpractice in Revised 2025 Liability Coverage Agreement	Grace Philips Mark Allen	Pg. 101

C. Approve San Juan County into the Multi-Line and Law Enforcement Coverage Programs (Pending BCC action on 3.24.25)	Grace Philips	Pg. 105
8. Board Discussion		
A. Discuss Coverage for County JPA Entities	Mark Allen	Pg 106
B. Board Succession Planning	Grace Philips	Pg 109
9. Board Presentations		
A. Executive Director and Legislative Update	Joy Esparsen	Pg. 110
B. Gallagher Update	John Chino	Pg. 134
C. Financial Reports	Richard Garcia	Pg. 135
D. Risk Management Update	Grace Philips	Pg. 157
E. CRL Update	Grace Philips	Pg. 170
F. NMCRe Update	Grace Philips	Pg 172
10. Board Reports		
A. Loss Prevention Update	Greg Rees	Pg. 174
B. Workers' Compensation Update	Kamie Denton	Pg. 184
11. Other Business	Lance Pyle	Pg. 187
12. Adjournment	Lance Pyle	Pg.188

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

Item Number:	**Item Title:**
3.	Approval of Minutes of January 23, 2025
Presenter (s): Lance Pyle, Chair	
Motion by:	Seconded by:

NEW MEXICO COUNTY INSURANCE AUTHORITY
BOARD OF DIRECTORS' MEETING

January 23, 2025, 2:00 p.m.

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

MINUTES

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

Chair Lance Pyle called the meeting to order at 2:00 p.m. Cynthia Stephenson called the roll and announced that a quorum was present.

Board Members Present

Jhonathan Aragon, Valencia County Manager
Michael Eshleman, Attorney Affiliate Representative, Sandoval County Attorney
Roberta Gonzales, Eddy County Finance Director
Lance Pyle, Chair, Curry County Manager
Shirley Ragin, Bernalillo Deputy County Manager of Finance
Lisa Sedillo-White, Bernalillo Deputy County Manager of General Services
Gregory S. Shaffer, Vice Chair, Santa Fe County Manager
Cynthia Singleton, San Juan County Claims Manager
Brandy Thompson, Union County Manager
Charlene Webb, Grant County Manager

Board Members Absent/Excused

Anthony Dimas, Jr., McKinley County Manager
Kate Fletcher, Cibola County Manager
Terri Fortner, NMC President Elect, San Juan County Clerk
Annie Hogland, NMC President, Curry County Clerk
Steven Mauer, Dona Ana County Risk Manager
Michael Meek, Sandoval County Commissioner

NMC Staff Present

Mark Allen, General Counsel
Kamie Denton, Workers' Compensation Claims Manager
Joy Esparsen, Executive Director
Richard Garcia, Finance Director
John Grant, Multi-Line Claims Examiner
Patricia Lovato, Risk Management Data Analyst
Grace Philips, Risk Management Director
Robin Martinez, Multi-Line Claims Manager
Greg Rees, Loss Prevention Manager
Valerie Dixon Paulk, Multi-Line Claims Examiner
Cynthia Stephenson, Risk Management Specialist

Guests Present
Armany Mansour, Bernalillo County Risk Management Administrator
Michael Dickman, Law Office of Michael Dickman
Deborah Weir, Dona Ana County Assistant Manager

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

Approval of Minutes of December 4, 2024
Charlene Webb made a motion to approve the December 4, 2024, minutes and Brandy Thompson seconded the motion, which passed unanimously.

Board Action Items

Elect NMCIA Officers (Chair, Vice Chair, NMC Rep)
Cynthia Singleton made a motion to re-elect Lance Pyle as Chair and Jhonathan Aragon seconded the motion, which passed unanimously. Brandy Thompson made a motion to re-elect Gregory S. Shaffer as Vice Chair and Lisa Sedillo-White seconded the motion, which passed unanimously. Jhonathan Aragon made a motion to re-elect Michael Meek as the NMC Representative and Roberta Gonzales seconded the motion, which passed unanimously.

Ratify Election of Board Members and Dona Ana County Board Appointment
Roberta Gonzales made a motion to ratify the Dona Ana County Commission appointment of Steven Mauer to the board and Charlene Webb seconded the motion, which passed unanimously. Roberta Gonzales made a motion to ratify the election of Anthony Dimas to the Board and Brandy Thompson seconded the motion, which passed unanimously. Cynthia Singleton made a motion to ratify the re-election of Jhonathan Aragon, Lance Pyle, Charlene Webb and Roberta Gonzales to the Board and Shirley Ragin seconded the motion, which passed unanimously.

Fill Litigation Claims Committee Vacancy
Shirley Ragin made a motion for Cynthia Singleton to serve as the alternate on the litigation claims committee and Gregory S. Shaffer to serve as a regular member of the committee, serving previously as the alternate.

Board Presentation

Investment Update
Ryan Salmon provided an economic and market strategy update to the Board, discussing global economic forces facing the market, the global GDP outlook, inflation, the U.S. labor market and interest rate expectations. He then provided members with an overview of NMCIA's portfolio performance. Grace Philips asked the finance committee if they would like to meet with the Strategic Asset Alliance consultant regarding recommended investment policy updates before the consultant provided those recommendations to the Board at their next meeting on March 26. She said Ryan Salmon will participate in that

meeting. The committee agreed and the Board will be invited also, if members choose to attend.

Board Action Items

Approve 2025 Liability Coverage Agreement

Brandy Thompson made a motion to approve the 2025 Liability Coverage Agreement and Roberta Gonzales seconded the motion, which passed unanimously.

Approve 2025 Property Coverage Agreement

Charlene Webb made a motion to approve the 2025 Property Coverage Agreement and Shirley Ragin seconded the motion, which passed unanimously.

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

- Estate of Tracy v Sierra County
- Bernalillo County's appeal of NMC's application of one occurrence definition within Coverage Agreement
- Dona Ana County's appeal of NMC's application of one occurrence definition within Coverage Agreement
- Quay County v NM Counties; Stantec Consulting; Vital Construction

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

Board Discussion

Discuss Coverage for County JPA Entities

Mark Allen presented his legal opinion on NMCIA's ability to provide coverage to JPA created entities, stating that as currently written, the participation arrangement set forth in the NMCIA JPA and Bylaws exceeds the authority granted by the enabling statutes allowing pooling and creates an insurance contract subject to the laws regulating insurance. He said no other language exists in either the JPA or Bylaws regarding the process for admitting non-county political subdivisions and public bodies. After board discussion, including participants having indirect representation on the board through JPAs that include counties, members agreed to explore the topic further at their next meeting.

2025 Board Meeting and Retreat Location Options, Format

Cynthia Stephenson asked members to provide input on the location and format of the 2025 retreat. Members expressed interest in a centrally located facility, located in a smaller area such as a town. They want the same format as 2024 with a dinner offsite with one and a half days for the board meeting and retreat combined.

Other Business
Grace Philips let the board know CRL will provide a premium quote for a 50/50% quota share with NMCRe for the July 1, 2025 renewal. She let members know AGRiP's pool board conference will take place March 16-19 in Las Vegas, NV, and asked for any board members, particularly new members, to let her know if they are interested in attending. She said CRL would not provide summer training in 2025.

Adjournment
Jhonathan Aragon made a motion to adjourn the meeting, and Brandy Thompson seconded the motion. The meeting was adjourned at 5:01 p.m.

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

Item Number:	**Item Title:**
4.A.	Strategic Asset Alliance: Proposed Investment Policy Updates
Presenter (s): Nathan Simon, Director, Investment Consultant	

NMCIA/NMCRe – Asset Allocation Summary

March 26th, 2025

Strategic Asset Alliance

STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

Impact of Net Position Change (2024Y – Unaudited)

1) Combined Net Position

- $18,062,642

2) NMCIA Net Position

- $4,998,207

3) NMCRe Net Position

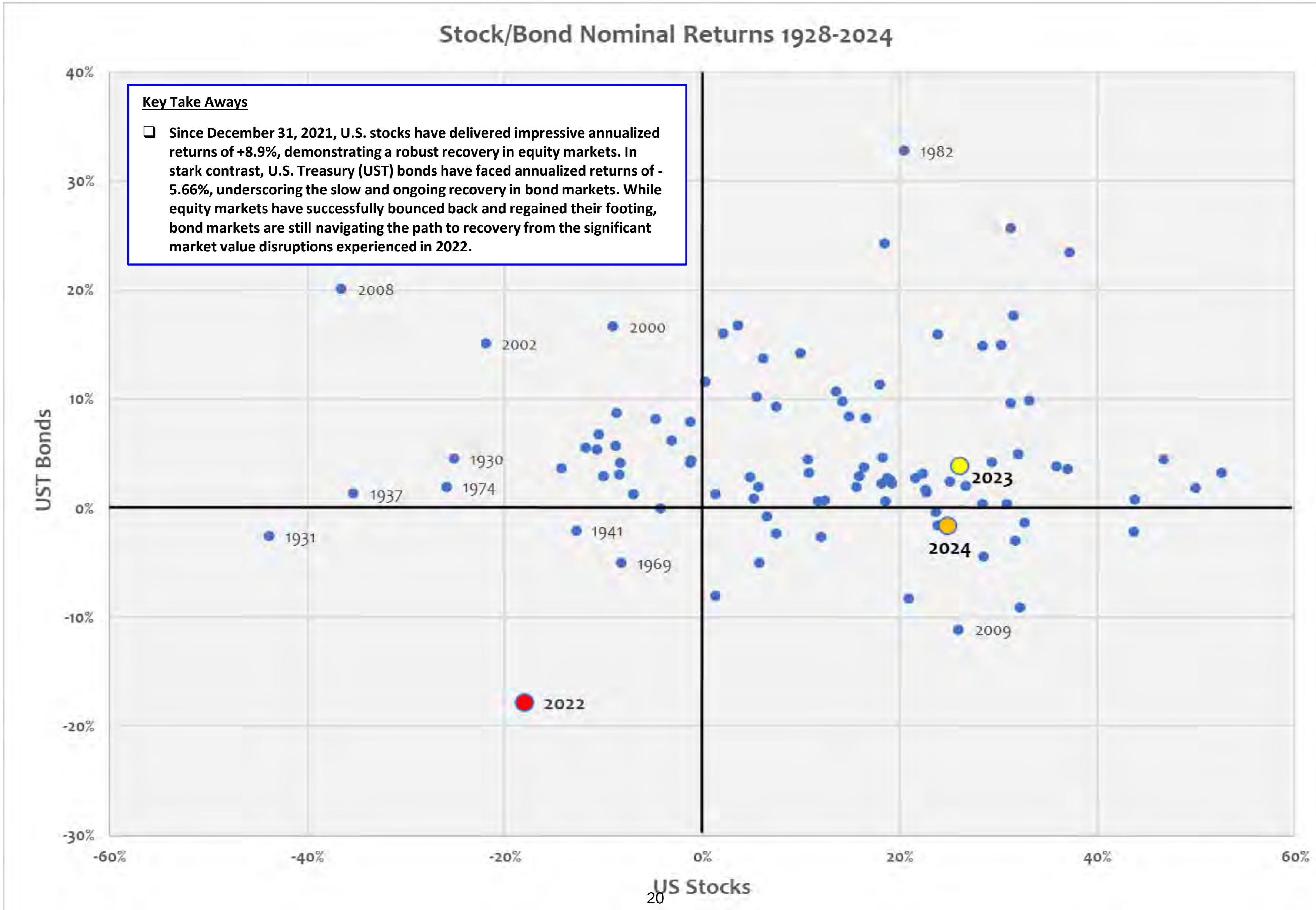
- 13,064,435

		December 31, 2024		December 31, 2023
Assets				
Current Assets				
Cash and Cash Equivalents		$ 20,957,522		$ 7,087,874
Accounts Receivable - Members		-		32,160
Accounts Receivable - Deductibles		665,872		235,143
Accounts Receivable - Reinsurance		159,518		-
Accounts Receivable - Hi Ded Counties		72,004		31,854
Accounts Receivable - Other		87,130		3,751
Note Receivable		1,214,972		1,306,280
Prepaid Expenses		2,417,227		2,247,966
Total Current Assets		25,574,246		10,945,027
Investments				
Exchange Traded Funds	51,611,038		55,159,648	
US Government Bonds	19,484,471		15,859,271	
Mutual Funds	4,653,406		20,593,490	
Unrealized Gain/Loss	(5,047,029)	70,701,886	(6,248,488)	85,363,921
County Reinsurance Pool Equity		571,663		571,663
County Reinsurance Property Plus Equity		3,502,986		3,502,986
Captive Reinsurance		13,064,435		17,701,233
Total Investments		87,840,971		107,139,803
Total Assets		**$ 113,415,216**		**$ 118,084,831**
Liabilities and Pool Net Position				
Current Liabilities				
Accounts Payable		$ 372,972		$ 329,707
Unearned Capital Adequacy Contributions		832,191		-
Unearned Member Contributions		4,755,290		4,739,163
Total Current Liabilities		5,960,454		5,068,870
Long Term Liabilities				
Reserve for Future Claims				
Multi-Line Program		12,657,880		12,832,577
Law Enforcement Program		58,246,920		43,587,888
Workers' Compensation Program		18,487,321		19,678,774
Total Long Term Liabilities		$ 89,392,121		$ 76,099,239
Total Liabilities		**$ 95,352,574**		**$ 81,168,109**
Fund Balance		36,916,722		44,601,748
Current Year Pool Net Position		(18,854,080)		(7,685,027)
Total Pool Net Position		**$ 18,062,642**		**$ 36,916,722**
Total Liabilities and Net Position		**$ 113,415,216**		**$ 118,084,831**

PwC – NMCIA Enterprise Risk

- ➢ **The investment portfolio carries a relatively marginal contribution to overall enterprise risk per PwC's 2022Y study.**
- ➢ **The investment allocation changes proposed would maintain a high-quality portfolio, increase asset diversification, provide income support, and potential longer-term net position stability as pricing/reserves normalize particularly for law enforcement coverages.**

PERSPECTIVE: Stock/Bond Nominal Returns – 1928 to 2024



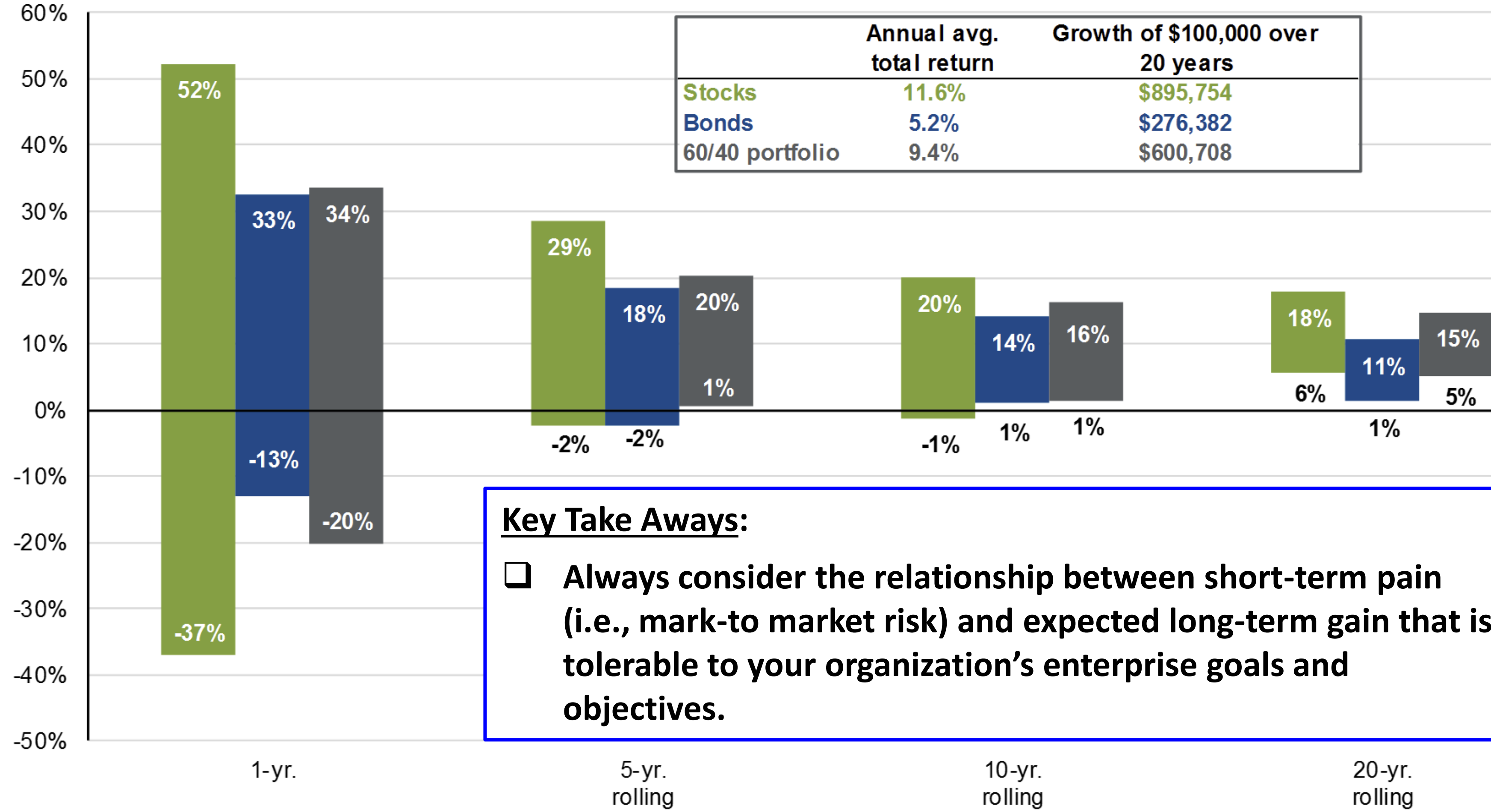
Key Take Aways

- Since December 31, 2021, U.S. stocks have delivered impressive annualized returns of +8.9%, demonstrating a robust recovery in equity markets. In stark contrast, U.S. Treasury (UST) bonds have faced annualized returns of -5.66%, underscoring the slow and ongoing recovery in bond markets. While equity markets have successfully bounced back and regained their footing, bond markets are still navigating the path to recovery from the significant market value disruptions experienced in 2022.

Source: https://www.stern.nyu.edu/~adamodar/New_Home_Page/data.html

Long Term Perspective - Patience Pays

Range of stock, bond and blended total returns
Annual total returns, 1950–2024



	Annual avg. total return	Growth of $100,000 over 20 years
Stocks	11.6%	$895,754
Bonds	5.2%	$276,382
60/40 portfolio	9.4%	$600,708

Key Take Aways:

- ❑ **Always consider the relationship between short-term pain (i.e., mark-to market risk) and expected long-term gain that is tolerable to your organization's enterprise goals and objectives.**

Source: Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management.
Returns shown are based on calendar year returns from 1950 to 2024. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Bloomberg Aggregate thereafter.
Growth of $100,000 is based on annual average total returns from 1950 to 2023.
Guide to the Markets - U.S. Data are as of February 28, 2025.

Combined Capital: Risk Tolerance Considerations

Combined Capital (NMCIA + NMCRe) - Surplus Volatility									
Risk Assets-to-Surplus Ratio	Net Assets/Surplus[1]	Risk Assets[2]	Risk Assets As % of Total Portfolio[3]	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Increase/(Decrease) in Risk Assets	Notes
50%	18.1	9.0	8.0%	14.4	-20.5%	10.9	-39.4%	7.4	
25%	18.1	4.5	4.0%	16.2	-10.3%	12.6	-30.0%	2.9	Max constraint
20%	18.1	3.6	3.2%	16.6	-8.2%	13.0	-28.1%	2.0	
15%	18.1	2.7	2.4%	17.0	-6.1%	13.3	-26.2%	1.1	
10%	18.1	1.8	1.6%	17.3	-4.1%	13.7	-24.3%	0.2	
8.8%	18.1	1.6	1.4%	17.4	-3.6%	13.7	-23.9%	Current Position 12/31	Combined
5%	18.1	0.9	0.8%	17.7	-2.1%	14.0	-22.4%	(0.7)	
0%	18.1	0.0	0.0%	18.1	0.0%	14.3	-20.6%	(1.6)	
				Excludes Duration Impact		Includes 1% Change in Rates			
						Current 3.28 Years			

1) Using Estimated Combined Net Position of $18M @ 12/31/2024
2) Risk Assets as of 12/31/2024 (High Yield Fund)
3) Using total investment portfolio market value of $113,234,919 @ 12/31/2024
4) Lowest cumulative return of recommended risk allocation peak to trough during 2008/2009 was -51% US Equities; -53% Developed International Equities; -33% US High Yield; -30% US Bank Loans
5) Duration impact embedded for marked-to-market fixed income risk (assuming 1.0% rate increase/decrease); Combined Wells Fargo ETFs/Funds duration of 3.28 Years

- **SAA Recommendation: Risk asset volatility should be capped at 25% risk assets to net position across the combined programs, representing approximately $4.5M combined in risk assets exposure. The 25% risk assets/net position threshold provides materiality while maintaining a conservative overall profile.**

- **The current combined risk asset position of $1.6M represents 1.4% of the total combined portfolio, allowing an additional $2.9M in risk assets to be invested.**

NMCIA vs NMCRe: Risk Tolerance Considerations

NMCIA - Surplus Volatility								
Risk Assets-to-Surplus Ratio	Net Assets/Surplus[1]	Risk Assets[2]	Risk Assets As % of Total Portfolio[3]	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Notes
31.6%	5.0	1.6	1.8%	4.5	-10.4%	1.6	-68.8%	Current NMCIA 12/31
0%	5.0	0.0	0.0%	5.0	0.0%	2.0	-59.4%	
1) Using Estimated Net Position of $5M @ 12/31/2024				Excludes Duration Impact		Includes 1% Change in Rates		
2) Risk Assets as of 12/31/2024 (High Yield Fund)						Current 3.30 Years		
3) Using total investment portfolio market value of $90,031,151 @ 12/31/2024								
4) Lowest cumulative return of risk allocation peak to trough during 2008/2009 was -33% for the U.S. High Yield market (Barclays US Corporate High Yield Index)								
5) Duration impact embedded for marked-to-market fixed income risk (assuming 1.0% rate increase/decrease); Wells Fargo ETFs/Funds duration of 3.30 Years								

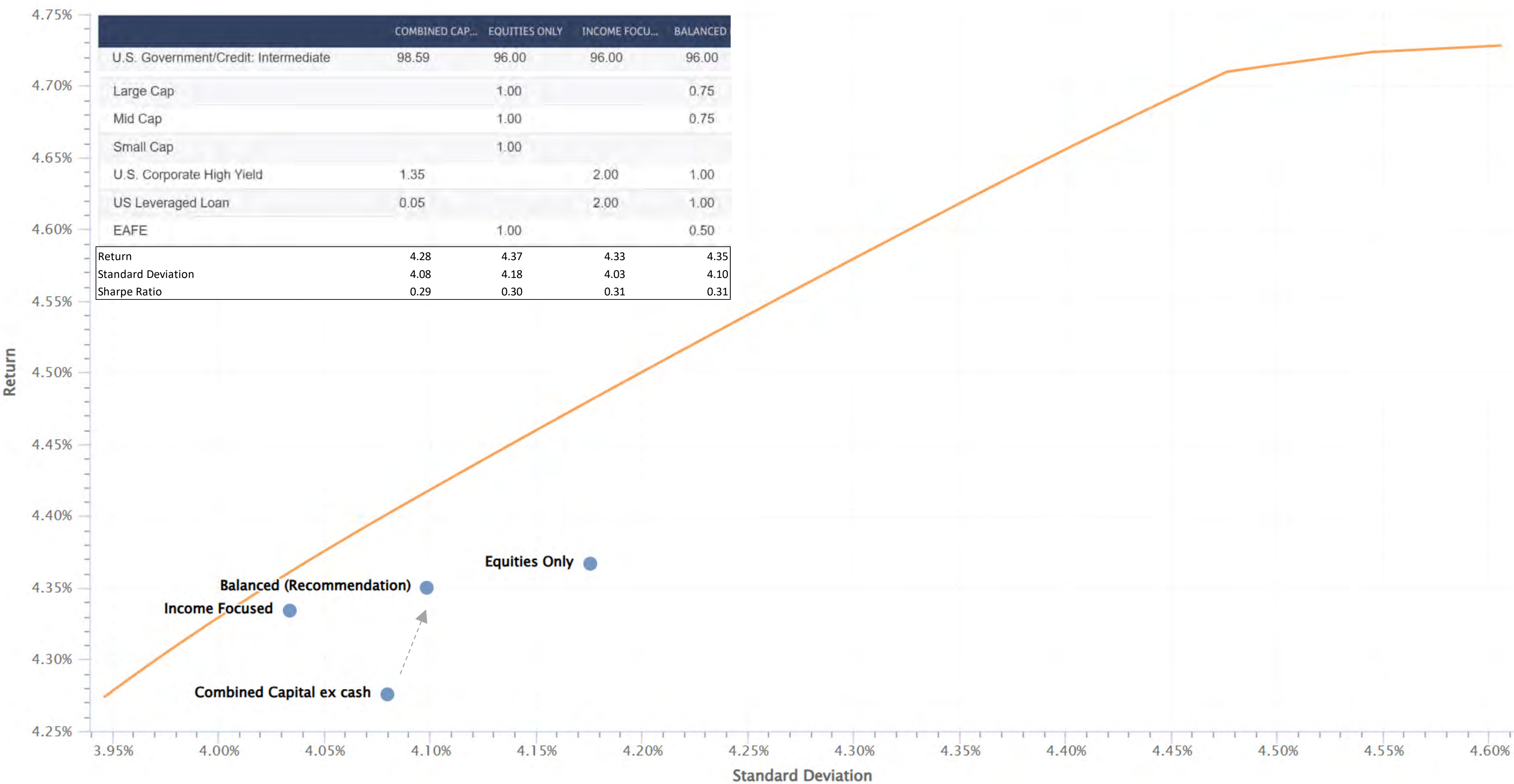
➢ **SAA Recommendation: The current risk asset allocation is held via mutual fund, and therefore the market value is already reflected in the net position. Selling and relocating the current investment will have no impact to consolidated net position and generate unnecessary transaction costs. Therefore, SAA recommends maintaining the current $1.6M exposure at NMCIA.**

NMCRe - Surplus Volatility								
Risk Assets-to-Surplus Ratio	Net Assets/Surplus[1]	Risk Assets[2]	Risk Assets As % of Total Portfolio[3]	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Surplus Level ($): Worst negative return trend[4]	Downside Impact: As % of Surplus	Notes
50%	13.1	6.5	28.2%	9.7	-25.5%	9.2	-29.6%	
35%	13.1	4.6	19.7%	10.7	-17.9%	10.1	-22.4%	If all risk assets held at Captive
20%	13.1	2.6	11.3%	11.7	-10.2%	11.1	-15.2%	Currently $1.6M NMCIA RA
0.1%	13.1	0.0	0.1%	13.1	-0.1%	12.3	-5.7%	Current NMCRe
1) Using Estimated Net Position of $13M @ 12/31/2024				Excludes Duration Impact		Includes 1% Change in Rates		
2) Risk Assets as of 12/31/2024 (High Yield Fund)						Current 3.20 Years		
3) Using total investment portfolio market value of $23,203,768 @ 12/31/2024								
4) Lowest cumulative return of recommended risk allocation peak to trough during 2008/2009 was -51% US Equities; -53% Developed International Equities								
5) Duration impact embedded for marked-to-market fixed income risk (assuming 1.0% rate increase/decrease); Wells Fargo ETFs/Funds duration of 3.20 Years								

➢ **SAA Recommendation: The $2.6M risk asset position at NMCRe would bring the total combined risk assets exposure to $4.2M, close to the targeted combined risk assets position of $4.5M, assuming the current $1.6M risk assets at NMCIA is maintained. This would represent for NMCRe a risk assets/net position of 20%, and approximately 11.3% as a percentage of the NMCRe portfolio.**

Efficient Frontier – Combined Capital (25% Risk Assets/Surplus)

	COMBINED CAP...	EQUITIES ONLY	INCOME FOCU...	BALANCED
U.S. Government/Credit: Intermediate	98.59	96.00	96.00	96.00
Large Cap		1.00		0.75
Mid Cap		1.00		0.75
Small Cap		1.00		
U.S. Corporate High Yield	1.35		2.00	1.00
US Leveraged Loan	0.05		2.00	1.00
EAFE		1.00		0.50
Return	4.28	4.37	4.33	4.35
Standard Deviation	4.08	4.18	4.03	4.10
Sharpe Ratio	0.29	0.30	0.31	0.31



- The custom portfolios all carry higher volatility, but in all cases higher return to support long-term capital growth.
- **SAA Recommendation: The "Balanced" custom portfolio adds material return while conservatively adding overall volatility. The portfolio is optimized for diversification, adds an allocation for higher yielding income above core fixed income, and includes the upside from the long-term return profile representative of equity investments.**
- **Across the combined portfolios, 1.75% of risk asset exposure is currently held at NMCIA across US High Yields/Bank Loans. The remaining US Equity/International Equity exposure is recommended to be held at the captive.**

Range of Returns on Balanced Portfolio

Balanced Portfolio (Recommendation):

	One Year	Three Year	Five Year	Ten Year
Worst Case	-3.45%	-0.26%	0.74%	1.76%
Expected	4.35%	4.3%	4.29%	4.28%
Best Case	12.61%	9.01%	7.92%	6.84%

Current Combined ex cash (Base Case):

	One Year	Three Year	Five Year	Ten Year
Worst Case	-3.49%	-0.32%	0.68%	1.7%
Expected	4.28%	4.22%	4.21%	4.2%
Best Case	12.5%	8.91%	7.83%	6.75%

- **The "Current Combined ex Cash" assumes the current 21% allocation to cash has been already reinvested in high quality core fixed income. The expected add-value of the "Balanced Portfolio" with 4% risk assets allocation, totals 8 bps over 3- and 5- years, or close to $90K in additional annual income on a $113M investment portfolio.**

- **The "Balanced" recommended portfolio has a higher expected annualized return over each time horizon regardless of worst, expected, or best case market scenarios using a 10,000 trial simulation analysis.**

Key Investment Policy Recommended Changes

1) **Asset Allocation Targets & Ranges**
   - Fixed income and Risk Assets as % of Portfolio
   - Risk Assets as % of Surplus
   - Rebalancing

2) **Fixed Income Benchmark**
   - Reflects opportunity set, expected risk profile, return expectations
   - Manager evaluation

3) **Performance Evaluation**
   - Clarified investment manager expectations

Implementation Timeline

- Step 1: Board approve IPS changes
  - Risk tolerance constraints for NMCIA/NMCRe
  - Risk asset targets
- Step 2: SAA/Wells Fargo provides recommended funds
  - *NMCIA to hold High Yield & Bank Loans*
  - *NMCRe to hold US and International equities*
- Step 3: Staff funds over 3 months/or 3 quarters
  - Funding Period 1 – April 15th
  - Funding Period 2 – May 15th
  - Funding Period 3 – June 15th
- Step 4: Monitor compliance and reporting
- Step 5: Move to establish discretionary fixed income by manager

APPENDIX

Constrained Assumptions

NAME	RETURN	STD DEV	MIN	MAX
Core Fixed Income			96.00%	100.00%
U.S. Aggregate	4.60%	4.52%	0.00%	100.00%
U.S. Government/Credit: Intermediate	4.25%	4.08%	0.00%	100.00%
U.S. TIPS	4.10%	5.78%	0.00%	100.00%
Risk Assets - Domestic Equity			0.00%	4.00%
Large Cap	6.70%	16.26%	0.00%	4.00%
Mid Cap	7.00%	18.30%	0.00%	2.00%
Small Cap	6.90%	20.73%	0.00%	1.00%
Risk Assets - High Yield			0.00%	4.00%
U.S. Corporate High Yield	6.10%	8.52%	0.00%	2.00%
US Leveraged Loan	6.60%	7.80%	0.00%	2.00%
Risk Assets - Intl equity			0.00%	2.00%
EAFE	8.10%	17.61%	0.00%	2.00%
EM	7.20%	21.05%	0.00%	1.00%
Risk Assets. - Alternatives			0.00%	1.00%
Private Equity	9.90%	19.60%	0.00%	0.00%
Global Infrastructure	6.30%	11.01%	0.00%	0.00%
Direct Lending	8.20%	13.60%	0.00%	0.00%
U.S. REITS	8.00%	17.22%	0.00%	1.00%
UNGROUPED				
Municipal Bond: 1-15 Year	3.60%	4.04%	0.00%	0.00%
3-Month US T-Bill	3.10%	0.65%	0.00%	2.00%

The return/risk estimates reflect SAA's long-term capital market assumptions (7-10 years).

Risk is defined as annualized standard deviation of expected return.

Assume 4% maximum of total portfolio risk asset allocation, targeting 25% risk asset to net position.

Private equity, direct lending, core infrastructure excluded.

Source: JP Morgan Nov. 2024 Capital Market Assumptions & SAA analysis

Correlations Assumptions

- To better illustrate the impact of diversification relative to NMCIA/NMCRe's fixed income portfolio, the adjacent table shows the prospective, long-term correlations of asset classes relative to core fixed income.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
A. Bloomberg U.S. Aggregate	1.00	0.97	0.85	0.84	0.40	0.47	0.07	0.37	0.32	0.27	0.50	0.15	0.26	0.38	0.44	0.10
B. Bloomberg U.S. Government/Cr…	0.97	1.00	0.83	0.84	0.35	0.43	0.05	0.31	0.26	0.22	0.48	0.16	0.36	0.35	0.41	0.15
C. Bloomberg Municipal Bond: 1-15…	0.85	0.83	1.00	0.72	0.43	0.50	0.06	0.36	0.34	0.14	0.40	0.27	0.24	0.22	0.46	0.05
D. Bloomberg U.S. TIPS	0.84	0.84	0.72	1.00	0.50	0.57	0.15	0.29	0.42	0.36	0.60	0.31	0.47	0.43	0.36	0.00
E. Private Equity	0.40	0.35	0.43	0.50	1.00	0.82	0.53	0.89	0.91	0.86	0.73	0.72	0.88	0.67	0.69	0.00
F. Global Infrastructure	0.47	0.43	0.50	0.57	0.82	1.00	0.47	0.46	0.79	0.71	0.80	0.62	0.81	0.68	0.35	-0.04
G. Direct Lending	0.07	0.05	0.06	0.15	0.53	0.47	1.00	0.42	0.46	0.42	0.61	0.70	0.46	0.47	0.44	0.18
H. S&P 500 - Large Cap	0.37	0.31	0.36	0.29	0.89	0.46	0.42	1.00	0.91	0.84	0.79	0.59	0.86	0.74	0.62	-0.00
I. S&P 400 - Mid Cap	0.32	0.26	0.34	0.42	0.91	0.79	0.46	0.91	1.00	0.95	0.80	0.66	0.81	0.76	0.64	-0.06
J. S&P 600 - Small Cap	0.27	0.22	0.14	0.36	0.86	0.71	0.42	0.84	0.95	1.00	0.75	0.61	0.79	0.58	0.62	-0.08
K. Bloomberg U.S. Corporate High …	0.50	0.48	0.40	0.60	0.73	0.80	0.61	0.79	0.80	0.75	1.00	0.80	0.80	0.70	0.65	0.02
L. Morningstar LSTA US Leveraged…	0.15	0.16	0.27	0.31	0.72	0.62	0.70	0.59	0.66	0.61	0.80	1.00	0.59	0.55	0.54	0.01
M. MSCI EAFE	0.26	0.36	0.24	0.47	0.88	0.81	0.46	0.86	0.81	0.79	0.80	0.59	1.00	0.79	0.70	0.01
N. MSCI EM	0.38	0.35	0.22	0.43	0.67	0.68	0.47	0.74	0.76	0.58	0.70	0.55	0.79	1.00	0.48	0.01
O. U.S. REITS	0.44	0.41	0.46	0.36	0.69	0.35	0.44	0.62	0.64	0.62	0.65	0.54	0.70	0.48	1.00	-0.11
P. ICE BofA US 3-Month Treasury …	0.10	0.15	0.05	0.00	0.00	-0.04	0.18	-0.00	-0.06	-0.08	0.02	0.01	0.01	0.01	-0.11	1.00

- Source: Informa & SAA analysis

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

Item Number:	**Item Title:**
4.B.	Wells Fargo Advisors: Proposed Implementation of Investments

Presenter (s):

Ryan Salmon, Senior Vice President, Investment Officer / PIM Portfolio Manager
Salmon Hauger Wealth Management Group of Wells Fargo Advisors

SALMON | HAUGER
Wealth Management Group
of Wells Fargo Advisors

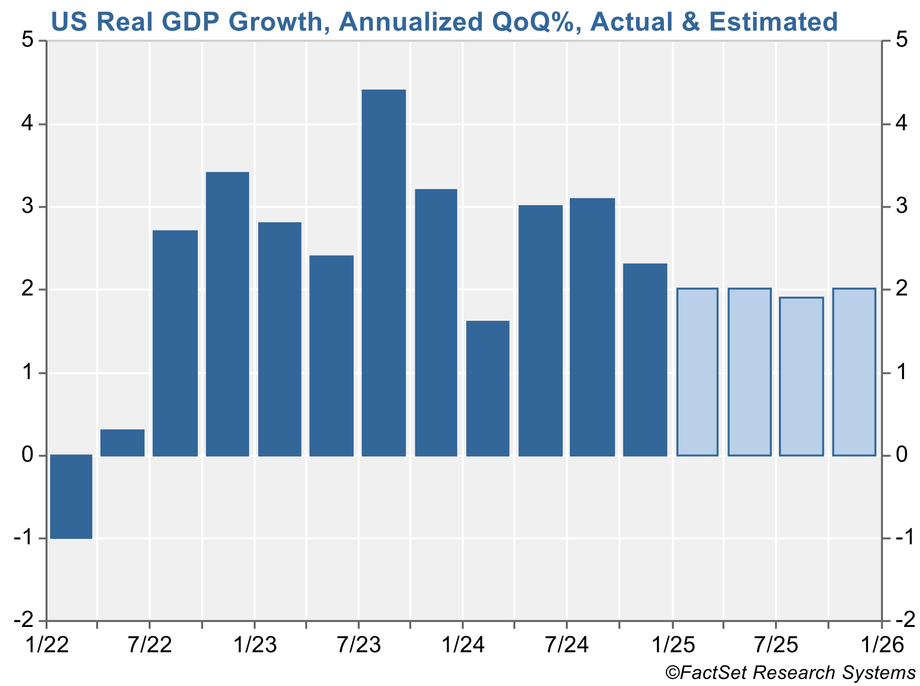
New Mexico County Insurance Authority

Prepared by: Ryan Salmon, CFA
Managing Director – Investments
PIM® Portfolio Manager

Date: Wednesday, March 26, 2025

US Economy

- Economic growth is slowing in 2025 relative to 2024
- Despite recession fears related to tariff uncertainty, the consensus view among economists is for economic growth to remain positive
- For 2025, the consensus view is for GDP growth to be about 2%, which could change if the economic data weakens
- The unemployment rate was 4.1% in February



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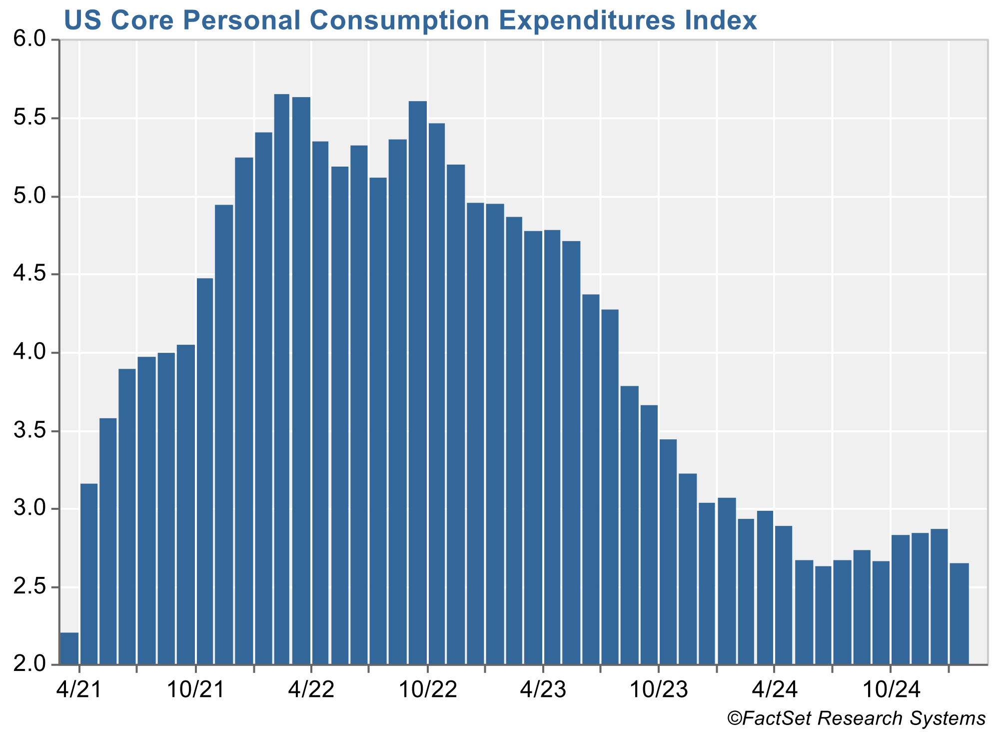
of Wells Fargo Advisors

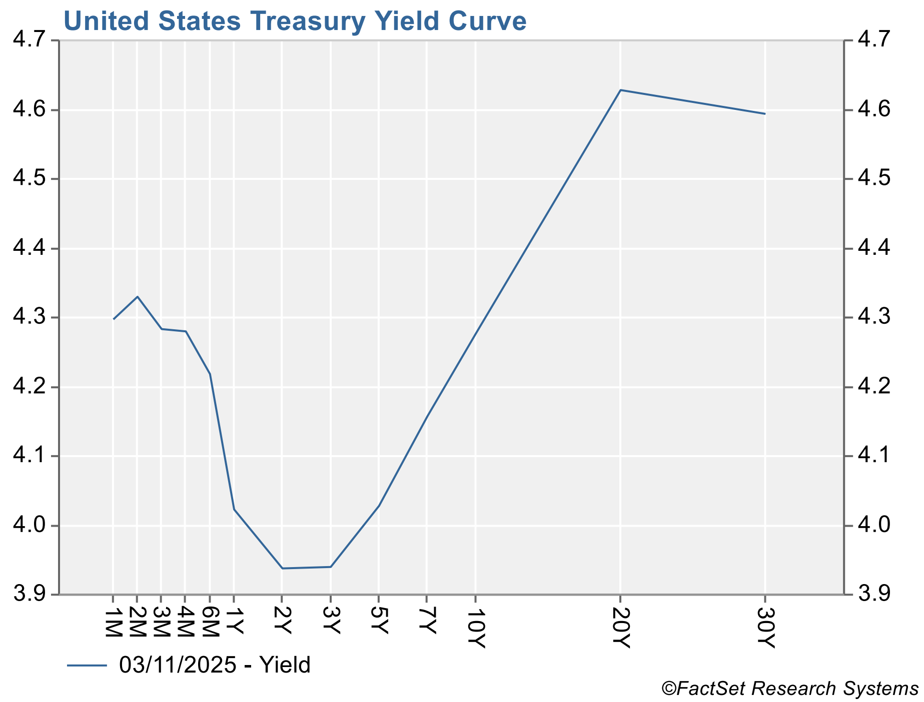
US Inflation

- Inflation has generally continued its downward trend, but remains above the Fed's 2% target
- The Fed's preferred inflation measure, the Core PCE, ticked down to 2.65% in January; the February Consumer Price Index (CPI) was below expectations at 2.81%



Treasury Yield Curve

- The current target range for the federal funds rate is 4.25% to 4.50%; the Fed held it unchanged in March
- Investors expect three rate cuts in 2025; expectations for rate cuts have risen recently due to tariff uncertainty
- Treasury yields in the one-year to three-year range reflect the rate cut expectations; the ten-year yield is about even with the federal funds rate



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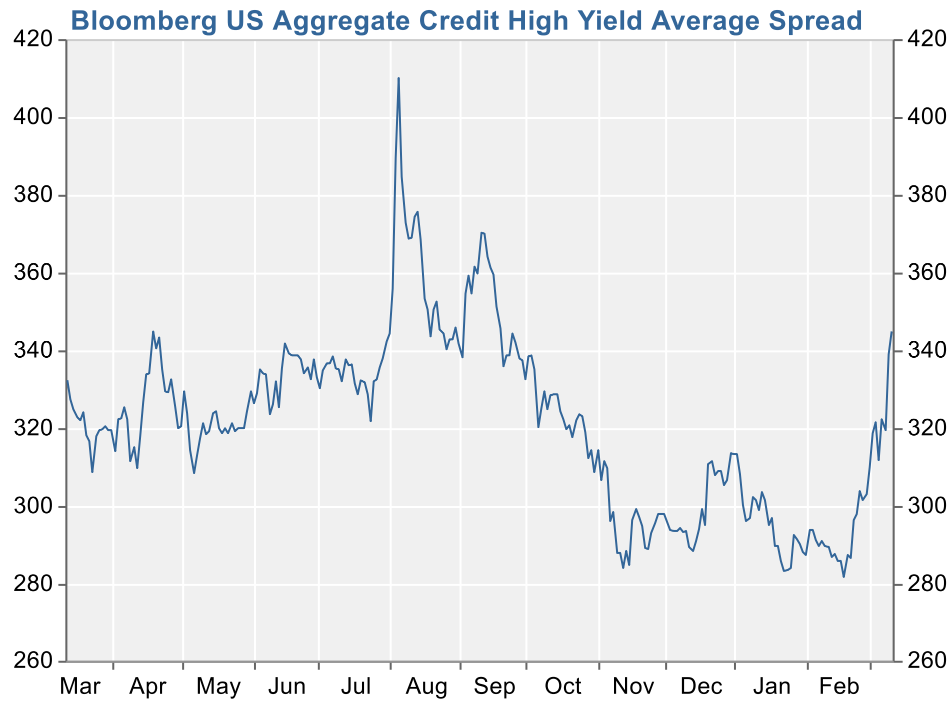
Credit Spreads

- Investment grade and high yield credit spreads have widened along with the tariff uncertainty, but remain below levels seen during recessions
- Credit spreads represent the additional yield investors require to take default risk



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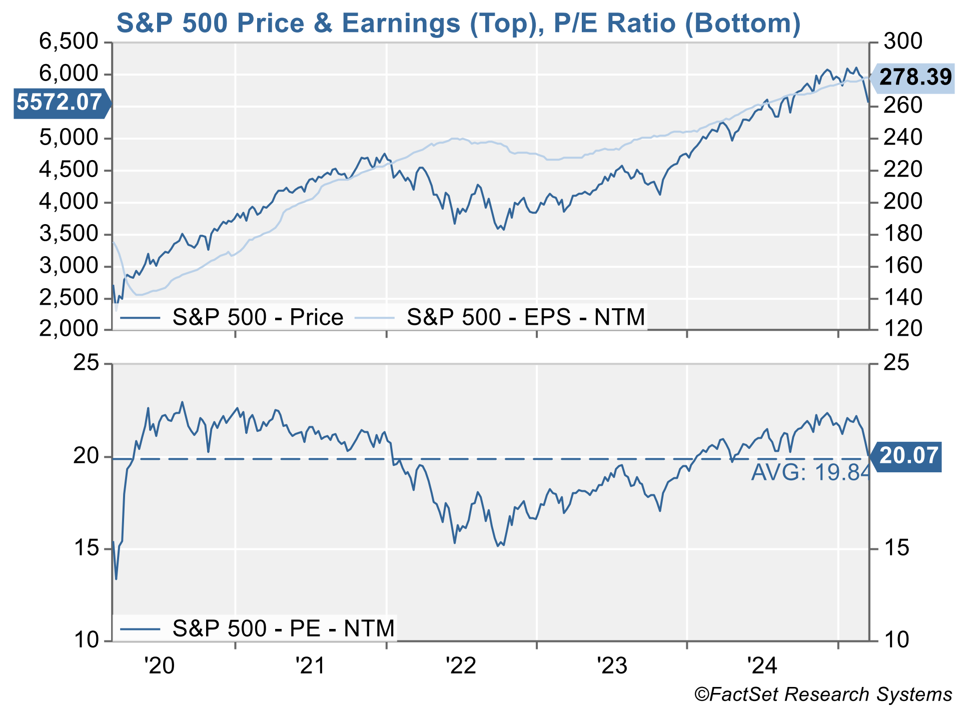
US Equities

- Corporate earnings for the four quarter of 2024 were generally favorable; analysts estimate S&P 500 earnings will grow 11.6% in 2025
- Tariff uncertainty has led to equity market volatility in March, with the S&P 500 having pulling back nearly 10% from its recent high



Disclosures

This report is not the official record of your account. However, it has been prepared to assist you with your investment planning and is for informational purposes only. Your Wells Fargo Advisors Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your Client Statement, you should rely on the Client Statement and call your local Sales Location Manager with any questions. Cost data and acquisition dates provided by you are not verified by Wells Fargo Advisors. Transactions requiring tax consideration should be reviewed carefully with your accountant or tax advisor. Unless otherwise indicated, market prices/values are the most recent closing prices available at the time of this report, and are subject to change. Prices may not reflect the value at which securities could be sold. Past performance does not guarantee future results.

This information is hypothetical and is provided for informational purposes only. It is not intended to represent any specific return, yield, or investment, nor is it indicative of future results. This chart and the results shown are hypothetical and for illustrative purposes only. The information does not constitute a recommendation to invest in any particular asset class or strategy and is not a promise of future performance or an estimate of actual returns an investor's portfolio may achieve.

All market data is from FactSet Research Systems as of Wednesday, March 19, 2025.

Index returns do not represent investment returns or the results of actual trading nor are they forecasts of expected gains or losses a portfolio might experience. Index returns reflect general market results, assume the reinvestment of dividends and other distributions, and do not reflect deduction for fees, expenses or taxes applicable to an actual investment. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from those of the portfolio. Because of these differences, benchmarks should not be relied upon as an accurate measure of comparison. There is no guarantee that any of the securities invested in by the fund [portfolio] are included in the Index. An index is unmanaged and not available for direct investment. Past performance is no guarantee of future results.

Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.

The Bloomberg U.S. Government/Credit Bond Index is an unmanaged, market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

Bloomberg U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg U.S. Corporate High-Yield Index covers the universe of fixed-rate, non-investment-grade debt.

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

CF-03202025-7768043

*Life*Sync

Client Overview

Prepared for New Mexico County Insurance Authority

March 20, 2025

Prepared by:
SALMON HAUGER WEALTH MGMT GROUP OF WELLS FARGO ADVISORS

This report is not complete without all sections noted in the Table of Contents. Please read each section carefully.

Investment and Insurance Products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Table of Contents

Net Worth Statement

$98,659,449	$0	$98,659,449
Total assets	Total liabilities	Net worth

Internal investment assets

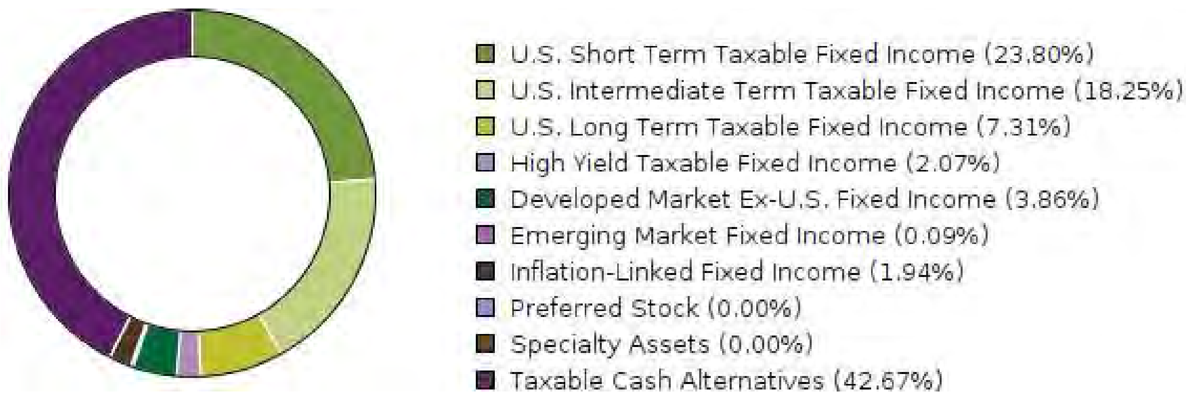
Account number	Description	Last updated	Market value
XXXX2461	NMCIA LE P	02/28/2025	$38,328,770
XXXX2635	NMCIA ML P	02/28/2025	$36,694,366
XXXX2548	NMCIA WC P	02/28/2025	$23,636,313
			$98,659,449

P Indicates an account included in the performance information within the report.

"Last updated" date depicted represent the most recent date market values have been updated.
Internal investment assets and market values are automatically updated and based on market close of the previous business day. Please review the "Last updated" date for all other assets and liabilities and provide updated values to us.
This statement represents your securities portfolio and assets and liabilities based on holdings at our firm or information supplied by you. This report may not include all of your household accounts. The statement does not supersede your statements, policies, or trade confirmations, which we consider the official and accurate records of your accounts or policies. The information provided for assets not held at Wells Fargo Advisors has not been verified; these assets may not be covered by SIPC.

Asset Allocation: Asset Class Detail

As of 03/19/2025 for your combined accounts



Asset class description	Market Value	Allocation %
U.S. Short Term Taxable Fixed Income	24,014,730	23.8%
U.S. Intermediate Term Taxable Fixed Income	18,417,183	18.3%
U.S. Long Term Taxable Fixed Income	7,376,174	7.3%
High Yield Taxable Fixed Income	2,090,713	2.1%
Developed Market Ex-U.S. Fixed Income	3,895,026	3.9%
Emerging Market Fixed Income	90,438	0.1%
Inflation-Linked Fixed Income	1,953,463	1.9%
Preferred Stock	2,155	0.0%
Specialty Assets	325	0.0%
Taxable Cash Alternatives	43,049,839	42.7%
Portfolio Summary Total	**$100,890,046**	**100.0%**

Your current portfolio allocation may classify assets based on the underlying holdings of funds, ETFs, UITs and annuity sub-accounts. For assets in alternative and real asset investment strategies and where underlying holdings are not available for classification, the asset class assigned to that security is used. The Cash Alternatives asset class may include cash alternatives or other securities, such as futures settlements, synthetic securities, or securities in the form of a trust. Underlying classification data is updated periodically, and the update frequency will vary.

†† Because this fund may use complex and specialized investment strategies, such as short selling, leveraging, synthetic securities, and derivatives, it is assigned to a single asset class.

Performance Details by Account

As of 02/28/2025 for your combined accounts

	Beginning market value	Additions	Withdrawals	Net invested capital	Feb 28, 2025 market value	Investment results	Annualized return
NMCIA LE-XXXX2461							
YTD	$25,060,778	$25,350,177	-$12,481,142	$37,929,813	$38,329,461	$399,648	1.25%
Since inception date: Sep 30, 2005	$7,536,439	$310,024,871	-$286,333,084	$31,228,225	$38,329,461	$7,101,236	2.65%
NMCIA ML-XXXX2635							
YTD	$28,015,320	$10,947,435	-$2,734,924	$36,227,831	$36,722,657	$494,826	1.50%
Since inception date: Sep 30, 2005	$10,075,801	$205,740,709	-$187,127,697	$28,688,813	$36,722,657	$8,033,843	2.57%
NMCIA WC-XXXX2548							
YTD	$24,562,971	$313,710	-$1,508,807	$23,367,874	$23,707,158	$339,283	1.42%
Since inception date: Sep 30, 2005	$4,888,875	$146,607,960	-$133,445,325	$18,051,511	$23,707,158	$5,655,647	2.42%

Annualized, net time-weighted rates of return are depicted. The YTD return may represent performance for a period less than the full YTD time frame. Returns are annualized for the time periods greater than one year. Past performance is no guarantee of future results. This amount(s) may differ from your account statement and elsewhere within this report due to a variety of factors including the treatment of accrued income and dividends, rounding and other considerations. Please see the Important Information section for details about your returns.

Performance Returns by Account

As of 02/28/2025 for your combined accounts

Net Time-Weighted Returns

Description/Inception date	Market value	MTD	QTD	YTD	1 year	Annualized 3 year	Annualized 5 year	Annualized 10 year	Annualized Since inception
NMCIA LE - XXXX2461/ Sep 30, 2005	$38,329,461	0.77%	1.25%	1.25%	5.25%	2.59%	1.45%	1.52%	2.65%
Comparison 1		1.60%	2.53%	2.53%	7.88%	2.12%	2.08%	3.21%	4.34%
Comparison 2		0.70%	1.14%	1.14%	5.30%	2.21%	1.31%	1.47%	2.07%
Comparison 3		1.39%	1.97%	1.97%	5.86%	1.19%	0.68%	1.81%	3.03%
NMCIA ML - XXXX2635/ Sep 30, 2005	$36,722,657	1.02%	1.5%	1.5%	5.29%	2.49%	1.41%	1.59%	2.57%
Comparison 1		1.60%	2.53%	2.53%	7.88%	2.12%	2.08%	3.21%	4.34%
Comparison 2		0.70%	1.14%	1.14%	5.30%	2.21%	1.31%	1.47%	2.07%
Comparison 3		1.39%	1.97%	1.97%	5.86%	1.19%	0.68%	1.81%	3.03%
NMCIA WC - XXXX2548/ Sep 30, 2005	$23,707,158	0.98%	1.42%	1.42%	5.89%	2.39%	1.53%	1.84%	2.42%
Comparison 1		1.60%	2.53%	2.53%	7.88%	2.12%	2.08%	3.21%	4.34%
Comparison 2		0.70%	1.14%	1.14%	5.30%	2.21%	1.31%	1.47%	2.07%
Comparison 3		1.39%	1.97%	1.97%	5.86%	1.19%	0.68%	1.81%	3.03%

Annualized, net time-weighted rates of return are depicted. The YTD return may represent performance for a period less than the full YTD time frame. Returns are annualized for the time periods greater than one year. Past performance is no guarantee of future results.
This amount(s) may differ from your account statement and elsewhere within this report due to a variety of factors including the treatment of accrued income and dividends, rounding and other considerations. Comparison 1 is the firm-assigned benchmark to align with the account investment objective. Comparisons 2 and 3, if included, are assigned at the advisor's determination to provide additional perspective. All comparisons for combined accounts, if applicable, are assigned by the advisor. Please see the Important Information section at the end of this report for details about your returns, the comparison blends, and the comparison change history.

XXXX2461
Comparison 1 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index
Comparison 2 is the BLMBRG US GOVT 1-3 YEAR index
Comparison 3 is the BLMBRG GOVT/CRED INT index

XXXX2635
Comparison 1 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index
Comparison 2 is the BLMBRG US GOVT 1-3 YEAR index
Comparison 3 is the BLMBRG GOVT/CRED INT index

XXXX2548

Comparison 1 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index
Comparison 2 is the BLMBRG US GOVT 1-3 YEAR index
Comparison 3 is the BLMBRG GOVT/CRED INT index

Estimated Income Summary

As of 03/19/2025 for your combined accounts

	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Annualized Estimated income ($)
Taxable accounts	206,047	197,141	220,516	216,203	217,297	218,391	191,516	181,203	181,203	216,203	217,297	218,391	2,481,406
Taxable	181,203	181,203	181,203	181,203	181,203	181,203	181,203	181,203	181,203	181,203	181,203	181,203	2,174,437
Mortgage backed security	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	14,072
Bond fund	169,878	169,878	169,878	169,878	169,878	169,878	169,878	169,878	169,878	169,878	169,878	169,878	2,038,540
Money market fund	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	10,152	121,825
Federal	24,844	15,938	39,313	35,000	36,094	37,188	10,313			35,000	36,094	37,188	306,969
Government bond	24,844	15,938	39,313	35,000	36,094	37,188	10,313			35,000	36,094	37,188	306,969
Unassigned													
Not available													
Cash alternative													
Estimated income total	206,047	197,141	220,516	216,203	217,297	218,391	191,516	181,203	181,203	216,203	217,297	218,391	2,481,406

Total Portfolio Value: $100,890,046

This report is not a substitute for official tax reporting. This report separates the holdings, first based on the taxability at the account level. The secondary aggregation is Tax Type which is used to aggregate securities based on their assumed taxability of income (interest and dividends) at the time of this report. Classifications are made by data sources we deem reliable; however, we do not guarantee the accuracy of these classifications. Most securities are subject to capital gains taxes and some may be considered in calculations for Alternative Minimum Tax (AMT) that are not so designated here. This report does not attempt to portray phantom income (income accreted or accrued but not paid) on discount or zero coupon securities. You should consult with your tax advisor regarding the taxability of your holdings.

The following tax type classifications may be included in this report: AMT - subject to Alternative Minimum Tax; Dividend - taxable as dividend income; Federal - income taxable by federal government (state and local income taxes may not apply); Non-Federal - income non-taxable by federal government but may be subject to state and local taxes; Taxable - income taxable by federal, state and local taxes; and Not Available - taxability undetermined.

Estimated Income Annualized (EIA) takes your current income, based on the current dividends or interest paid by your securities and multiplies it to create an annualized hypothetical figure. It does not reflect actual or future performance and should not be relied upon when making financial decisions. All annualizations are based upon current positions using a simple mathematical calculation and assumes all figures remain constant for a year; any subsequent position changes will affect these calculations. Calculations for certain types of securities could include a return of principal or capital gain, in which case the figures would be overstated. Past performance is not a guarantee of future results. Dividend payments are made solely at the discretion of the issuer and are subject to be changed or eliminated at any time. Estimated Income is an estimate and the actual income might be lower or higher than the estimated amount. Estimated Income only the income generated by an investment. It does not reflect changes in price, which may fluctuate.

Important Information

Accounts Included:

Internal Accounts

XXXX2461 P NMCIA LE
XXXX2548 P NMCIA WC
XXXX2635 P NMCIA ML

P Indicates an account included in the performance information within the report.

This Account listing represents a portfolio of assets and/or liabilities owned by you based on our records of transactions processed through us or supplemental information supplied by you. The information contained in this report may not reflect all holdings or transactions, their costs, or proceeds in your household. We rely on you to review the accuracy and completeness of your externally held account information, and to notify your advisor if any updates are needed. Any assets and liabilities you currently hold away from our Firm may not be covered by SIPC.

Transactions requiring tax consideration should be reviewed carefully with your accountant or tax advisor. Unless otherwise indicated, market prices are only indications of market values, are subject to change, and may not reflect the value at which securities could be sold.

This report is not the official record of your account. However, it has been prepared to assist you with your investment planning and is for informational purposes only. Your account statements and/or trade confirms are considered the official and accurate records of your account activity. Therefore, if there are any discrepancies between this report and your statements and/or trade confirms, you should rely on your statements and/or trade confirms.

For a complete list of accounts used in this report or if you have more questions related to this report, please contact your advisor.

Certain assets are excluded from performance calculations. Selected annuities, certain types of direct investments, mutual funds held outside the firm, precious metals, coins, bullion, or any assets subject to tax-withholdings (TEFRA) are among the assets not included in values or performance calculations.

For performance market values, we include account accruals in the calculations. Accruals are accumulated interest or income that your individually held assets have earned over time but have not been recorded or paid out yet. Because you are legally entitled to receive this interest and income as the holder of the assets, we factor these accruals as part of the assets' appreciation value. For non-performance market values, we do not include accruals as part of the calculation.

Where your account holds alternative investments, the alternative investment valuations used to calculate the investment performance presented in this report are based on valuation reporting we receive from fund sponsors. In certain instances, the most recent valuations provided by fund sponsors may be delayed by as much as six months or more and may not reflect distributions made over the prior six-plus months. As a result, the performance returns shown may be based on stale valuations and may be higher or lower than performance returns based on current valuations. As such, if you own alternative investments, the account level and alternatives performance presented in this report may not reflect the current value of your holdings. Please refer to the statement provided by the applicable alternative fund sponsor for the most up-to-date valuation of holdings.

A portion of the financial data used to generate this report may be provided to Wells Fargo Advisors by third-party vendors. While this third-party information is believed to be reliable, it has not been verified.

Asset Classification

Asset Classes for mutual funds, variable annuities and exchange-traded funds are derived from Morningstar Categories. Underlying holdings classification provided by Morningstar. ©2023 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Asset classification of holdings in external accounts where classification is not readily available may be assigned to a multi-asset class category or reassigned into additional asset classes by your Financial Advisor which may not be the most accurate asset class based on the holding's characteristics and risk profile. It is your responsibility to review the asset classification for external accounts and notify us of any changes.

Return Methodology

Returns are annualized for time periods greater than one year. Past performance is no guarantee of future results.

Net Time Weighted rates of return are independent of the timing and magnitude of your cash flow decisions and are calculated after the deduction of program fees. Each return period is given an equal weighting, regardless of the portfolio value. Gross Time Weighted rates of return are independent of the timing and magnitude of your cash flow decisions and are calculated before the deduction of all fees. Each return period is given an equal weighing, regardless of the portfolio value.

Money Weighted rates of return reflect your decisions to deposit assets to or withdraw assets from your accounts and are calculated after the deduction of all fees. They give more weight to returns in periods with higher portfolio values and, as a result, should not be used to measure performance of an investment manager.

Comparison Benchmark Changes

The comparison benchmark(s) described in this report may have been modified over the life of the account or composite, and the returns shown for that comparison may be a combination of different benchmark selections in place during different periods of time. The comparison descriptions reflected in this report represent the comparison benchmark in effect for the period ending date of the report

Comparison Change History

XXXX2461

Comparison 1
09/30/2005 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index

Comparison 2
09/30/2005 is the BLMBRG US GOVT 1-3 YEAR index

Comparison 3
09/30/2005 is the BLMBRG GOVT/CRED INT index

XXXX2548

Comparison 1
09/30/2005 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index

Comparison 2
09/30/2005 is the BLMBRG US GOVT 1-3 YEAR index

Comparison 3
09/30/2005 is the BLMBRG GOVT/CRED INT index

XXXX2635

Comparison 1
09/30/2005 is a blend of 80% SLAB/15% S&P500/5% MLGHYEM/ index

Comparison 2
09/30/2005 is the BLMBRG US GOVT 1-3 YEAR index

Comparison 3
09/30/2005 is the BLMBRG GOVT/CRED INT index

Index Descriptions

Index returns do not represent investment performance or the results of actual trading. Index returns reflect general market results, assume the reinvestment of dividends and other distributions and do not reflect deduction for fees, expenses or taxes applicable to an actual investment.

Unlike most asset class indexes, HFR Index returns reflect deduction for fees. Because the HFR indexes are calculated based on information that is voluntarily provided actual returns may be lower than those reported.

BLMBRG GOVT/CRED INT - SLIGC

The Bloomberg Government/Credit Intermediate Bond Index is composed of all bonds that are investment grade (rated Baa or higher by Moody's or BBB or higher by S&P, if unrated by Moody's) with maturities between 1 and 9.99 years. Issues must have at least one year to maturity. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. The index is rebalanced monthly by market capitalization.

BLMBRG US AGGREGATE - SLAB

The Bloomberg U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index is composed of government and corporate securities, mortgage pass-through securities, and asset-backed securities. All securities are rated investment grade (Baa3/BBB-/BBB- or above) using the middle rating of Moody's, S&P, and Fitch, respectively and have a maturity greater than one year.

BLMBRG US GOVT 1-3 YEAR - SLG1

The Bloomberg U.S. 1 - 3 Year Government Bond Index is composed of publicly-issued non-convertible, domestic debt of the U.S. Treasury and U.S. government agencies with greater than one-year, but less than three-year maturity. Flower bonds, foreign-targeted and mortgage-backed issues are excluded.

ML GLB HY&HY CNTRY CRP&GV - MLGHYEM

The ICE BofA Merrill Lynch Global HY&HY CONTRY CRP&GV Index tracks the performance of a number of investment-grade global debt markets, covering both sovereign and corporate issuers denominated in the major developed market currencies. High Yield Indices are available globally, for the US, Europe and Canada. Emerging Markets Sovereign Indices and Brady Bonds are available for a number of emerging market countries.

S&P 500 - S&P500

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding) with each stock's weight in the Index proportionate to its market value. The S&P 500 is one of the most widely-used benchmarks of U.S. equity performance. Performance includes reinvestment of dividends.

Portfolio Guidance

THE RECOMMENDED ILLUSTRATION DETAILS THE RECOMMENDED ('Proposed') ASSET ALLOCATION AND PORTFOLIO HOLDINGS AS DETERMINED BY YOUR ADVISOR. AFTER REVIEWING THE PERFORMANCE AND RISK CHARACTERISTICS OF THE VARIOUS SECURITIES, AND BALANCING THE RISK AND REWARDS OF MARKET BEHAVIOR, THE FOLLOWING ASSET ALLOCATION WAS SELECTED TO HELP YOU ACHIEVE YOUR OBJECTIVES. A QUARTERLY REBALANCE IS APPLIED TO THE ILLUSTRATED ALLOCATION WHICH WILL REBALANCE TO THE ORIGINAL ALLOCATION PERCENTAGES AT THE ANNIVERSARY DATE OF THE INCEPTION. THE SECURITIES OF THE ILLUSTRATED ALLOCATION IN THE TABLES BELOW HAVE BEEN CHOSEN BY YOUR FINANCIAL ADVISOR TO PROVIDE THE BEST FIT FOR YOUR STATED GOAL, TAKING INTO ACCOUNT YOUR TIME HORIZON AND TOLERANCE FOR RISK.

PLEASE SEE THE DEFINITIONS & DISCLOSURES SECTION IN THIS PRESENTATION FOR ADDITIONAL INFORMATION.

Expenses shown represent management fees, and do not include any performance fees earned by private capital or hedge fund managers, where applicable. Yields displayed are twelve-month trailing yields and are product- and share class-specific.

Benchmark Components

Benchmark Assignment

8f313ecc-4210-462b-9afd-f5b9e7c3d406

Name	Weight (%)
Fixed Income	100.00
Bloomberg US Govt/Credit Interm TR USD	100.00
Total	**100.00**

Past performance is no guarantee of future results and individual investor results will vary. Please see section Definitions and Disclosures at the end of this report for important information.

FOR USE IN ONE-ON-ONE PRESENTATIONS ONLY

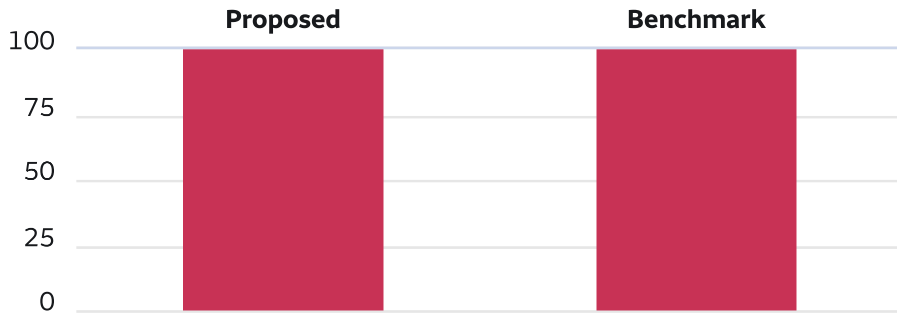
Executive Summary

Analysis as of: 12-31-2024 **Benchmark Assignment**

8f313ecc-4210-462b-9afd-f5b9e7c3d406

Asset Class Breakdown

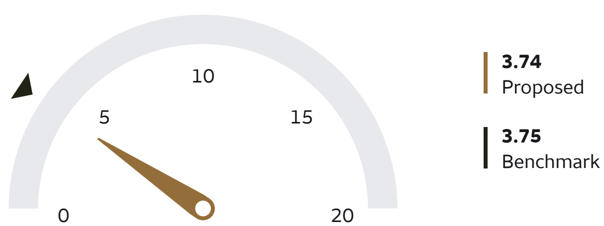
The allocation of your portfolio compared to your benchmark.



Asset Allocation	Proposed	Benchmark
Fixed Income	100.00%	100.00%

Expected Risk (Standard Deviation)

A measure of how widely the returns for a portfolio might fluctuate over a year.



Portfolio Characteristics

	Proposed	Benchmark
Total Portfolio Yield (%)	4.87	3.5
Avg. Duration (yr)	3.73	3.71

Expected Tracking Error

	Proposed
Tracking Error (%)	0.33

Since Common Inception Simulated Metrics

	Proposed	Benchmark
Up Capture vs. Benchmark - Common	1.05	1.00
Down Capture vs. Benchmark - Common	1.00	1.00

This report may include assets that you currently hold away from our firm; these assets may not be covered by SIPC. Information on assets held away from Wells Fargo Advisors was provided by you or a third party; while we believe this information to be reliable, its accuracy and completeness are not guaranteed.

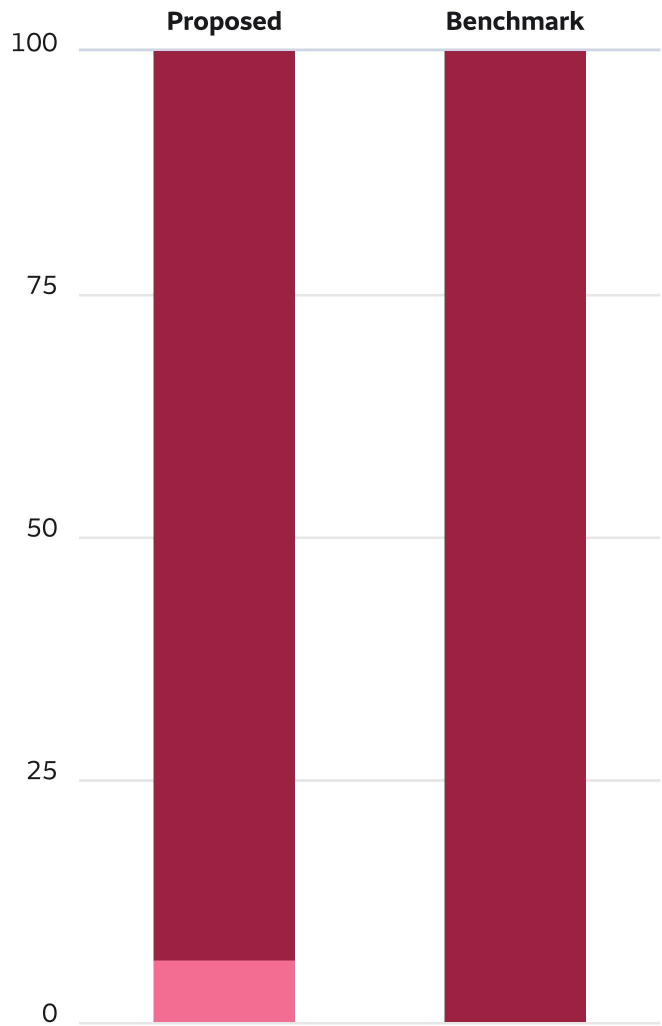
Please see section Definitions and Disclosures at the end of this report for important information, and the section Guide to Understanding Portfolio Performance for important information about portfolio performance. Important Disclosure included in following page. See Portfolio Risk section for more information on Expected Risk.

Important Disclosures

Total Portfolio Yield is based on end of the most recent month or quarter end for SMA strategies and most recent quarter end for funds. Yields are subject to change and fluctuate daily based on changes in market value and portfolio turnover, among other factors. This information does not reflect actual or future performance and should not be relied upon when making financial decisions. All annualizations are based upon current positions using a simple mathematical calculation and assumes all figures remain constant for a year; any subsequent position changes will affect these calculations. Calculations for certain types of securities could include a return of principal or capital gain, in which case the figures would be overstated. **Past performance is not a guarantee of future results.** Dividend payments are made solely at the discretion of the issuer and are subject to be changed or eliminated.

Asset Allocation

The table below shows the detailed asset allocation breakdown between your portfolio and the benchmark.



Asset Allocation	Proposed	Benchmark
U.S. Taxable Investment Grade Fixed Income	93.49%	100.00%
High Yield Taxable Fixed Income	6.51%	-

Past performance is no guarantee of future results and individual investor results will vary. Please see section Definitions and Disclosures at the end of this report for important information.

Proposed Portfolio

The table below displays the holdings of the proposed portfolio.

Sec ID	Name	Proposed Market Value	Proposed Weight (%)
Fixed Income		$98,068,112.00	100.00
U.S. Taxable Investment Grade Fixed Income		$91,682,375.12	93.49
SMA_1224	FIST Taxable Intermediate	$91,682,375.12	93.49
High Yield Taxable Fixed Income		$6,385,736.88	6.51
EIFAX	EATON VANCE FLATG RAT ADVNTG CL I	$3,192,868.44	3.26
AHIFX	American Funds American High-Income Trust Class F-2	$3,192,868.44	3.26
Total		**$98,068,112.00**	**100.00**

Past performance is no guarantee of future results and individual investor results will vary. Please see section Definitions and Disclosures at the end of this report for important information. Certain securities shown may not be included in our analysis. Please reference the Restricted Securities and Excluded Securities pages for details.
*For private securities, see the accompanying private investment fact sheet(s) for important performance and other information.

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

Item Number:	**Item Title:**
4.C.	Approve SAA Recommendation to Terminate Moreton Capital
Presenter (s): Nathan Simon, Director, Investment Consultant	
Motion by:	Seconded by:

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

Item Number:	**Item Title:**
4.D.	Approve SAA Recommendation to Convert to a Discretionary Management Agreement with Wells Fargo Advisors
Presenter (s): Nathan Simon, Director, Investment Consultant	
Motion by: Seconded by:	

Wells Fargo Advisors
315 Paseo De Peralta
Santa Fe, NM 87501

Work: 505-946-5903
Fax: 505-881-5430
ryan.salmon@wfa.com

Memo

To:	New Mexico County Insurance Authority Board of Directors	**CC:**	New Mexico Counties Staff, Strategic Asset Alliance
From:	Ryan Salmon, CFA		
Subject:	Proposed Transition to Discretionary Investment Program	**Date:**	March 26, 2025

Wells Fargo Advisors (WFA) has been working with New Mexico Counties (NMC) staff and Strategic Asset Alliance (SAA) to propose a transition from a non-discretionary investment program to a discretionary investment program for New Mexico County Insurance Authority (NMCIA).

NMCIA's relationship with WFA is currently under the firm's Asset Advisor Program, which is a non-discretionary program for which WFA provides recommendations, executes transactions and provides custodial services. As a non-discretionary program, WFA is required to authorize all transactions with NMC's Finance Director. This places a responsibility on the Finance Director to understand WFA's recommendations and creates operational inefficiencies because WFA must contact the Finance Director to authorize, for example, transactions involving basic cash movements.

We therefore are proposing a transition from WFA's Asset Advisor Program to its Personalized Unified Managed Account Program. This discretionary program would authorize WFA to execute transactions on NMCIA's behalf, acting as a fiduciary and in compliance with NMCIA's investment policy statement. This would allow WFA to efficiently execute transactions involving basic cash movements as well as to make decisions to take advantage of investment opportunities it identifies in the capital markets, decisions for which WFA would be held accountable by the NMCIA Board of Directors, NMC staff and SAA.

The part of the client agreement that describes the features of the Personalized Unified Managed Account Program follows. The proposed program fee would remain unchanged at 0.17% of assets under management while potentially reducing NMCIA's overall expenses by reducing the number of fixed income exchange traded funds and mutual funds being held, which each have their own internal expenses, in favor of directly holding individual bonds for the fixed income portion of the portfolio.

Program Features and Fee Schedule

For the Personalized Unified Managed Account Program

Sub Firm	BR Code	FA Code	Account Number
1	4B	4B99	6198-2461

Account Name
NEW MEXICO COUNTY INSURANCE AUTHORITY LAW ENFORCEMENT POOL

(Office Use Only)

Program Description

This Program Features and Fee Schedule ("Schedule"), which is part of the Client Agreement (“Agreement”), sets forth the terms and conditions that apply to your participation in the Personalized Unified Managed Account ("Personalized UMA") investment advisor program (“Program") and the advisory services provided by Wells Fargo Advisors ("WFA", "we" or "us"). Unless otherwise defined in this Program Features and Fee Schedule, capitalized terms have the meanings ascribed to them in the Agreement.

Under the Program, based on your stated investment objectives, WFA will assist you in constructing a portfolio within the account identified above on this form (the "Advisory Program Account"), comprised of separately managed account strategies advised by investment advisers (each, a “Manager”), mutual funds and ETFs (referred to here as “Funds”), annuities, Alternative Investments (alternative investments include alternative investment vehicles that require execution by the client of either certain third-party fund documentation or other documentation to direct a specific investment (such as hedge funds, certain real estate funds, private equity funds, certain credit funds, certain interval funds, exchange funds that provide exposure to a diversified portfolio of securities in exchange for contributions of restricted securities, certain tender offer funds, as well as co-investments, special purpose vehicles, and other fund structures that provide exposure to private company securities and real estate) (referred to here as “Alternative Investments,”)) and/or a compatible portfolio under the FundSource®, Wells Fargo Compass, Allocation Advisors or any Wells Fargo Investment Institute, Inc. ("WFII") related portfolios and investment strategies (each, a “Portfolio”). The Program permits, among other options, the following portfolio construction approaches: selection of a single strategy managed by a single Manager or a single Portfolio (“Single Strategy”); selection of a Multi-Strategy Optimal Blend (“Optimal Blend”) developed by WFII with target allocations to WFII selected strategies, Managers and/or Funds; or creation of a Multi-Strategy Custom Blend (“Custom Blend”) of separately managed account strategies, Managers, Funds, annuities, Alternative Investments and/or Portfolios and respective target allocations.

WFA will evaluate and maintain the eligible universe of Managers, strategies, annuities, Alternative Investments and Funds, including the Wells Fargo Compass asset allocation strategies, Allocation Advisors’ fully allocated strategies and FundSource® mutual funds investment strategies, which are managed by WFII in its role as a model manager. Additionally, FundSource® utilizes the services of Russell Investments to evaluate and recommend Russell Investments mutual funds.

Investing Based on Nonfinancial Considerations Disclosure.
In your relationship with the Registered Investment Advisor listed above and WFA, you have provided, or we expect that you may provide, information about your personal or social values, beliefs, and views, which could form the basis for personalized investment advice and recommendations that include traditional investment considerations, as well as nonfinancial considerations that are unique to your personal or social values, beliefs, and views. We provide no assurance that incorporating nonfinancial considerations into an investment decision or investment strategy will exhibit positive or favorable characteristics consistent with the nonfinancial considerations. In addition, an approach that incorporates any nonfinancial considerations could cause you to forgo opportunities to gain exposure to certain industries, companies, sectors, or regions of the economy which could negatively impact your investment return or otherwise cause your investments to underperform similar portfolios that do not incorporate such nonfinancial considerations.

Investing Based on Nonfinancial Considerations Consent.
By signing this Agreement, you consent to incorporation of your personal, social or other nonfinancial values, beliefs, and views that you make known to the Registered Investment Advisor listed above, WFA or in connection with the Program into discretionary investment decisions, recommendations, advice or solicitations for the purchase or sale of a security or commodity, or in the selection of third-party managers or sub-advisers (as applicable) made for and in connection with your Account(s) and the Program. You acknowledge and understand that the inclusion of such nonfinancial considerations would not be solely focused on financial returns.

Discretion. You have the option to grant WFA with discretionary authority to determine the asset allocation and individual investments in separately managed account strategies, Managers, Funds, or Portfolios (“Investment Selection Discretion”). If you grant Investment Selection Discretion to WFA, WFA will have the ability at any time, upon review of your investment objectives and available investments in the Program, to change the investment strategy and asset allocation in your Advisory Program Account, including the initial selections reflected below, without your consent. Investment Selection Discretion does not include discretion to purchase or liquidate annuities or Alternative Investments, or to allocate among investment options available within an annuity. Therefore, even if you grant WFA with Investment Selection Discretion, you will retain sole authority and responsibility for making decisions and complying with the terms of the investment contracts relating to annuities and Alternative Investments, including purchases, liquidations, partnership votes, transfers, capital calls and investment selection decisions for annuities.

WFA generally exercises Investment Selection Discretion through its financial advisors, who will typically be the individuals making the associated investment decisions. Certain financial advisors may choose not to offer Investment Selection Discretion as a Program option or may not meet WFA's standards for exercising and offering Investment Selection Discretion. If you choose to grant Investment Selection Discretion to WFA as part of the execution of this Schedule, an applicable term reflecting your decision will be included above the signature section.

Manager Allocations. Regardless of whether you choose to grant Investment Selection Discretion to WFA or you choose to retain responsibility for such decisions, when a Manager is selected to advise on all or part of the assets in the Advisory Program Account, depending on the Manager selected, either WFA or the Manager will manage this allocation on a discretionary basis. In instances in which WFA manages a strategy on a discretionary basis, it will do so based on advice provided to WFA by various investment advisers ("Model Managers") as to the securities and other investments to be purchased and sold for a particular investment strategy. WFA will generally implement the Model Manager's recommendations without change, subject to any reasonable restrictions you may impose. WFA or your Manager, as applicable, will handle the day-to-day investment management of this aspect of your Advisory Program Account, in whole or in part, in accordance with your stated investment objectives provided in the Account Application and will buy, sell, or otherwise trade and settle securities or other investments for your Advisory Program Account without discussing these transactions with you in advance. Where investment discretion has been allocated to the Manager ("Discretionary Manager"), we will not be responsible for any decision made by the Discretionary Manager as to the day-to-day management of the Advisory Program Account. Manager Profiles will indicate whether the Manager is a Model Manager or Discretionary Manager.

Portfolio Allocations. For the Social Impact Investing ("SII") strategies, WFA will manage the implementation of such strategies in your Advisory Program Account on a discretionary basis based on the advice provided to WFA by WFII as to the securities and other investments to be purchased and sold for a particular investment strategy. WFA will generally implement WFII's recommendations without change, subject to any reasonable restrictions you may impose. WFA will handle the day-to-day investment management of this allocation in whole or in part, in accordance with your stated investment objectives provided in the Account Application and will buy, sell, or otherwise trade and settle securities or other investments within the Portfolio without discussing these transactions with you in advance.

For Wells Fargo Compass, Allocation Advisors and FundSource® strategies, WFA will manage the implementation of such strategies in your Advisory Program Account on a discretionary basis as to the securities and other investments to be purchased and sold for a particular investment strategy, subject to any reasonable restrictions you may impose. WFA will handle the day-to-day investment management of this allocation in whole or in part, in accordance with your stated investment objectives provided in the Account Application and will buy, sell, or otherwise trade and settle securities or other investments within the Portfolio without discussing these transactions with you in advance.

For FundSource® strategies developed by Russell Investments, WFA will manage the implementation of such strategies in your Advisory Program Account on a discretionary basis based on the advice provided to WFA by Russell Investments. WFA will generally implement Russell Investments' recommendations without change, subject to any restrictions you may impose. WFA will handle the day-to-day investment management of the allocation in whole or in part, in accordance with your stated investment objectives provided in the Account Application and will buy, sell, or otherwise trade and settle securities or other investments within the Portfolio without discussing these transactions with you in advance.

Advisory Annuities. You may purchase certain advisory annuities included on our Allowable List that are in an advisory share class or I-share class. We will not have investment discretion over the advisory annuity assets in your Advisory Program Account and you authorize WFA or its agent to implement your investment decisions and process all transactions related to your purchase of any advisory annuity in the Advisory Program Account.

Alternative Investments. You may purchase certain Alternative Investments in the Advisory Program Account. We will not have investment discretion over the Alternative Investments in your Advisory Program Account. You authorize WFA or its agent to implement your investment decisions and process all transactions related to your purchase or disposition of any Alternative Investment in the Advisory Program Account; provided, however, you are responsible for completing and executing any documentation required by an Alternative Investment manager to effectuate such decisions. Any Alternative Investment you purchase in the Advisory Program Account will be subject to the Advisory Fee.

Trading Authorization. Except as it relates to the purchase of any advisory annuities or Alternative Investments, you grant WFA (or the Discretionary Manager, depending on the allocation), complete discretion in the investment and reinvestment of your Advisory Program Account assets in connection with the implementation of selected strategies, including all matters necessary or incidental thereto without the need to discuss such transactions or actions with you in advance. This authorization is a continuing one and shall remain in full force and effect until terminated. This authorization shall inure to the benefit of any assignee or successor corporation of WFA (or Manager) and shall be binding on your heirs, executors, and assignees.

Rebalance Trading System. We will periodically rebalance Advisory Program Account so that the Account remains invested in general accordance with your initial target allocations or with target allocations selected by WFA if you have granted Investment Selection Discretion to WFA. Additions to and withdrawals from the Advisory Program Account will generally be allocated based on your target allocations unless you instruct us otherwise. You understand and agree that the target allocations when using a Multi-Strategy Blend apply at the time the Program is established and fluctuations in the market value, as well as other factors, will affect the actual allocation in your Advisory Program Account at any given time. Allocations to advisory annuities and Alternative Investments are not included in periodic rebalancing.

Program Changes to Managers and Funds. If you have not granted Investment Selection Discretion to WFA, we will generally notify you in advance if a Manager, separately managed account strategy or Portfolio in your Advisory Program Account is going to be removed from the Program. As part of the removal process, we will generally propose a replacement Manager, as applicable. If you do not object to the replacement, or select another to the extent available, you will be deemed to have consented to and to have appointed the replacement Manager. If you object to the replacement Manager and do not select an alternate Manager, we will terminate your participation in the Program without penalty. While WFA will generally notify you in advance of such changes, WFA reserves the right to remove and replace the Manager, separately managed account strategy or Portfolio without your prior consent if WFA determines such changes are necessary to meet WFA's standards for the Program. To the extent that a terminated Manager invests in mutual funds proprietary to the Manager, you hereby authorize us to redeem your shares and liquidate these positions upon the Manager's termination from the Program.

With respect to Funds that WFA removes from the Program, you permit us to remove or replace a removed Fund with another Fund with a similar management style without your prior consent. If you have granted Investment Selection Discretion to WFA, we will not be obligated to notify you in advance of any changes to allocations to Managers, separately managed account strategies, Portfolios, or Funds.

Proxy; Reorganizations. Except where you have selected a Single Strategy managed by a Discretionary Manager, you delegate proxy voting authority to a third party proxy voting service provider, currently Institutional Shareholder Services Inc. ("ISS"), which WFA has engaged to vote proxies on your behalf to act (or refrain from acting) with respect to proxy information related to securities, or the issuer of securities, held or formerly held in an Advisory Program Account. Proxy voting will not be delegated for any Alternative Investments in your Advisory Program Account. You will directly receive information regarding voting for any Alternative Investments, and whether to participate in the proxy voting for the Alternative Investment will be your choice. For assets in your Advisory Program Account other than Alternative Investments, ISS will vote proxies on your behalf in accordance with its established guidelines. ISS' services do not apply to proxies they decline to vote. When using ISS' services, you will not receive proxy materials or annual reports related to securities or other property. In the case where ISS declines to vote, you will not receive proxy materials and the proxy will not be voted. Please review the disclosure document for more information.

For any corporate proposal (for investment companies registered under the Investment Company Act of 1940, including closed-end funds and Funds) which does not require a proxy (e.g., tender offers or repurchase offers), neither WFA nor your advisor will exercise discretion in choosing an option on the proposal. Instead of exercising discretion, WFA will refrain from acting and these positions will be treated as unvoted. As an example, in the case of a repurchase offer by a fund, your shares will not be offered for repurchase by the fund.

You have the ability to rescind this proxy voting authorization by providing written instruction to us appointing either yourself or a third party authorized to act on your behalf. You may not delegate proxy voting authority or authority to exercise discretion on reorganization proposals to WFA and we will not be obligated to render any advice or take any action with respect to information related to securities, or the issuer of such securities held in your Advisory Program Account. Information regarding ISS' services and its U.S. Proxy Voting Guidelines is available via ISS' website (https://www.issgovernance.com/policy-gateway/voting-policies). WFA may change the third party proxy voting service provider and will not be deemed to have or to exercise proxy voting responsibility or authority by virtue of such action.

In such cases where you have selected a Single Strategy managed by a Discretionary Manager, you direct us to forward this information to the Discretionary Manager and you authorize Discretionary Manager to take such action (or refrain from acting).

If trading authority is allocated to a Discretionary Manager, you direct us to forward reorganization information related to securities, or the issuer of securities, held or formerly held in the Manager's allocation to the Discretionary Manager. Additionally, you authorize the Discretionary Manager to act (or refrain from acting) on such reorganization information. You have the ability to rescind these authorizations by providing written instruction to us appointing either yourself or a third party authorized to act on your behalf.

Prospectus Delivery. With respect to any Advisory Program Account implementing a Personalized UMA Single Strategy approach, you authorize WFA or the applicable Manager to accept on your behalf delivery of the prospectuses for funds registered under the Investment Company Act of 1940 (including closed-end funds and Funds). If WFA or a Manager accepts delivery of a prospectus on your behalf, a prospectus will generally not be delivered directly to you unless you request one. You may obtain a prospectus at any time by contacting your Financial Advisor or the team of Financial Advisors that are available to service your Advisory Program Account. Notwithstanding the foregoing authorization to accept delivery of prospectuses on your behalf and apart from any requests you may make for a prospectus to be delivered, WFA and Managers reserve the right in our sole discretion to deliver prospectuses directly to you. Prospectuses will be delivered directly to you with respect to any Advisory Program Account implementing a Personalized UMA Multi-Strategy approach, including a Custom Blend with an advisory annuity and/or Alternative Investment.

Other Services. A performance monitoring report shall be provided to you periodically to assist you in monitoring and evaluating your Advisory Program Account performance. In the event that this Program Features and Fee Schedule is executed in conjunction with the Institutional Consulting Services Program and Performance Monitoring Reports services are selected, these reports will be provided pursuant to the Institutional Consulting Services Program Agreement.

Miscellaneous. Except as set forth above, the Agreement shall remain in full force and effect in accordance with its terms. If the terms of the Agreement conflict with the terms of this Program Features and Fee Schedule, the terms of this Program Features and Fee Schedule shall govern for matters or services related to the Program.

Additional Cash Sweep Information. An unaffiliated money market mutual fund will be used as the sweep vehicle for an ERISA account to the extent that WFA determines that such ERISA account meets the criteria set out in 29 CFR 2510.3-21(c) (1)(i)(E).

Account Number	Account Name
6198-2461	NEW MEXICO COUNTY INSURANCE AUTHORITY LAW ENFORCEMENT POOL

Strategy Selection and Allocation

After reviewing the applicable materials, disclosure documents, Manager Profiles, and/or marketing materials, and after considering your objectives and risks described therein, you elect (or, if you have granted WFA with Investment Selection Discretion, you acknowledge the election of) either **Option A. Single Strategy** or **Option B. Multi-Strategy** (Optimal Blend or Custom Blend) and the target allocations. For **Option C. Advisory Annuity and Alternative Investment,** you indicate whether you will purchase one or more advisory annuities and/or Alternative Investments as part of your Advisory Program Account by checking the applicable box(es). To purchase an annuity or Alternative Investment, you will be required to execute separate paperwork, which you should review carefully. The value of any purchased annuity or Alternative Investment will be included in the calculation of the value of assets subject to the Advisory Fee. Advisory annuities and Alternative Investments can only be used in conjunction with a Custom Blend and cannot be the only asset in the Advisory Program Account.

Portfolio Value $40,000,000

☐ **A. Single Strategy**
Manager or Portfolio Name
Strategy Name

☒ **B. Multi Strategy**
☐ Optimal Blend
☒ Custom Blend *(complete below)*

Manager or Portfolio Name	Strategy Name	Target %	Manager Rate %
WFII Fixed Income Strategies Team (FIST)	Wells Fargo Taxable Intermediate	93 %	0 %
Mutual Fund	AHIFX: American Funds American High Income Trust (DMAHT	3.5 %	0 %
Mutual Fund	EIFAX: Eaton Vance Floating Rate Advantage	3.5 %	0 %
		%	%
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Manager or Portfolio Name	Strategy Name	Target %	Manager Rate %
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Total Allocation (Must total 100%) **100 %**

Account Number	Account Name
6198-2461	NEW MEXICO COUNTY INSURANCE AUTHORITY LAW ENFORCEMENT POOL

☐ **C. Select Advisory Annuity and/or Alternative Investments** *(Multi Strategy Custom Blend Only)*

☐ Advisory Annuities

☐ Alternative Investments

Investment Restrictions

List below any companies (ticker symbols or CUSIPs) or social restrictions that are to be excluded from this Advisory Program Account. (We cannot apply restrictions to securities held within Funds, advisory annuities or Alternative Investments.) For fixed income strategies, this space is also used to indicate state, credit quality, or maturity specifications. If your stated restrictions are unreasonable or we believe them to be inappropriate for you, we will notify you that, unless the restrictions are modified, we will terminate the Advisory Program Account. If you have listed investment restrictions in a previous Schedule associated with this Advisory Program Account, those restrictions will continue to be applied to the Advisory Program Account unless you direct WFA in writing to remove them.

Fees

For the services provided to your Advisory Program Account, you will be charged an advisory fee ("Advisory Fee") plus Manager fee(s) for each Manager selected within your Advisory Program Account ("Manager Fee") (the estimated sum of such fees, the "Effective Fee Rate"). The Advisory Fee is charged for the services provided by WFA, including our investment advisory, execution, consulting, and custodial services. The Manager Fee is charged for the advisory services provided by the Managers or Model Managers. We negotiate the Manager Fee with each Manager or Model Manager based on a variety of factors, including the nature and quality of the services to be provided by the Manager or Model Manager. Different Managers have different Manager Fees. Each Manager's fee may change at any time. Manager Fee information is updated periodically and is available at WFA.com, Manager Fee Schedule (PDF), or at any time upon request to your financial advisor. In a Multi-Strategy Account, the applicable Manager Fee rate applies to the assets within each respective strategy.

Funds, annuities and Alternative Investments have fees associated with them that you will pay above and beyond the Effective Fee Rate. These fees are embedded within the price of the Fund, annuity or Alternative Investment. Please refer to the prospectus or other offering materials for specific fees associated with a given Fund, annuity or Alternative Investment.

Annualized Fee Rates

Unless indicated below, you authorize WFA to debit fees for these services from this Advisory Program Account.

Advisory Fee%	Manager Fee%	Effective Fee Rate%
0.17 %	%	0.17 %

The Manager Fee rate displayed above is provided for informational purposes only and reflects a point in time estimate of the Manager Fee rate(s) that will be applied at the inception of your Advisory Program Account based on the allocations identified above. Different Managers have different Manager Fees and each Manager's fee may change at any time without notice depending on a variety of factors, such as the nature and quality of the services provided. To the extent your Advisory Program Account is scheduled to incept with allocations to multiple strategies with varying Manager Fees or to Funds or annuities with no Manager Fees, the Manager Fee displayed above reflects an account level asset-weighted average of the applicable Manager Fees. The asset-weighted average Manager Fee will vary over time based on changes in individual Manager Fee rates and fluctuations in the relative value of assets allocated to each strategy, Fund, annuity or Alternative Investment in your Advisory Program Account, among other factors.

The Effective Fee Rate displayed above is provided for informational purposes only and reflects a point in time estimate of the sum of the Advisory Fee and the estimated Manager Fee(s) that will be applied at the inception of your Advisory Program Account. The Effective Fee Rate will vary over time based on changes in individual Manager Fee rates and fluctuations in the relative value of assets allocated to different separately managed account strategies, Managers, Funds, Portfolios, annuities and Alternative Investments, among other factors. As such, the Effective Fee Rate is subject to change without notice.

If any of your fee rates change intra-quarter, the new fee rates will be applied starting on the next billing event. The next billing event would be the assessment of the next quarter's fees; or the assessment of fees associated with a deposit or transfer assets into your Account if that transaction occurs before the next quarter. When you deposit or transfer assets into your account, any new fee rates would be used to calculate fees associated with the management of the new assets.

In addition to the fees reflected above, a Platform Fee of 0.05% annualized will be separately charged to the Account. Please refer to the ADV 2A Brochure for more information on fees associated with the Program and for information on research access fees that WFII receives from Allspring Global Investments, LLC (“Allspring”) in connection with certain Program eligible strategies managed by Allspring.

Bill an Alternate Account

You elect to pay the fees associated with your Advisory Program Account from an alternate WFA non-IRA account. By designating this account, you assume responsibility and hold WFA harmless for any associated tax implications and adverse consequences and, for payments in connection with ERISA account fees, you represent that this designation is the plan sponsor’s business account.

Indicate the WFA non-IRA account to be billed: ___________________________________

For Investment Advisory Programs

(To be completed by Financial Advisor)

Account Number	Account Name
6198-2461	NEW MEXICO COUNTY INSURANCE AUTHORITY LAW ENFORCEMENT POOL

Performance Reports *(check one)*

Assign the following benchmark(s) to this Account:

Benchmark 1 (assigned): firm assigned/research recommended

Benchmark 2 (optional):
in addition to firm assigned

Adder:

SLIGC ______ + 0 %

Benchmark 3 (optional):

______ + ______ %

☐ Add this Account to an existing combo performance report. Indicate combo account number or one of the existing account numbers:

______

Composite Reports

☐ Create a new combo performance report with the following benchmarks (select up to 3 benchmarks and indicate primary benchmark by placing a check mark in the appropriate space below). At least 1 benchmark is required.

☐ Annual Return of ______ %

☐ CPI + adder of ______ % (adder is optional)

☐ Single or blended index (indicate Index Codes below*)

Benchmark Code/Adder:

______ + ______ %

______ + ______ %

______ + ______ %

Indicate the account numbers to be included:

______ ______

______ ______

* Master and Blend Index Codes are available through InfoMAX's Performance Reporting.

Account Considerations

Account Number	Account Name
6198-2461	NEW MEXICO COUNTY INSURANCE AUTHORITY LAW ENFORCEMENT POOL
(Office Use Only)	

To Update Investment Objective or Investment Profile Information, please use the Account Update Service Request. Client Mgmt>Account Update>Account Maintenance

Additional Account Considerations

(Your financial advisor / financial professional considered the following information in determining the account type recommendation.)

The client prefers ongoing advice & account monitoring instead of transactional recommendations on a trade-by-trade basis.

The client prefers to pay ongoing asset-based fees instead of commissions/ transactional charges.

The client prefers for their FA or the Firm to have discretion over trades instead of providing a 3rd Party manager discretion over trades.

The client prefers to have access to a broad array of investment product options instead of being limited to program specific investment options.

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

Item Number:	**Item Title:**
4.E.	Approve Updated Investment Policy
Presenter (s): Nathan Simon, Director, Investment Consultant, Strategic Asset Alliance	
Motion by: Seconded by:	

NEW MEXICO COUNTY INSURANCE AUTHORITY
INVESTMENT AND DEPOSIT POLICY STATEMENT
Approved by NMCIA Board
~~August 10, 2022~~March 26th, 2025

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INTRODUCTION

This Investment and Deposit Policy ("Policy") applies to all financial assets of the New Mexico County Insurance Authority ("NMCIA"). NMCIA consists of three lines of coverage: the Workers' Compensation Fund, the Multi-Line Fund and the Law Enforcement Fund. This resolution establishes a policy for the prudent investment and deposit of NMCIA funds and for the maximization of the efficiency of NMCIA cash management systems.

I. SCOPE

This Policy is created by the Finance and Audit Committee of NMCIA, which consists of and applies to all financial assets of these funds. These funds include but are not limited to:

A. Workers' Compensation Fund;
B. Multi-Line Fund; and
C. Law Enforcement Fund.

These funds are accounted for in NMCIA's Pool Annual Report. For investment and deposit purposes, in order to minimize transaction costs, these funds may be treated as a single entity. They can, however, be accounted for on a segregated basis.

II. OBJECTIVE

A. Safety: Safety of principal is the foremost objective of the investment and deposit program. Investments and deposits of NMCIA shall be undertaken in a manner that seeks to promote the preservation of capital in the overall portfolios. To attain this objective, the funds and deposits shall be diversified to minimize the possibility that the losses on individual securities and funds are greater than the income generated from the portfolio.

B. Liquidity: NMCIA funds' investment and deposit portfolios will remain sufficiently liquid to enable the entities to meet all operating requirements that might reasonably be anticipated and documented in the annual NMCIA Board-approved Operating Budgets. The projected future use of funds shall be a criterion in determining maturities for any investment or deposit, as well as the average weighted maturity and duration of the portfolios.

C. Return on Investments and Deposits: NMCIA investment and deposit portfolios shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with NMCIA's investment risk constraints and the cash flow characteristics of the portfolio.

III. STATE STATUTES

All funds will be invested and deposited in accordance with all New Mexico state statutes that govern the investment and deposit of public funds for Counties.

IV. PRUDENCE

In accordance with the provisions of NMSA 1978, § 6-10-10, "Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The standard of prudence to be used ~~by investment officials~~ shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. ~~Investment officers~~NMCIA personnel acting in accordance with written procedures and the Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. ~~The Investment Officers shall also follow t~~The Uniform Prudent Investor Act shall also be followed (NMSA 1978, §§ 45-7-601 through 612).

V. FINANCE AND AUDIT COMMITTEE

A. Authority to manage the NMCIA Fund investment program is derived from the Joint Powers Agreement, Policies and Board Minutes of NMCIA. The Chairman will appoint members from the Board to serve on the Finance and Audit Committee. Responsibility for the investment program is hereby delegated to the Finance and Audit Committee, which shall develop this Policy and written procedures for the operation of the investment program. Procedures will include:

1. Safekeeping;
2. Cash Management;
3. Investment Transactions;
4. Banking Service Contracts, including the establishment of a Custodial Bank Agreement;
5. Collateral/Depository Agreements; and
6. Financial Advisor and/or Investment Manager Selection and Evaluation.

B. It is the responsibility of the members of the Finance and Audit Committee to report to the NMCIA Board all recommendations made by the Finance and Audit Committee.

VI. DELEGATION OF AUTHORITY

No person may engage in an investment or deposit transaction except as provided under the terms of this Policy and the procedures approved by the Finance and Audit Committee. Under the supervision of the Executive Director and the Risk Management Director, the Finance Director shall be responsible for day-to-day financial transactions and shall establish a system of controls and procedures to regulate the activities of subordinate or adjunct employees. Additionally, no funds shall be transferred out of or between NMCIA investment accounts at any time, for any reason, without the signature of at least two of the three following individuals authorized by the NMCIA Board to approve the transfers: Executive Director, Finance Director or Risk Management Director.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment and deposit process shall refrain from personal business activity that could conflict with proper execution of the investment or deposit programs, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Executive Director any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the NMCIA funds.

VIII. BANK SELECTION

NMCIA monies may be deposited with banks, credit unions and savings banks having their main or manned branch offices within the geographical boundaries of the state of New Mexico, which have qualified as public depositories by reason of insurance of the account by an agency of the United States, such as the Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Share Insurance Fund ("NCUSIF"), or by depositing collateral security of United States Treasury or agency securities as provided herein, letters of credit from the Federal Home Loan Bank or by giving bonds as provided by law. (See NMSA 1978, §§ 6-10-36(C) and 6-10-36(E).)

The interest rate on time deposits shall be at least that of the rate on a similar maturity treasury security, based on its asking price.

IX. AUTHORIZED AND SUITABLE INVESTMENTS AND DEPOSITS

NMCIA has resolved that its investments and deposits shall be limited to the following types:

A. Bonds or negotiable securities of the state or any municipality, county or school district that has a taxable valuation of real property for the preceding year of at least $1 million ($1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the five preceding years; or

B. Securities that are issued by the United States government or by its agencies or by instrumentalities and that are either direct obligations of the United States, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank or Student Loan Marketing Association or are backed by the full faith and credit of the United States government (Derivative investments are not "direct obligations" and hence are not approved for any accounts.); or

C. 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, provided that the investment company or manager has total assets under management of at least $1 billion ($1,000,000,000) and provided that the Finance and Audit Committee may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments or individuals; or

D. Common or collective trust funds of banks or trust companies that invest in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income securities market index, provided that the investment company or manager has total assets under management of at least $1 billion ($1,000,000,000) and provided that the Finance and Audit Committee may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments; or

E. Short-term investments with the Local Government Investment Pool as per NMSA 1978, § 6-10-1.1 (also see NMSA 1978, §§ 6-10-10 and 6-10-44); or

F. Certificates of Deposit in New Mexico financial institutions, limited to the current FDIC or NCUSIF limit per financial institution or bank unless collateralization requirements in Section X 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.

All investments set forth in A – E above must have readily ascertainable market value and be easily marketable.

In the event the state statutes are legally changed to allow other securities and deposits as appropriate for investment and deposit by NMCIA, this Policy may be amended to include those securities and deposits as appropriate, with the approval of the NMCIA Board.

Prohibited practices shall include, but not be exclusive to, churning, unnecessary transactions and rebating. This Policy expressly forbids the purchase of any investment instruments involving the use of leverage or any series of investment transactions that, combined, have the effect of utilizing leverage.

X. BANK DEPOSIT COLLATERALIZATION

Collateralization will be required on two types of deposits: certificates of deposit and repurchase agreements. Collateralization will also be required on checking accounts and time deposits if there is a balance greater than the current FDIC or NCUSIF insurance limits. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest. Liquid funds may be invested in money market funds that invest in short-term Treasury Bills and government instruments.

Collateral will always be held by an independent third party with whom NMCIA has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to NMCIA and retained. All banks and savings banks in which NMCIA deposits funds greater than federal insurance limits will be required to enter into a Collateral Security Agreement, which shall be mutually agreed upon by the Finance Director and the financial institution. (NMSA 1994, § 6-10-18a)

XI. SAFEKEEPING AND CUSTODY

All security transactions entered by NMCIA shall be held by a third-party custodian. All securities held for collateral for NMCIA shall be held by a third-party custodian and evidenced by safekeeping receipts or statements.

I. ASSET ALLOCATION & RISK MANAGEMENT GUIDELINES

The following exhibits outline, in tabular form whenever possible, the various limitations that the investment portfolio must maintain. Any voluntary deviation from these limitations shall require prior approval of the Finance Director and/or the Finance and Audit Committee. Should there be an involuntary deviation from these limitations, the Investment Consultant or Investment Manager shall immediately notify the Finance Director and provide a plan within 30 days (or a longer time period, if authorized by the Finance Director) for bringing the portfolio back into compliancewith this Investment Policy.

Compliance with the limits noted below shall be set as a percentage of the market value of the Fixed Income portfolio (if a fixed income security) or the Equity portfolio (if an equity security), as of the most recent quarter end.

Compliance with credit rating limitations shall be determined based upon the lowest credit rating provided by a Nationally Recognized Statistical Rating Organization ("NRSRO"), which shall include Moody's, Standard & Poor's, and Fitch. Securities with credit ratings + or -, or numerical qualifier shall be deemed to be within the letter rating class shown, unless specifically indicated elsewhere in this Investment Policy. For example, a BBB minimum indication shall include BBB3 and BBB- securities. However, prior approval is required regarding the purchase of a security not rated by an NRSRO or rated on by the Securities Valuation Office ("SVO") of the National Association of Insurance Commissioners ("NAIC").

Any Investment Consultant or Investment Manager will comply with the limits for the portion of the portfolio under their management, unless otherwise instructed by the Finance and AuditCommittee.

A. Asset Allocation Targets & Ranges

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
IG Fixed Income	96%	98%	100%
Risk Assets*	0%	2%	4%

* The allocation to risk assets is further targeted to 25% of combined net position across NMCIA and NMCRe and maynot exceed 35% of NMCIA net position using the most recent annual audited financialstatements.

B. Fixed Income Portfolios

Table 1 – Fixed Income – Overall Risk Tolerance	Measure
Effective Duration Target	Benchmark Determined
Effective Duration Range	+/- 20% of Benchmark
Minimum Average Portfolio Credit Quality – Investment Grade Portfolio only (calculated using the lowest NRSRO credit rating)	AA-
Minimum Credit Quality by Security – Investment Grade Portfolio	BBB-

C. Risk Assets Portfolios

Risk Assets Limits	Maximum (% of Risk Assets)
Total Risk Assets Allocation	Based on meeting targeted net position levels, but not to exceed 35% of net position
Domestic Equities	0%
International Equities	0%
High Yield Fixed Income	100%
International Fixed Income	25%

D. Risk Asset Rebalancing Process

Using the most recent annual audited financial statements, the following target and ranges will be used to monitor the risk asset allocation:

Risk Asset Allocation (As a percentage of net position)		
Target Minimum Allocation	Target Allocation	Target Maximum Allocation
0%	30%	35%

If the risk asset allocation moves beyond the specified "target minimum/ maximum" ranges at any time, the risk asset allocation will be rebalanced to within the range by the Finance and Audit Committee. While market conditions willbe considered, the risk assets portfolio will be rebalanced as needed to the target allocation each year after the annual audited financial statements are released.

~~XII. DIVERSIFICATION~~

~~NMCIA will diversify its investments and deposits by security type and institution. NMCIA will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Those securities classified as below investment grade shall not be more than ten percent (10%) of the aggregate of each Section I Fund portfolio.~~

~~XIII.~~XII. MAXIMUM MATURITIES

To the extent possible, NMCIA will attempt to match its investments and deposits with anticipated cash flow requirements. For funds not specifically matched to cash flow, NMCIA will not invest in fixed maturity securities maturing more than ten (10) years from the date of purchase or, in the case of US government, federal agency

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Portfolios of investments and deposits shall have aggregate maturities or durations of no more than five (5) years. Duration is defined as the weighted average time to full recovery of principal and interest payments. First, duration provides a summary statistic of the average maturity of the portfolio. Second, it is an essential tool in immunizing a portfolio from interest rate risk. Finally, duration can be used to estimate the interest rate sensitivity of a portfolio. For example, if the portfolio has a duration of five (5) years, and if yields decline by one percent (1%), the portfolio market value could increase by approximately five percent (5%). The average life of MBS pools should not exceed seven (7) years.

~~XIV.~~XIII. ~~PERFORMANCE STANDARDS~~Portfolio Benchmark

~~The investment portfolios shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.~~

~~Market Yield (Benchmark):~~ NMCIA's core fixed income investment strategy is active. Given this strategy, the basis used by the Finance and Audit Committee to determine whether market returns are being achieved shall be the Barclay's Intermediate Government/ Credit Bond Index~~, the Barclay's Aggregate Bond Index or other appropriate indices~~ as designated by the Finance and Audit Committee.

XIV. PORTFOLIO Evaluation

A. Fixed Income Portfolio Performance Evaluation

i. The portfolio, as a whole, should provide an investment yield in support of NMCIA's annual budget.
ii. For actively managed separate accounts and mutual funds, the portfolio should generate an annualized rate of return (net of fees) over a rolling

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Formatted: Indent: Left: 1.45", Numbered + Level: 3 + Numbering Style: i, ii, iii, … + Start at: 1 + Alignment: Right + Aligned at: 1.7" + Indent at: 1.83" five-year period (i.e., market cycle) that is 10-30 basis points greater than its targeted benchmark.

iii. Over this same time frame, an active manager's performance is expected to place in the top 40% of similarly styled fixed income managers, as measured by a Peer Universe of fixed income managers.

iv. For passively managed mutual funds and exchange-traded funds, the portfolio should generate an annualized rate of return (net of fees) overa rolling five-year period (i.e., market cycle) that is neutral to its targeted benchmark.

B. Risk Assets Portfolio Performance Evaluation

i. For actively managed separate accounts and mutual funds, the portfolioshould generate an annualized rate of return (net of fees) over a rollingfive-year period (i.e., market cycle) that is 50-100 basis points above its targeted benchmark.

ii. Over this same time frame, an active manager's performance is expected to place in the top 40% of similarly styled managers, as measured by a Peer Universe of risk asset managers.

iii. For passively managed mutual funds and exchange-traded funds, the portfolio should generate an annualized rate of return (net of fees) overa rolling five-year period (i.e., market cycle) that is neutral to its targeted benchmark.

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~~XV.~~XIV. REPORTING

The Finance Director is responsible for providing a market report on investment and deposit activity and returns on a regular basis to the NMCIA Board and the Finance and Audit Committee. Reports to the Finance and Audit Committee will include but not be limited to:

A. Performance;
B. Volatility (as measured by effective duration);
C. Interest and other earnings;
D. Number of trades;
E. Average maturity; and
F. Market sector breakdown.

~~XVI.~~XV. PROFESSIONAL FUND MANAGER

The Finance Director, with advice and consent of the Finance and Audit Committee, may retain one or more professional fund manager, other than those set forth in Section IX.C herein, under contracts or other form of engagement approved by the Executive Director, with notice to the Finance and Audit Committee, provided said manager:

A. Is licensed to perform such services in the state of New Mexico and as a Registered Investment Advisor ("RIA") under the Investment Advisers Act of 1940, as amended;
B. Has had at least seven (7) years' experience in managing investments approved herein for other governments and fiduciary institutions and has at

least $1 billion ($1,000,000,000) under management for investment disciplines similar to this Policy;

C. Has liability and fiduciary insurance coverage;

D. Agrees to the communications requirements herein;

E. Agrees to advise NMCIA in writing of any significant changes in the investment philosophy, management style, ownership, organizational structure, financial condition or senior personnel staffing of the fund manager or manager assigned to NMCIA within thirty (30) days of each change;

F. Is compensated only on a fee (agent only) basis and does not receive commissions, mark-ups or other compensation on securities purchased for NMCIA;

G. Agrees to meet personally with the Finance and Audit Committee; and

H. Agrees to be bound by the dictates of this Policy.

Such meetings shall address the fund manager's views on developments within the national economies and securities markets, as well as the potential effects of these developments on investment strategy, portfolio maturities and other fiscal matters. The fund manager's rate of return shall be measured against their peer and passive indices, and their performance shall be evaluated based on the lesser of a three- to five-year (3-5) time period or a complete market cycle. A copy of this Policy shall be given to any professional fund manager engaged by NMCIA.

~~XVII.~~XVI. FINANCIAL ADVISORS

The Finance Director, with advice and consent of the Finance and Audit Committee, shall retain one or more financial advisor under contracts or other form of engagement approved by the Executive Director, with notice to the Finance and Audit Committee, provided said advisor:

A. Is licensed to perform such services in the state of New Mexico, is an RIA or Investment Advisor Representative of an RIA and has no adverse actions indicated on the U-4 Form;
B. Has had at least seven (7) years' experience in managing and/or advising investments approved herein for other governments and fiduciary institutions;
C. Has liability and fiduciary insurance coverage;
D. Agrees to the communications requirements herein;
E. Agrees to advise NMCIA in writing of any significant changes in the investment philosophy, management style, ownership, organizational structure, financial condition or senior personnel staffing of the firm or manager assigned to NMCIA within thirty (30) days of each change;
F. Does not have a proprietary interest in any professional fund manager utilized by NMCIA;
I. Is compensated only on a fee (agent only) basis and does not receive commissions, mark-ups or other compensation on securities purchased for NMCIA;
J. Agrees to meet personally with the Finance Director as requested; and
K. Agrees to be bound by the dictates of this Policy.

Such meetings shall address the financial advisor's views on developments within the national/local economies and securities markets, as well as the potential effects of these developments on investment strategy, portfolio maturities, potential amendments to this Policy and other fiscal matters. The financial advisor's performance shall be evaluated based on the lesser of a three- to five-year (3-5) time period or a complete market cycle. A copy of this Policy shall be given to any financial advisor engaged by NMCIA. NMCIA shall not conduct business within the securities industry except as set forth in Sections XVI and XVII herein.

~~XVIII.~~XVII. INVESTMENT BROKERS

NMCIA will only utilize a broker in the case of a professional fund manager's decision to buy or sell securities. The decision on which broker to use is left to the discretion of the professional fund manager(s).

~~XIX.~~XVIII. POLICY REVISIONS

This Policy may be revised as appropriate. It shall be the obligation of the Finance Director to review the Policy at least annually and bring amendments recommended by the Finance and Audit Committee to the NMCIA Board of Directors and obtain the approval of their majority before such changes and amendments take effect.

~~XX.~~XIX. INVESTMENT POLICY ADOPTION

NMCIA's Investment and Deposit Policy shall be adopted by resolutions or other actions of the NMCIA Board of Directors. The Policy shall be reviewed regularly by the Finance and Audit Committee, and any modifications made thereto must be approved by the NMCIA Board of Directors.

NEW MEXICO COUNTY REINSURANCE INC.
INVESTMENT POLICY AND GUIDELINES

INTRODUCTION

This Investment Policy and Guidelines ("Investment Policy") provides the direction for the investment process and strategies for New Mexico County Reinsurance Inc. ("NMCRe"). This Investment Policy is based on the analyses and review of several different key issues: liability structure, tax position, capital structure and capital market conditions and outlook. Key elements of this policy include investment return and management objectives, asset allocation and risk management guidelines, investment performance and reporting, and investment policy and guidelines evaluation. This document also includes an Appendix with definitions.

I. EFFECTIVE DATE

This Investment Policy is effective ~~November 30, 2022~~March 18, 2025 and supersedes any previousInvestment Policy.

II. INVESTMENT RESPONSIBILITIES

The following outlines the roles and responsibilities of various parties with respect to the investment processes and strategies of NMCRe.

A. Board of Directors **("Board")**

The Board is responsible for the development and implementation of this Investment Policy. However, the Board may prudently delegate its authority to the Investment Committee of the Board of Directors in this regard, as it sees fit.

B. Investment Committee

The Investment Committee shall adopt a long-term strategic investment plan within the parameters of this Investment Policy. On no less than an annual basis (and more often, if deemed appropriate), this Committee will:

1. Review and confirm compliance with regulatory requirements and adherence to this Investment Policy;
2. Review and ratify the Investment Policy; and
3. Review and affirm the investment strategy relative to the Investment Policy.

On no less than a quarterly basis (and more often, if deemed appropriate), the Investment Committee shall review NMCRe's investment activities and performance. At every scheduled Board meeting (or more often, if requested by the Board), the Committee shall report on its activities and decisions.

C. ~~Investment Officer~~Finance Director

The ~~Investment Officer~~Finance Director shall monitor the activities of the Investment Consultant and other involved parties to ensure that these policies are adhered to in a professional and timely manner. The ~~Investment Officer~~Finance Director shallcommunicate special instructions received from the Board or the Investment Committee to the Investment Consultant and others as appropriate.

D. Investment Consultant **("IC")**

The Board may designate an IC to be retained by NMCRe, with duties as set out herein.

1. The IC will advise the Board and the Investment Committee regarding the appropriateness of the Investment Policy being utilized by NMCRe;
2. The IC will assist the Investment Committee with directing the investment of internally managed assets and managing external managers through making recommendations regarding the initial and ongoing use of specific external managers, recommending benchmarks to which external managers' performance will be compared, and monitoring the activities and performance of external managers;
3. On no less than a quarterly basis (and more often, if deemed appropriate), the IC shall:

    a. Report to the Investment Committee on the performance of all investment portfolios, including the total market value of the invested assets by asset class, fixed income sector and equity style, as well as the compliance of all investment portfolios with the Investment Policy and performance relative to the established benchmarks;
    b. Provide commentary on the asset allocation, credit rating of the portfolio and progress against targets or expectations for both the internally and externally managed portfolios, as well as any implications for action;
    c. Provide a list of all transactions completed during the quarter, as received and reviewed from internal and external managers; and
    d. Inform the Investment Committee regarding significant matters pertaining to the investment of assets, such as market conditions, major changes in investment tactics and asset composition within the defined ranges of the asset allocation, major changes in the portfolio structure or market value of the assets, and other matters affecting the investment of the assets.

E. External Investment Managers

The Investment Committee may designate one or more External Investment Managers, who shall:

1. Manage the assets in accordance with the Investment Policy. No deviation is permitted without prior written authorization from the Investment Committee.

2. Promptly inform the ~~Investment Officer~~Finance Director regarding all significant matterspertaining to the investment of the assets.
3. Immediately notify the ~~Investment Officer~~Finance Director of major changes in investment tactics, portfolio structure, market value of assets, andother matters affecting the investment of the assets under management.
4. Report portfolio transactions to the ~~Investment Officer~~Finance Director and the Custodian, including all security information required to maintainNMCRe's investment accounting records.
5. Provide the ~~Investment Officer~~Finance Director with quarterly reports on portfolio holdings, performance and risk parameters. Such reports will also beprovided upon request.
6. Reconcile cash positions with the Custodian.

F. Custodian

The Board may appoint a Custodian to safeguard NMCRe's assets, reconcile all trading activity, and provide a monthly holdings and transactions statement to the ~~Investment Officer~~Finance Director or a person designated thereby.

III. INVESTMENT RETURN & MANAGEMENT OBJECTIVES

Investments of NMCRe are to be made in such a way as to reflect the investments of a prudently managed insurance company with a broad base of quality-oriented securities assuring the confidence of policyholders. Investments shall be made to comply with the following objectives, listed in order of importance:

A. Preservation of principal in support of insurance operations
B. Maximize risk-adjusted growth of surplus
C. Maximize risk-adjusted investment income
D. Maximize risk-adjusted rate of return
E. Manage asset and liability cash flows
F. Maintain adequate liquidity

In addition, the investment portfolio shall:

A. Focus on the security and safety of principal as a primary consideration;
B. Ultimately provide sufficient income for NMCRe;
C. Provide a competitive total return, taking into account NMCRe's risk tolerance regarding liquidity, credit, prepayment and interest rate risk; and
D. Be adequately diversified by asset class and by individual security within each asset class.

IV. ASSET ALLOCATION & RISK MANAGEMENT GUIDELINES

The following exhibits outline, in tabular form whenever possible, the various limitations that the investment portfolio must maintain. Any voluntary deviation from these limitations shall require prior approval of the ~~Investment Officer~~Finance Director and/orthe Investment Committee. Should there be an involuntary deviation from these limitations, the Investment Consultant or Manager shall immediately notify the ~~Investment Officer~~Finance Director and provide a plan within 30 days (or a longer time period, if authorized by the ~~Investment Officer~~Finance Director) for bringing the portfolio back into compliancewith this Investment Policy.

Compliance with the limits noted below shall be set as a percentage of the market value of the Fixed Income portfolio (if a fixed income security) or the Equity portfolio (if an equity security), as of the most recent quarter end.

Compliance with credit rating limitations shall be determined based upon the lowest credit rating provided by a Nationally Recognized Statistical Rating Organization ("NRSRO"), which shall include Moody's, Standard & Poor's, and Fitch. Securities with credit ratings + or -, or numerical qualifier shall be deemed to be within the letter rating class shown, unless specifically indicated elsewhere in this Investment Policy. For example, a BBB minimum indication shall include BBB3 and BBB- securities. However, prior approval is required regarding the purchase of a security not rated by an NRSRO or rated on by the Securities Valuation Office ("SVO") of the National Association of Insurance Commissioners ("NAIC").

Any Investment Consultant or Manager will comply with the limits for the portion of the portfolio under their management, unless otherwise instructed by the Investment Committee.

A. Asset Allocation Targets & Ranges

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
IG Fixed Income	~~85~~80 %	~~95~~90%	100%
Risk Assets*	0%	~~5~~10%	~~15~~20 %

* The allocation to risk assets is further targeted to ~~35~~25% of combined surplus across NMCIA and NMCRe but maynot exceed 35~~40~~% of NMCRe surplus using the most recent annual audited financialstatements.

B. Fixed Income Portfolios

Table 1 – Fixed Income – Overall Risk Tolerance	Measure
Effective Duration Target	Benchmark Determined
Effective Duration Range	+/- 20% of Benchmark
Minimum Average Portfolio Credit Quality – Investment Grade Portfolio only (calculated using the lowest NRSRO credit rating)	AA-
Minimum Credit Quality by Security – Investment Grade Portfolio	BBB-

Table 2 – Fixed Income – Asset Class Diversification *(Table 4 Overlay Limits Apply)*	Maximum

Short Term Investments with an original maturity of not more than one year (Minimum Credit Quality AI/PI) Minimum = 1%	50%
U.S. Government & Agency Obligations	100%
Total Combined Mortgage-Backed & Asset-Backed & CMBS	50%
* Agency-Sponsored Mortgage Related Securities (MBS/CMO/CMBS)	50%
* Maximum CMBS	20%
* Asset-Backed Securities & Non-Agency Mortgage-Backed Securities	20%
Corporate Bonds (U.S. Dollar Pay)	~~40~~50%
* Per Industry	~~20~~25%
* Foreign Government & Corporate Obligations	20%
Municipal Bonds (Taxable or Tax Exempt)	20%

Table 3 – Fixed Income Credit Quality & Single Issue Diversification (*Table 4 Overlay Limits Apply*)	Per Issuer
U.S. Government Full Faith & Credit Obligations	100%
U.S. Agency Obligations	25%
Money Market Funds (NAIC Exempt or Class One Only)	5%
AAA or AA rated Quality Category or Higher (Short-Term AI/PI Quality)	5%
A rated Quality Category	4~~3~~%
BBB rated Quality Category	~~1.5~~2%
U.S. Agency Mortgage Related Securities	Pool/Issuer
Full Faith & Credit Agencies, including GNMA	~~4~~6% / 40%
FNMA, FHLMC	~~3~~6% / ~~15~~30%
Other Agencies	2% / 5%
Asset-Backed & Non-Agency Mortgage Related Securities	Pool/Issuer
AA Rated Quality Category or Higher	3%/5%
A rated Quality Category~~ or Higher~~	1% / 3%
BBB rated Quality Category	1% / 2%

Table 4 – Investment Grade Fixed Income – Overlay Limits	Maximum
Quality Restrictions: BBB rated or Lower Category	30%
Securities rated below BBB are not eligible for purchase	Not Allowed

Securities that fall below BBB rating due to credit rating action	Lesser of 5% of Surplus or 2% of Assets
Private Placement Securities – SEC Rule 144A	20%

C. Risk Assets Portfolios

Risk Assets Limits	Maximum
Total Risk Assets Allocation	Based on meeting targeted surplus levels, but not to exceed 35% of surplus
Domestic Equities	100%
International Equities	~~25~~50%
High Yield Fixed Income	50%
International Fixed Income	25%

D. Risk Asset Rebalancing Process

Using the most recent annual audited financial statements, the following target and ranges will be used to monitor the risk asset allocation:

Risk Asset Allocation (As a percentage of surplus)		
Target Minimum Allocation	Target Allocation	Target Maximum Allocation
~~30~~0%	~~35~~20%	~~40~~35%

If the risk asset allocation moves beyond the specified "target minimum/ maximum" ranges at any time, the risk asset allocation will be rebalanced to within the range by the Investment Committee. While market conditions will be considered, the risk assets portfolio will be rebalanced to the target allocation each year after the annual audited financial statements are released.

V. PROHIBITED INVESTMENTS & ACTIVITIES

Investments not specifically permitted in this Investment Policy are prohibited without prior written approval of the Board. Examples of prohibited investments include, but are not limited to:

A. Direct investment in mortgages or real estate, venture capital, non-publicly held debt or equities;
B. Commodities;
C. Short sales and margin purchases;
D. Interest-only and inverse floating rate tranches of mortgage derivative securities;
~~E. Collateralized bond obligations, or other similar securities;~~
~~F.~~E. Collateralized debt obligations, or other similar securities;
~~G.~~F. Collateralized loan obligations, or other similar securities; and
~~H.~~G. Any use of derivatives (e.g., futures, options, swaps and any combination thereof).

Prohibited activities include reverse repurchase agreements, dollar rolls and TBA transactions that do not result in taking delivery of the underlying security within 30 days. However, a securities lending program is not prohibited, subject to Investment Committee approval.

Pooled funds may be utilized if they comply as a portfolio with these stated guidelines. However, any pooling arrangements must be approved in advance by the Investment Committee. NMCRe will select appropriate short-term funds for the Investment Consultant or Manager(s)' use.

Fixed income investments are restricted to those which, at the time of purchase, pay or accrue interest without the deduction of withholding tax. Payment-in-kind securities are strictly prohibited.

VI. INVESTMENT PERFORMANCE & REPORTING

The performance of the Investment Consultant or Manager(s) will be measured quarterly. Performance will be compared to one or more benchmarks approved by the Investment Committee, calculated using Global Investment Performance Standards (GIPS) Performance Presentation Standards. In addition, Investment Consultants or Managers will be evaluated based upon risk-adjusted return measures, as well as qualitative factors and adherence to the Investment Policy.

The Appendix to this document lists the custom benchmark for the fixed income portfolio. In addition, performance will be compared to other indices, as requested by the Investment Committee and the ~~Investment Officer~~Finance Director.

Periodically, as requested, the Investment Consultant or Manager(s) shall provide information to the Investment Committee based on their investment reporting systems, by portfolio, including:

A. Summary of investment portfolio, showing the portfolio composition at cost, market value and estimated book value;
B. Portfolio holdings, including industry diversification;
C. Schedule of additions and disbursements;
D. Schedule of interest received, showing all income cash transactions in descriptive detail, per the Investment Manager's system;
E. Schedule of purchases and sales;
F. Schedule of realized gains and losses (based on estimated book value);
G. Performance schedule comparing investment performance against benchmarks approved by the Investment Committee; and
H. Other information, as required.

VII. STRATEGIC ASSET ALLOCATION & PORTFOLIO BENCHMARKING

A. Fixed Income Portfolio Performance Evaluation

1. The portfolio, as a whole, should provide an investment yield in support of NMCRe's annual budget.
2. For actively managed separate accounts and mutual funds, the portfolio should generate an annualized rate of return (net of fees) over a rolling

five-year period (i.e., market cycle) that is 10-30 basis points greater than its targeted benchmark.

3. Over this same time frame, an active manager's performance is expected to place in the top 40% of similarly styled fixed income managers, as measured by a Peer Universe of fixed income managers.
4. For passively managed mutual funds and exchange-traded funds, the portfolio should generate an annualized rate of return (net of fees) over a rolling five-year period (i.e., market cycle) that is neutral to its targeted benchmark.

B. ~~Equity~~ Risk Asset Portfolio Performance Evaluation

1. For actively managed separate accounts and mutual funds, the portfolio should generate an annualized rate of return (net of fees) over a rolling five-year period (i.e., market cycle) that is 50-100 basis points above its targeted benchmark.
2. Over this same time frame, an active manager's performance is expected to place in the top 40% of similarly styled ~~equity~~ managers, as measured by a Peer Universe of ~~equity~~ risk asset managers.
3. For passively managed mutual funds and exchange-traded funds, the portfolio should generate an annualized rate of return (net of fees) over a rolling five-year period (i.e., market cycle) that is neutral to its targeted benchmark.

VIII. INVESTMENT POLICY & GUIDELINES EVALUATION

At least annually (or more frequently where warranted), the Investment Committee shall review all of the components of this Investment Policy and recommend changes to the Board. The Board shall act on the recommended changes to this Investment Policy.

If the Investment Consultant or Manager(s) become aware of changes in the Utah investment code, they will report this information to the ~~Investment Officer~~Finance Director, and theguidelines will be amended if needed.

APPENDIX

General

Assets Defined

All per issuer and maximum positions in this Investment Policy are stated as a percentage of the market value of assets managed by the Investment Consultant or Manager(s). Per issuer compliance is measured at the time of purchase.

Segmented portfolios are treated individually. Per issuer and maximum positions are measured against the individual segment's assets.

Fixed income portfolios are treated separately from ~~equity~~ risk asset portfolios. Per issuerand maximum positions for a fixed income portfolio are measured against fixed income assets. ~~Equity~~ risk asset portfolios follow the same convention.

Fixed Income Quality Designations

For clarity, Moody's long-term quality designations for bonds and redeemable preferred stocks are referenced in the Investment Policy. The table below shows the equivalent Standard & Poor's designation and the designation that is typically assigned by the NAIC's Securities Valuation Office (SVO) based on one of the nationally recognized statistical rating organizations (NRSRO).

Moody's	Standard & **Poor's**	Typical NAIC SVO Designation
Aaa; Aa 1,2,3; A 1,2,3	AAA, AA+, AA, AA-, A+, A, A-	1, RPI
Baa 1,2,3	BBB+, BBB, BBB-	2, RP2
Ba 1,2,3	BB+, BB, BB-	3, RP3
B 1,2,3	B+, B, B-	4, RP4
Caa, Ca, C	CCC+, CCC, CCC-, CC, C	5, RP5
	CI, D	6, RP6

Source: NAIC SVO Manual

The use of "quality category" along with a letter rating includes all rating qualifiers. For example, "A Rated Quality Category" includes all of the following: A1, A2, A3.

The Investment Consultant or Manager(s) will evaluate quality compliance based on the ratings assigned by one or both of the two NRSROs shown above. In the event of a split rating, quality compliance will be based on the lower of the Moody's or Standard & Poor's ratings.

Pools

For mortgage pass-through securities, the limits defined within this Investment Policy apply on a per-pool basis. The pool limits for CMOs, non-agency mortgage related securities and all asset-backed securities will be monitored and applied at the deal level (combining all tranches).

Private Placement Securities – SEC Rule 144A

Private placement securities issued under SEC Rule 144A are included in all asset classes allowed in the Investment Policy and are additionally subject to the separate limits in Section IV.B, Table 4.

Other Private Placement Securities

Private placement securities not issued under SEC Rule 144A are included in all asset classes allowed in the Investment Policy and are additionally subject to the separate limits in Section IV.B, Table 4.

Short-Term Investments

Short-term investments consist of cash and investment-grade securities with an original maturity at purchase of no more than one year.

1. U.S. Government Securities
   U.S. Government securities backed by the full faith and credit of the United States or its agencies.

2. Money Market Funds
   Includes bank sweep vehicles and other funds qualifying for Exempt or Class One treatment under NAIC rules.

3. Other Short-Term
   Includes, but is not limited to: repurchase agreements, commercial papers, bankers' acceptances and certificates of deposit.

U.S. Government & Agency Obligations

1. Full Faith and Credit
   Obligations of the U.S. Treasury and U.S. Government agencies backed by the full faith and credit of the United States.

2. Other U.S. Agencies
   Debentures of the various U.S. Government-sponsored agencies that are viewed as having moral obligation credit support from the government. For example, debentures of such agencies as: the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC) or the Student Loan Marketing Association (SLMA).

Mortgage Related Securities

Special purpose trusts and corporate entities secured by residential or commercial real estate.

1. Full Faith and Credit
   All pass-through securities guaranteed by the Government National Mortgage Association (GNMA) and certain other agencies that are backed by the full faith and credit of the United States.

2. U.S. Agency Backed
   Mortgage related securities issued either as pass-throughs or as collateralized mortgage obligations (CMOs) of a U.S. Government agency that are not backed by the full faith and credit of the United States.

3. Non-U.S. Agency Backed
   Non-U.S. agency mortgage related securities backed by residential or commercial mortgages.

<u>Asset-Backed Securities</u>

Securities payable primarily from distributions on a pool of financial assets such as, but not limited to: credit card receivables, automobile and other consumer loans, and home equity loans. This category also includes structured corporate bonds, sovereign debt, and bank loans comprising collateralized bond, debt or loan obligations (CBOs, CDOs, CLOs).

<u>U.S. Corporate Bonds</u>

1. Fixed Income Bonds and Notes
   Public fixed income bonds and notes issued by U.S. corporations and supranational organizations in U.S. dollars.

2. Taxable Municipal Bonds and Notes
   Issued by states, territories, political subdivisions, and agencies of the individual states of the United States (including the District of Columbia).

<u>Foreign Bonds (U.S. Dollar Pay)</u>

1. Canadian
   Securities of Canadian issuers payable in U.S. dollars.

2. Other Foreign
   Securities of non-U.S. and non-Canadian issuers payable in U.S. dollars.

<u>Preferred Stocks</u>

1. Redeemable / Limited Life (Under NAIC Guidelines)
   Preferred stocks with an explicit limited life. For example: mandatory sinking fund preferred stocks, preferred stocks redeemable at the option of the investor, and preferred stocks with non-cancelable call provisions. Current NAIC guidelines allow these preferred stocks to be carried at amortized cost.

2. Other Limited Life
   Preferred stocks with an expected, but not explicit, limited life. Securities included contain a mechanism designed to limit price volatility (exclusive of creditworthiness). For example, preferred stocks redeemable at the option of the issuer, such as fixed-rate adjustable preferred stocks (FRAPS). Current NAIC guidelines require these preferred stocks to be carried at market value with no amortization.

<u>Risk Assets</u>

1. International and U.S. publicly traded common stocks, including real estate investment trusts, equity mutual funds and private placement common/ commingled trusts. Also included are perpetual preferred stocks, as well as convertible bonds and convertible preferred stocks with no quality limitations.

2. Exposure to common stocks is typically measured at market price as a percentage of the most recent year-end surplus. Any limit indicated in this Investment Policy has been established by translating this into a dollar amount.

3. U.S. High Yield fixed income mutual funds/ETFs.

4. International Fixed Income mutual funds/ETFs, including both sovereign and corporate debt issued in both U.S. dollars and Local Currency.

<u>Derivatives</u>

"Cap" means an agreement obligating the seller to make payments to the buyer, with each payment based on the amount by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike rate or strike price.

"Collar" means an agreement to receive payments as the buyer of an option, cap or floor and to make payments as the seller of a different option, cap or floor.

"Counterparty exposure amount" means:

1. The net amount of credit risk attributable to a derivative instrument entered into with a business entity other than through a qualified exchange, qualified foreign exchange or cleared through a qualified clearinghouse. Such derivative instruments are hereinafter referred to as "over-the-counter derivative instruments". The amount of credit risk equals:

   a. The market value of the over-the-counter derivative instrument if the liquidation of the derivative instrument would result in a final cash payment to the insurer; or
   b. Zero, if the liquidation of the derivative instrument would not result in a final cash payment to the insurer.

2. If over-the-counter derivative instruments are entered into under a written master agreement which provides for netting of payments owed by the

respective parties, and the domiciliary jurisdiction of the counterparty is either within the United States or, if not within the United States, within a foreign jurisdiction listed in the NAIC Purposes and Procedures of the SVO as eligible for netting, the net amount of credit risk shall be the greater of zero or the net sum of:

a. The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment to the insurer; and
b. The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment by the insurer to the business entity.

3. For open transactions, market value shall be determined at the end of the most recent quarter of the insurer's fiscal year and shall be reduced by the market value of acceptable collateral held by the insurer or placed in escrow by one or both parties.

"Covered" means that an insurer owns or can immediately acquire (through the exercise of options, warrants or conversion rights already owned) the underlying interest in order to fulfill or secure its obligations under a call option, cap or floor it has written or has set aside under a custodial or escrow agreement cash or cash equivalents with a market value equal to the amount required to fulfill its obligations under a put option it has written, in an income generation transaction.

"Derivative instrument" means an agreement, option, instrument or a series or combination thereof:

1. To make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests or to make a cash settlement in lieu thereof; or
2. That has a price, performance, value or cash flow based primarily upon the actual or expected price, level, performance, value or cash flow of one or more underlying interests.

Derivative instruments include options, warrants used in a hedging transaction and not attached to another financial instrument, caps, floors, collars, swaps, forwards, futures, and any other agreements, options or instruments substantially similar thereto, or any series or combination thereof and any agreements, options or instruments permitted under this chapter.

"Derivative transaction" means a transaction involving the use of one or more derivative instruments.

"Floor" means an agreement obligating the seller to make payments to the buyer in which each payment is based on the amount by which a predetermined number (sometimes called the floor rate or price) exceeds a reference price, level, performance or value of one or more underlying interests.

"Hedging transaction" means a derivative transaction that is entered into and maintained to reduce:

1. The risk of a change in the value, yield, price, cash flow or quantity of assets or liabilities that the insurer has acquired or incurred or anticipates acquiring or incurring; or
2. The currency exchange rate risk or the degree of exposure as to assets or liabilities that an insurer has acquired or incurred or anticipates acquiring or incurring.

"Income generation transaction" means a derivative transaction involving the writing of covered call options, covered put options, covered caps or covered floors, that is intended to generate income or enhance return.

"Option" means an agreement giving the buyer the right to buy or receive (a "call option"), sell or deliver (a "put option"), enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests.

"Potential exposure" means the amount determined in accordance with the NAIC Annual Statement Instructions, defined in the instructions of Schedule BDB, Part C, Section 1 as:

Potential Exposure = 0.5% x Notional Amount x Square Root of (Remaining Years to Maturity).

"Swap" means an agreement to exchange or to net payments at one or more times based on the actual or expected price, level, performance or value of one or more underlying interests.

"Underlying interest" means the assets, liabilities, other interests or a combination thereof underlying a derivative instrument, such as any one or more securities, currencies, rates, indices, commodities or derivative instruments.

Benchmark

Index	Weight
~~Bloomberg Barclays US Treasury Bills 1-3 Months~~Bloomberg Barclays US Intermediate Govt/Credit Index	~~25%~~100%
~~Bloomberg Barclays Govt/Credit 1-3 Year~~	~~25%~~
~~Bloomberg Barclays US Aggregate~~	~~50%~~

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

Item Number:	**Item Title:**
5.	Executive Session – Pending and Threatened Litigation Per New Mexico Open Meetings Act 10-15-7-H(7) • Estate of Oscar Najera v. Chaves County • Estate of Elijah Hadley v. Otero County • Treasure Hazen v. Dona Ana County • Estate of Michael Gabaldon v. Valencia County
Presenter (s): Lance Pyle, Chair	

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

Motion In by: Seconded by:
Roll Call Vote

Motion Out by: Seconded by:

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

Motion by: Seconded by:

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

Item Number:	**Item Title:**
6.A.	Approve New Medical Malpractice Coverage Policy
Presenter (s): Grace Philips, Risk Management Director Mark Allen, General Counsel	
Motion by:	Seconded by:

Policy on Medical Malpractice Coverage

The Pool Board recognizes that the operation of detention facilities, ambulance services, or the provision of other services may require the employment of licensed medical professionals by Member counties. The coverage agreement (Part II – General Coverage Exclusions) excludes coverage for claims of ***"…malpractice by a physician, medical doctor, osteopath, nurse practitioner, clinical nurse specialist, physician assistant, chiropractor, resident, extern, intern, psychiatrist, pharmacist, dentist, orthodontist, periodontist, or psychologist,…."*** To obtain medical malpractice coverage for these employees, the following information **must be provided** at the time of enrollment and updated with each employment change:

- Full name
- Job title
- Medical practice (e.g. doctor, physician's assistant, nurse, therapist, etc.)
- Date of hire

This coverage is only available for county employees as identified above and is subject to all terms and conditions of the Coverage Agreement. Contract medical service providers and their employees and contractors do not qualify for this coverage.

The coverage cost is a flat fee per employee per policy term. Members may make employment changes during the policy term if risk management is provided with the new employee information prior to the date of hire. Members may add employees during the policy term, but the flat fee will not be prorated and will be due on the date hire. If coverage is cancelled, no refunds will be issued, regardless of the reason for cancellation or the time remaining on the policy term.

For detailed coverage terms, refer to the Multi-Line and Law Enforcement Liability Program Coverage Agreement for the relevant policy year.

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

Item Number:	**Item Title:**
6.B.	Approve Exclusion and Endorsement for Medical Malpractice in Revised 2025 Liability Coverage Agreement

Presenter (s):
Grace Philips, Risk Management Director
Mark Allen, General Counsel

Motion by: Seconded by:

NEW MEXICO
COUNTIES
33 STRONG

New Mexico County Insurance Authority (NMCIA)

Multi-Line and Law Enforcement Liability Program

COVERAGE AGREEMENT

Effective: January 1, 2025-January 1, 2026

New Mexico Counties
Law Enforcement & Multi-Line Liability Program

Member Coverage Agreement

Endorsement B
Medical Malpractice

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

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Member

1. Bernalillo County
2. Colfax County
3. De Baca County
4. Eddy County
5. Santa Fe County

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

P. Non-Waiver Of Rights

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

Part III – General Coverage Exclusions

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

1. Loss, damage or any type of **Claim**, including mysterious disappearance, caused by or resulting from fraudulent or dishonest acts committed by the **Member**, whether working alone or with others, except as provided in Section VI - Crime;
2. Expenses from any cost, civil fine, penalty, sanctions or expense against any **Member** for any compliance or enforcement action from any federal, state or local governmental regulatory agency, court or any alternative dispute resolution process;
3. Any **Claim** for front pay, back pay or other incidents of compensation or benefits due no matter how characterized to a **Named Member's** employees unless provided otherwise by sublimit or endorsement;
4. Any **Claim** arising from **Law Enforcement Activities**, except as provided in Part IX -- Law Enforcement Coverage;
5. Any **Claim** arising out of hospital, nursing home or clinic malpractice, malpractice by a physician, medical doctor, osteopath, nurse practitioner, clinical nurse specialist, physician assistant, chiropractor, resident, extern, intern, psychiatrist, pharmacist, dentist, orthodontist, periodontist, or psychologist, or contract medical service providers and their employees and contractors, except as otherwise provided by endorsement.
6. Any obligation for which the **Member** may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers' liability or under any similar law or to bodily injuries to any employee or to any liability for indemnity or contribution brought by any party for bodily injuries to any employee.
7. Any **Claim** arising from administrative proceedings, declaratory and/or injunctive relief, except as otherwise provided by endorsement.
8. Any **Claim or Suit** arising from any criminal penalties imposed, or provided for, pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized.
9. Except as otherwise provided by endorsement, any **Claim** arising out of the operation of the principles of eminent domain, condemnation proceedings or claims, inverse condemnation proceedings or claims, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any

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

Item Number:	**Item Title:**
6.C.	Approve San Juan County into the Multi-Line and Law Enforcement Coverage Programs (Pending BCC action on 3.24.25)

Presenter (s):
Grace Philips, Risk Management Director

Motion by: Seconded by:

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

Item Number:	**Item Title:**
7.A.	Discuss Coverage for County JPA Entities
Presenter (s): Mark Allen, General Counsel	

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: January 10, 2026
To: NMCIA Board
From: Mark Allen, General Counsel
Re: Providing Coverage for JPA Created Entities

Background

NMCIA pool coverage requests have been made by county members for two JPA created entities---the County Livestock Loss Authority created by Catron, Sierra and Socorro counties, and the Opioid Remediation Collaborative created by Catron, Cibola, Guadalupe, Hidalgo, Sierra, Socorro, and Valencia counties. This raises the question of whether JPA created entities are eligible for pool coverage and, if so, the process for granting such coverage.

The Joint Powers Agreement Act, NMSA 1978, §§ 11-1-1 to -7, allows two or more public agencies to create a separate administering agency to jointly exercise a common power, subject to the restrictions imposed by the agreement and the approval of DFA. The agency created by the JPA is an entity separate and apart from the parties creating it. NMSA 1978, § 11-1-5. As such, it is liable for its own actions and obligations. *See Martinez v. Romero*, No. CIV-11-785 ACT/WDS, 2011 WL 13277776, at *3 (D.N.M. Dec. 29, 2011). Hence, the need for insurance or coverage in a pool.

NMCIA JPA & Bylaws

Both the JPA and the Bylaws state that only New Mexico counties can be members of NMCIA. *See* JPA Section II(I), Bylaws Section III(A). Thus, only members are entitled to representation, governance and ownership of the pool.

The definition section of the JPA, however, defines "participant" as "[t]hose non-county political subdivisions and local public bodies **approved by the Board to participate in the self-insurance pool created by this Agreement**." (Emphasis added.) Article VII(C) states that "[t]he Board may approve non-county political subdivisions and local public bodies as ***participants*** in the self-insurance pool created by this Agreement, and (D) provides that "the Board shall have the power to levy contributions approved by the Board upon Members and other ***participants*** in such amounts as determined by the Board." (Emphasis added.)

The Bylaws definition section utilizes the same definition of “participant” as the JPA and states that the Board may approve requests for participation by a two-thirds vote of the entire Board, and participation is limited to those that demonstrate compliance with Section III(B). Namely, its admission will not detrimentally affect the financial status of the Authority or the contribution rates of other members, has agreed to accept the contractual obligations of members, pay the required sums, and execute a copy of the JPA. While referenced in the section allowing non-member participation, Section III(B) was not modified to deal with participants and their exclusion from membership. By their exclusion from membership, participants cannot comply with Section III(B). Even in the absence of this conflicting language, the question arises as to whether this participation arrangement is permissible under the enabling statutes allowing pooling of self-insured reserves.

Enabling Statutes NMSA 1978, § 3-62-1 and 3-62-2

In combination, these statutes allow local governments or public bodies to obtain insurance through self-insurance, purchasing insurance, or pooling self-insured reserves with two or more local governments or public bodies or any combination of the foregoing. Section 3-62-2 specifies that “pooling of self-insured reserves, claims or losses among subdivisions or bodies . . . shall not be construed to be transacting insurance or otherwise subject to the provisions of the laws of this state regulating insurance or insurance companies.” “Most authorities agree that self-insurance is not insurance.” *Cordova v. Wolfel*, 1995-NMSC-061, ¶ 8.

Here, the non-member “participant” is not pooling its self-insured reserves but rather paying a contribution/premium for coverage subject to a deductible. By paying the premiums, the participant shifts its risk to the pool. The only risk the participant retains is the loss of its deductible. Simply put, this is an insurance contract. *See Cordova*, at ¶ 8 (“[i]nsurance is a contract whereby for consideration one party agrees to indemnify or guarantee another party against specified risks.”) As such, this arrangement exceeds the authority granted by the enabling statutes and creates an insurance contract subject to the laws regulating insurance. As stated by the Association of Governmental Risk Pools (“AGRiP”) “Pools work because every member has skin in the game and a voice at the table. Quite simply, pools are member-owned, member-governed, and member-driven.” https://www.agrip.org/advocacy/pr-toolkit.

NMCIA Coverage Agreement

Note: The coverage agreement has not been modified to cover “participants” vs “members.”

Conclusion

As currently written, the participation arrangement set forth in the NMCIA JPA and Bylaws exceeds the authority granted by the enabling statutes allowing pooling and creates an insurance contract subject to the laws regulating insurance. No other language exists in either the JPA or Bylaws regarding the process for admitting non-county political subdivisions and public bodies.

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

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

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

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

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 26, 2024
To: NMCIA Board of Directors
From: Joy Esparsen
Re: Executive Director Update

The 60-day legislation session convened on January 20th during the New Mexico Counties (NMC) Legislative Session. Throughout the session, the NMC legislative team hosted daily meetings at 7:30 a.m. to update county members and lobbyists. Additionally, the NMC Executive Committee met each Thursday morning to review and take positions on legislation. The Board of Directors met after the deadline for final bill introduction on February 22nd to review and act on legislation relevant to counties. NMC held its second County Day during the legislative session. This event included county booths inside the rotunda and a special presentation on the House floor by Representative Art De La Cruz recognizing county contributions to the state.

With one week remaining, there are a total of 1190 bills introduced, 242 that have passed their first house, and only seven bills that have successfully passed through both houses. Throughout the session, things have moved slowly, and many bills have stalled before their second committee meeting.

NMC's appropriation priorities in HB 2 include:

- Detention Reimbursement Funding - $5 Million
- Courthouse Funding - $20 Million Requested
- 700 MHz Radios - $2-$3 Million

A great deal of time was spent this session on property taxes, both on offense and defense. A deal was struck during the interim with industry stakeholders and NMC's equitable disclosure priority, HB342 Property Tax Code Amendments, would require sales transfer affidavits on commercial properties and provide a 12% cap on increased property values over a 12-year period. Before the bill was heard in its first committee, industry outsiders attempted to unravel these efforts and created a significant amount of confusion on this complex proposal. In the meantime, SB186 Special Method of Valuation on Multifamily Housing was introduced. This bill as written would have capped all multifamily properties (apartments) throughout the state at 40% of their current and correct value. The Assessors and NMC switched gears to focus on defeating this revenue devasting bill on the Senate floor; not once, but twice when it was poised to be reconsidered. This effort expended a great deal of political capital and clearly put the Assessors in the crosshairs of legislators who were upset with the outcome. At that point, it was evident HB342 and its potential dummy companion bill were not likely to advance.

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

The constitutional amendments to veteran exemptions that passed during the November election required enabling language to address the dates of the exemption filing and implementation, administrative processes, etc. HB47 Veterans Exemption Changes was the Taxation and Revenue Department bill that facilitated most of the necessary changes. One portion that was not addressed in the administration's bill was the timeline for filing for veteran disability exemptions. This language was included separately in HB342. Once HB342 was in trouble, the Assessors agreed to let NMC pull out that specific section and run it separately in HB494 Amend Property Tax Exemption for Disabled Veterans. Representative Alan Martinez agreed to sponsor the bill that would repeal his 2023 legislation to allow 100% veterans to file at any time. This change was necessary now that the number of eligible individuals with a 10% or greater disability increased to over 53,000.

NMC's efforts to amend the inspection of public records through HB283 Law Enforcement Records faced significant opposition from the Foundation for Open Government and other stakeholders. Although the bill focused narrowly on amendments identified by the NMML during the interim, it did not advance after its first committee. Sandoval County Attorney and Affiliate Chair Michael Eshelman worked diligently throughout the session to educate legislators about the significant burden of the current Inspection of Public Records Act through the introduction of HB139 Inspection of Public Records Act and HB497 Revise Inspection of Public Records Act. Finally, NMC's priority to establish a reimbursement fund for counties that provide support to state and federal border efforts, SB399 Border Reimbursement Fund was never scheduled.

This year, there were several legislative proposals that would provide new funding opportunities for county governments including HB113 Animal Welfare Fund for county animal shelters, HB128 Local Solar Access Fund for renewable energy projects and retrofitting, HB137 911 Act Changes to fund NextGen technology and other 911 improvements, SB33 Wildfire Prepared Act and Fund for fire prevention and response, SB48 Community Benefit Fund for climate change projects, and SB81 FAIR Plan Act for homeowners who can no longer get property insurance.

The Clerks Affiliate has been actively engaged in advancing legislation specific to their role to include the HB101 Firearm Possession by Commissioned Officer at Polls, HB308 Removing Middle Rio Grande Conservancy from Local Election Act, and SB290 Increase Marriage License Fee. The Clerks have also weighed in on other important legislation impacting their duties to include SB218 Election Code Changes and SB16 Unaffiliated Voters in Primary Elections.

Other critical legislation related to county employment and operations included HB9 Immigrant Safety Act, HB11 Paid Family Medical Leave, HB84 Employee Free Speech Act, HB192 Digital Trunked Radios, HB230 Cannabis: Employee Protections, HB284 Free-Roaming Horses, HB309 Removal of Unlawful Occupant, HB405 Volunteer Firefighter Service and Training, HB417 Liquor Taxes Surtax, HB438 Unpaid Compensatory Time, SB199 Use of Liquor Tax in Local DWI Fund, SB274 Threshold for Disposal of Public Property, SB359 Removal of Unlawful Occupant, and SB505 Nonuse of Body Cameras. On each of these bills, NMC's legislative team worked to advise legislators of NMC positions, provide expert testimony, gather data for fiscal impact reports, draft amendments, and protect county interests. It is still undetermined how many of these bills will pass and be signed by the Governor.

The National Association of Counties (NACo) Legislative Conference was held March 1-5 in Washington, DC with approximately 75 county elected officials and staff in attendance. Grace Philips and I took this opportunity to meet with New Mexico Congressional staff to discuss growing concerns regarding increased litigation demands and jury verdicts in New Mexico. If Board members are interested in joining one of the committees, please contact Government Relations Specialist Hannah Kase Woods at hwoods@nmcounties.org.

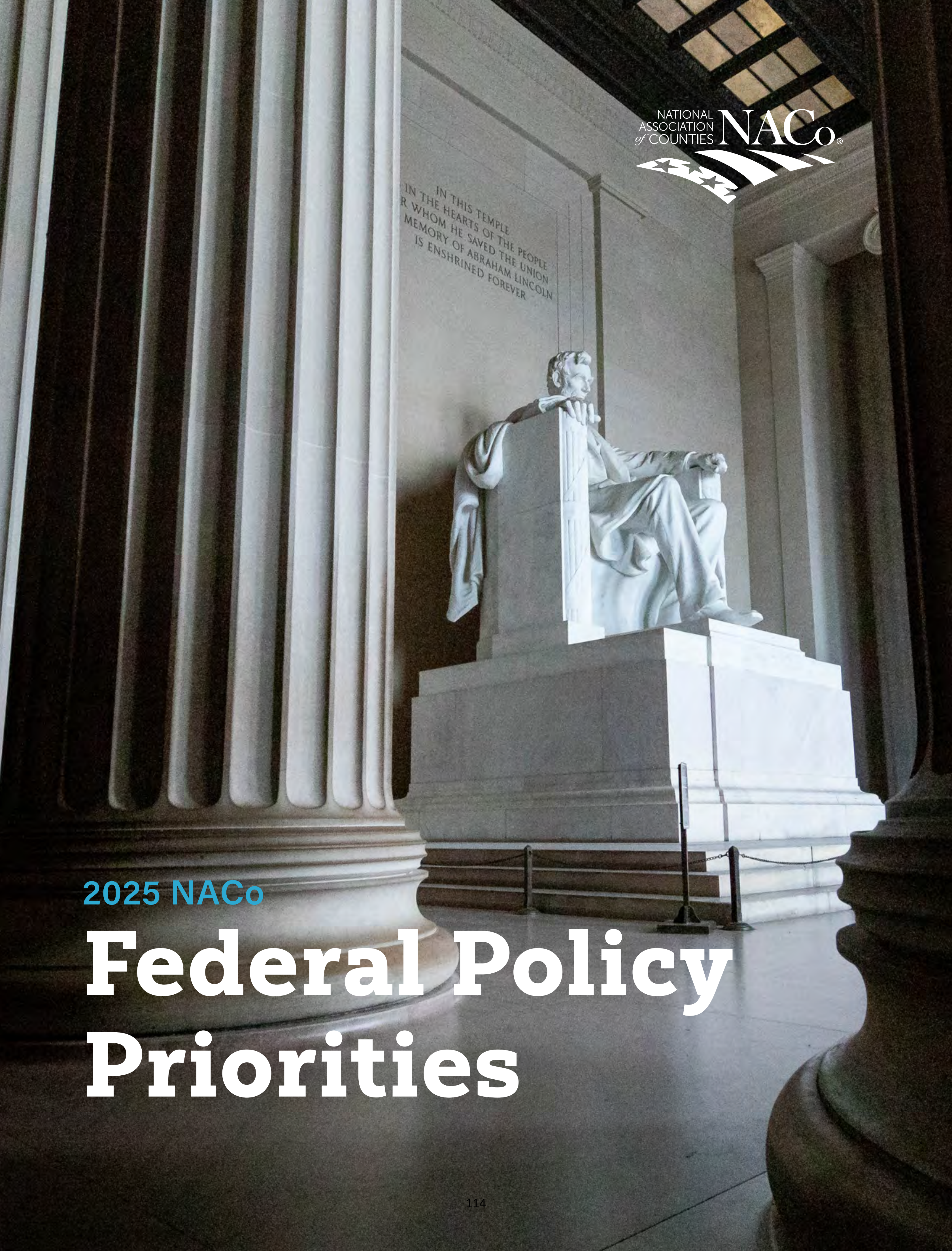
Federal funding uncertainly has impacted our federal grants, but our funding was unfrozen in early March and NMC released the 2025-2026 Wildfire Risk Reduction Grant Program for local governments, tribal entities, and non-profits to complete Community Wildfire Protection Plan Updates, fuel reduction projects, and outreach and education activities. Applications are due to the local BLM field office for signature(s) by Friday, March 7, 2025, and completed application(s) with all signatures are due to NMC by 5:00 p.m. Friday, April 4, 2025. Please contact Hannah Kase Woods at (505) 820-8102 or hwoods@nmcounties.org for more information.

NMC will be hosting four regional post-legislative session briefings statewide. This is an ideal opportunity to learn more about the recent legislative session and bills affecting county governments. All legislators and county members are invited to attend, and lunch will be provided. Online registration is scheduled to begin in late March:

- Wednesday, April 16 - Chaves County
- Thursday, April 17 - Sierra County
- Wednesday, April 23 - Bernalillo County
- Thursday, April 24 - San Miguel County

Additional Meetings & Initiatives:
NACo Legislative Conference
New Mexico Reception
New Mexico Congressional Breakfast
New Mexico Congressional Meetings
NCCAE NACo Resolution Meeting
Department of Information Technology Cybersecurity Act Meeting
Department of Finance & Administration Veteran's Amendment Meetings with LFC & TRD
North Central Economic Development Meeting
Water Trust Board Meeting
NewMARC Council of Government Legislative Meetings
NMC Board of Directors
NMCRe Board Meeting
NMC Lobbyist Breakfast
NMC Executive Committee Meetings
NMC Legislative Conference Wrap-Up
NMC Annual Conference Planning
NMC Audit
NMC Budget Preparation
NMC Senior Staff Meeting
NMC Potential Attorney Interview
Legislative Research and Advocacy
Assessors Affiliate Legislative Meetings
Clerks Affiliate Leadership Meeting
Gallup McKinley Day
Union County Day

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.



NATIONAL ASSOCIATION of COUNTIES NACo

2025 NACo

Federal Policy Priorities

America's 3,069 county governments provide essential building blocks for healthy, safe and vibrant communities.

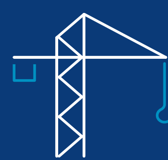
Counties invest nearly $743 billion each year through the leadership of 40,000 county elected officials and over 3.6 million county employees. Counties support and maintain key public and community infrastructure, help nurture and sustain a skilled workforce to support dynamic local economies, and promote public health and safety to protect our citizens.

NACo supports federal policies and programs that equip county governments with the resources and flexibility needed to serve our residents effectively. NACo works to preserve local decision-making and protect counties from unfunded mandates and preemption of local authority. Because counties implement numerous federal programs and enforce various regulations, NACo urges meaningful intergovernmental consultation throughout federal policymaking.

NACo policy positions are debated and voted on by ten policy steering committees comprising more than 1,400 county officials, along with the NACo Board of Directors and full membership.

Counties own and operate ***44 percent*** *of America's roads and* ***38 percent*** *of bridges*

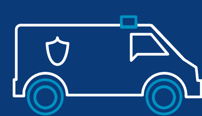
40 percent *of public transit agencies are supported by counties*



Counties invest ***more than $146 billion*** *in infrastructure and maintaining and operating public works*

Sixty-two percent *of counties have federal public land*

Counties support and operate more than ***900*** *hospitals, over* ***700*** *long-term care facilities,* ***750*** *behavioral health centers and more than* ***1,900*** *public health departments*



County governments operate ***91 percent*** *of our nation's local jails*

Table of Contents

Overview of NACo's Policy Priorities

Disaster Mitigation & Emergency Management

- Reforms to FEMA's Public Assistance Program to ensure expedited reimbursement for disaster recovery.
- Long-term reauthorization and reform of the National Flood Insurance Program (NFIP) to improve affordability, mitigation assistance, flood risk mapping and program administration.
- Increased funding for the Emergency Management Grant Program.

Public Lands, Environment & Natural Resources

- Full, long-term funding for the Payments in Lieu of Taxes (PILT) program to compensate counties for untaxable federal land.
- Reauthorize the Secure Rural Schools (SRS) program
- Legislation to ensure federal land management agencies aggressively reduce excess wildfire fuels on National Forest System lands.
- Federal policies that balance environmental protection, public health, safety and local economic needs.
- Meaningful consultation with county governments in federal rulemaking to prevent unfunded mandates and unintended consequences.

Infrastructure, Economic Development & Workforce

- Full federal investment in the Economic Development Administration (EDA).
- Increased funding for the Community Development Block Grant (CDBG) program.
- Reinstate the tax-exempt status of advance refunding bonds to allow counties to finance critical infrastructure projects at lower costs.
- Expand high-speed internet access that is affordable, reliable and accessible for all residents, particularly in rural and underserved areas.
- Prioritize counties as key partners in broadband deployment, including wireless siting decisions, permitting processes and public rights-of-way management.
- Federal investments to support broadband expansion.
- Reauthorize the Workforce Innovation and Opportunity Act (WIOA) with local control and flexibility.
- Accelerate federal investment with reforms to permitting processes.

Tax & Finance

- Restore the state and local tax (SALT) deduction to support local authority and the balance of federalism in the tax code.
- Preserve the tax-exempt status of municipal bonds to keep borrowing costs low for counties.
- Extend, expand or establish key tax credits that serve vulnerable residents.

Housing & Human Services

- Modernize the tax code to incentivize affordable housing development.
- Expanding the Low-Income Housing Tax Credit (LIHTC) to increase the supply of affordable housing.
- Reauthorizing the Temporary Assistance for Needy Families (TANF) program while preserving flexibility for local governments.
- Expand investments in child care, modernize the Child Tax Credit and improve child welfare programs.
- Comprehensive immigration reform that does not impose unfunded mandates on counties.

Public Health & Criminal Justice

- Amend the Medicaid Inmate Exclusion policy to ensure uninterrupted access to federal health benefits.
- Full funding for the Community Mental Health Services Block Grant and the Substance Use Prevention, Treatment and Recovery Block Grant.
- Strengthen the federal-state-local Medicaid partnership.
- Full funding for the Justice and Mental Health Collaboration Program.

Election Integrity & Cybersecurity

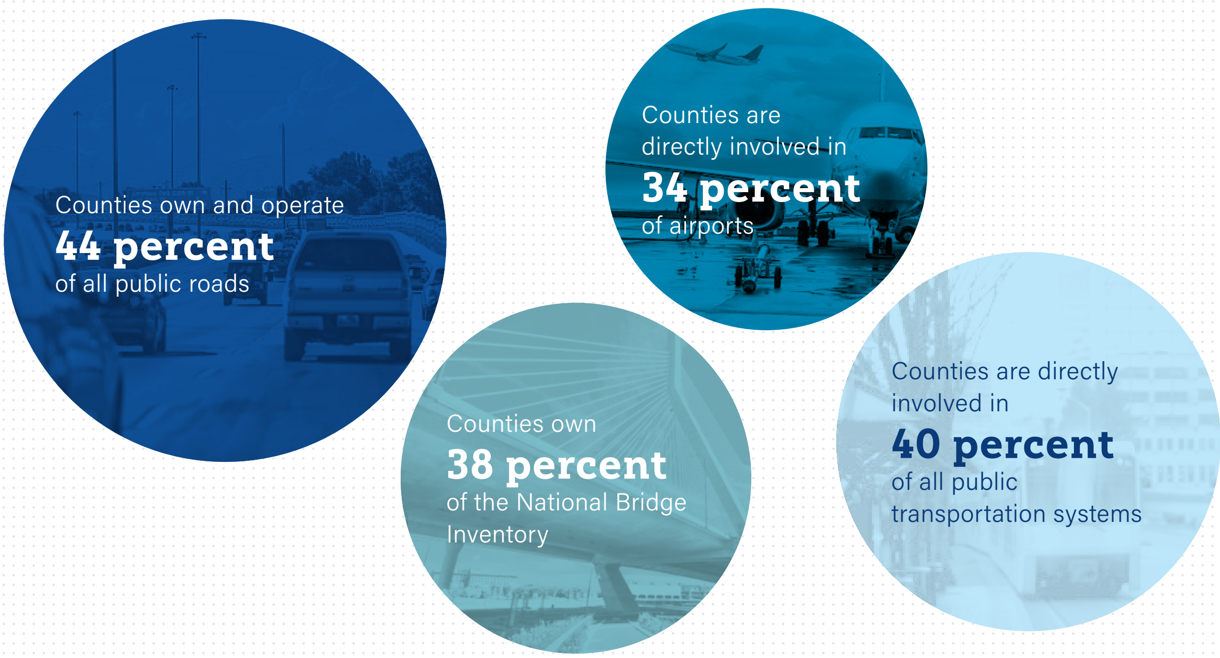
- Increased federal collaboration on election cybersecurity and direct federal funding to counties for election security measures.
- Passage of the Election Worker Protection Act to secure election infrastructure and protect county election workers.
- Opposition to legislation imposing impractical requirements on local election administration.

Foster Bipartisan Support for Direct Federal Investments that Flow Through Counties

NACo supports legislation that recognizes counties as essential intergovernmental partners through long-term direct investments in local governments. Counties are on the front lines of implementing federal funds at the local level, ensuring resources are used effectively to strengthen the nation's infrastructure, health systems, economic development and local and national economies. As owners and operators of much of the nation's critical infrastructure and providers of essential public services, counties are uniquely positioned to deliver impactful results that address the distinct needs of our communities.

Counties invest **more than $146 billion annually** in building, maintaining and operating physical infrastructure and public works, including **transportation, water systems, ports, dams, hospitals, schools, libraries and courthouses.**

We urge federal partners to work closely with counties to ensure funds are directed locally, empowering us to meet the diverse and pressing needs of our constituents. Counties are best equipped to understand the challenges and opportunities within our jurisdictions, making us indispensable partners in implementing federal programs. By providing direct investments to counties, the federal government can ensure resources are deployed efficiently, fostering innovation, resilience and economic vitality nationwide.

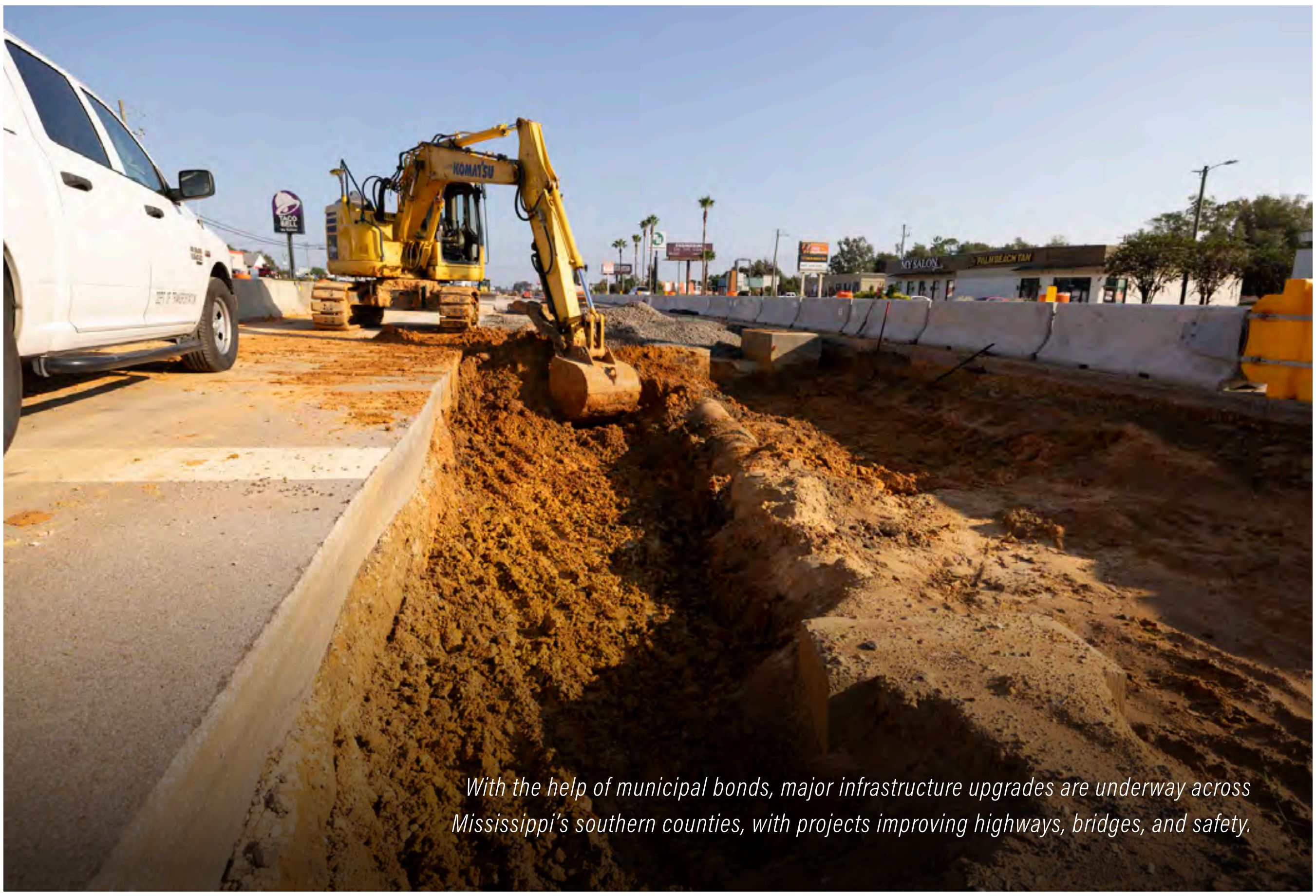


Advocate for a Fair and Flexible Tax Policy Framework that Safeguards Local Revenue Sources and Flexibility for Essential County Services

Key provisions of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) are set to expire on December 31, 2025, including but not limited to marginal rate reductions across most tax brackets, the expanded standard deduction, the Child Tax Credit (CTC) and the $10,000 cap on the state and local tax (SALT) deduction. As the 119th Congress considers extending or making permanent many of these provisions, counties have an opportunity to advance key policy priorities while ensuring critical revenue sources are protected. Counties generate revenue and reinvest nearly $743 billion annually into local communities, funding essential services like infrastructure, public safety and economic development.

County priorities include:

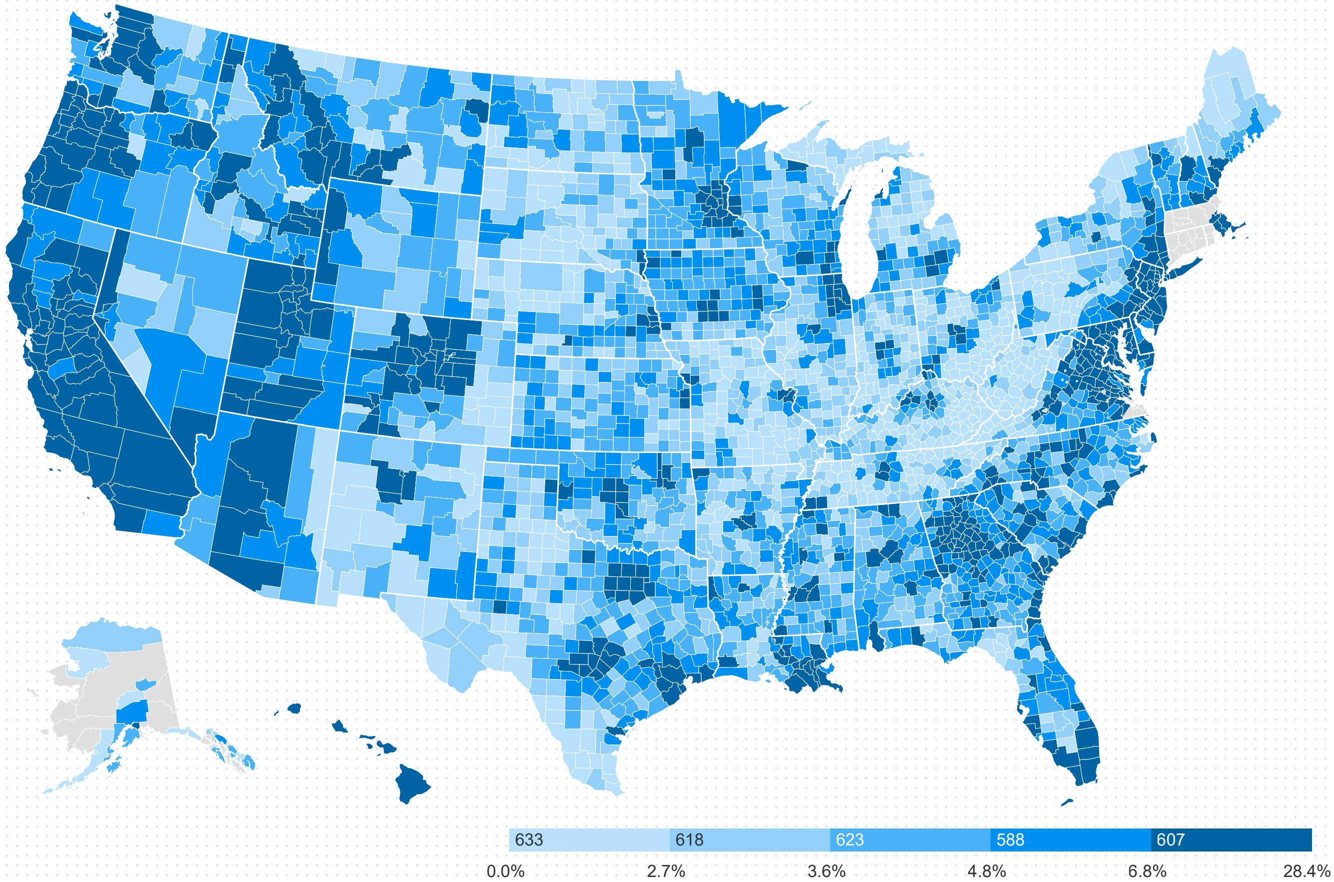
- Restoring the state and local tax deduction to strengthen local authority and the balance of federalism in the tax code while promoting homeownership
- Reinstating the tax-exempt status of advance refunding bonds to help counties finance critical infrastructure projects at lower costs
- Extending, expanding or establishing key tax credits that support vulnerable residents, including the Child Tax Credit, Earned Income Tax Credit and Low-Income Housing Tax Credit



With the help of municipal bonds, major infrastructure upgrades are underway across Mississippi's southern counties, with projects improving highways, bridges, and safety.

STATE AND LOCAL TAX (SALT) DEDUCTION - 2021 PROFILES

The map illustrates the percentage of tax returns in a county with itemized deductions in 2021.



Source: *NACo's County Explorer: Analysis of IRS Data*

NACo Analysis of the ***impacts of the $10,000 cap on the state and local tax (SALT) deduction*** *that was established as part of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97)*

As Congress weighs options to offset the potential costs of extending the 2017 tax reform law, NACo urges lawmakers to preserve the tax-exempt status of municipal bonds. Municipal bonds are a critical local financing tool, helping counties fund more than $3.3 trillion in infrastructure investments over the past decade.

Municipal bonds are typically issued as tax-exempt, meaning the interest earned by investors is not subject to federal taxation. This tax advantage makes municipal bonds a low-risk investment that can be issued at lower yields, ultimately saving taxpayers money. On average, tax-exempt municipal bonds reduce borrowing costs by 2.1 percentage points compared to taxable bonds. Without the tax exemption, state and local governments could face an additional $823.9 billion in borrowing costs through 2035.

Pass a Bipartisan Farm Bill With the Inclusion of County Priorities

The Farm Bill authorizes key programs that help counties make critical investments in infrastructure, economic development, workforce training, nutrition and conservation. Preserving and expanding these programs is vital to the continued prosperity of all counties and the residents we serve.

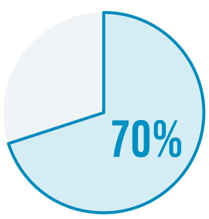
Counties are responsible for administering the **Suplemental Nutrition Assistance Program (SNAP)** in ten states representing **35.7 percent** of total participants (15 million people)

With the current legislation set to expire on Sept. 30, 2025, counties are encouraged to connect with lawmakers now to ensure a five-year, bipartisan Farm Bill that includes key county priorities. For the nearly 70 percent of America's counties, parishes and boroughs classified as rural, the Farm Bill represents a significant opportunity to address the unique challenges facing rural communities. Programs authorized through the bill help rural counties strengthen infrastructure, deliver essential public services, protect the nation's food supply, expand access to healthy food, and promote locally led conservation initiatives.

The Farm Bill also plays a key role in ensuring county residents have access to affordable, nutritious food. It authorizes the Supplemental Nutrition Assistance Program (SNAP), the nation's largest federal nutrition program, which provides monthly grocery benefits to 42.6 million low-income individuals. Counties often contribute significant local funds to help administer and supplement the program's costs.

NACo supports the inclusion of legislation that would strengthen county engagement in federal land management, rural development and childcare services, including:

- The Treating Tribes and Counties as Good Neighbors Act, which would allow counties to retain funds from joint land management projects under the Good Neighbor Authority program
- The Rural Partnership and Prosperity Act, which would provide multiyear, flexible funding for rural development initiatives, and
- The Expanding Childcare in Rural America Act, which would prioritize rural development funding for projects that enhance childcare services in rural communities.



*Nearly **70 percent** of the nation's 3,069 counties are rural, home to 38.5 million Americans and covering over two-thirds of the nation's land mass*

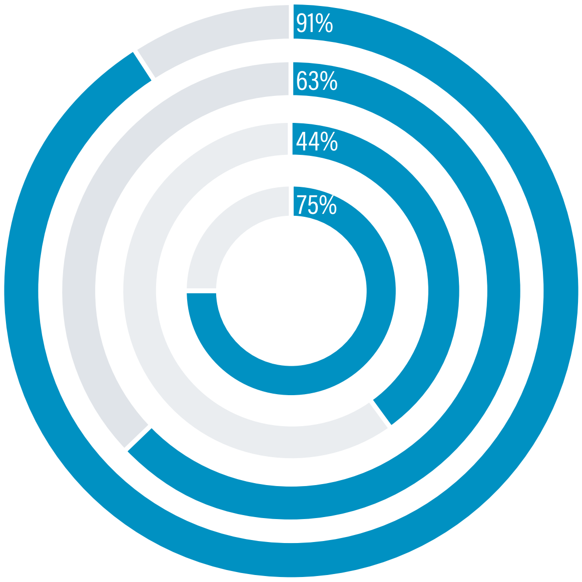
Previously the U.S. Secretary of Agriculture, Sonny Perdue speaks to county leaders about the need to bridge the nation's digital divide by investing in federal programs like the ReConnect Program, a key NACo priority.

Promote Better Outcomes in Behavioral Health, Homelessness, and Criminal Justice Systems

Counties invest billions annually to improve health outcomes for residents, leveraging key federal programs such as the Community Mental Health Services Block Grant and the Substance Use Prevention, Treatment and Recovery Block Grant. These programs fund essential services, including housing assistance, case management, school-based supports and peer services, helping counties address the ongoing mental health crisis. To sustain our impact, Congress must fully fund these programs.

The federal-state-local Medicaid partnership is essential for strengthening care systems and expanding access for vulnerable populations. Enhancing this partnership allows counties to continue our dual role as administrators and investors in health care, supported by initiatives such as the Prevention and Public Health Fund.

Counties also advocate for policies that remove barriers to care for justice-involved individuals. Congress is urged to amend the Medicaid Inmate Exclusion policy to reduce overall costs and improve resident outcomes. Additionally, full funding for programs such as the Justice and Mental Health Collaboration Program is critical to supporting mental health screening and treatment in jails.



*Counties operate **91 percent** of all the nation's local jails*

*Approximately **63 percent** of jail inmates are people with substance use disorder and **44 percent** of jail inmates suffer from a mental illness*

*Counties invest more than **$130 billion annually** in community health systems that serve approximately **75 percent of the U.S. population***

Members of NACo's Commission on Mental Health and Wellbeing present on their work to the NACo membership at the 2024 Annual Conference

Support Counties With Federal Public Lands by Fully Funding Payments in Lieu of Taxes (PILT) and the Secure Rural Schools (SRS) Programs

Counties support maintaining long-term full funding for the Payments in Lieu of Taxes (PILT), which compensates public lands counties for untaxable federal land. Without predictable mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process. Public lands counties rely on PILT to provide critical services like infrastructure maintenance, clean water delivery and law enforcement to residents and visitors alike. Counties urge the administration and members of Congress to support long-term, predictable full funding for PILT in FY 2024 and beyond, and modifying the program to make PILT payments to counties with smaller populations more equitable. Counties also support extending the Secure Rural Schools (SRS) program as a transitional funding mechanism until the federal government fully implements a sustainable, long-term forest management program with adequate revenue sharing for forest counties and schools. NACo supports legislation such as the Secure Rural Schools Reauthorization Act that provides forest revenue-sharing payments to counties and promotes active natural resource management.

***Sixty-two percent** of counties have federal land within their boundaries, and unlike other local property owners, the federal government does not pay traditional property taxes*

NACo will continue to urge leadership in both chambers and on both sides of the aisle to work together to enact a long-term, sustainable solution to ensure stable revenue sources to national forest counties. Furthermore, counties support legislation and policies which would ensure federal land management agencies aggressively reduce the excess wildfire fuels on the entire National Forest System. The annual average number of acres burned has grown dramatically from 3.3 million acres per year in the 1990s to 7 million annually since the year 2000. Counties support legislation for financing the suppression of catastrophic wildland fires without borrowing from other agency accounts for active management for forest and rangeland health and post-fire restoration and mitigation. Counties oppose any attempt to shift the costs of wildland fire suppression from federal agencies to counties.

Governor Mark Gordon (Wyo.) speaks at NACo's PILT Fly-in

Promote County Priorities and Local Decision-Making in Federal Rulemaking Around Land Use, Environmental Quality and Energy Development

NACo Federal Fellowship Initiative participants visit the Santa Ana River Mainstream Project, educating our federal partners about the county role in flood protection for growing urban communities in Orange, Riverside an San Bernardino Counties.

Counties support federal policies that balance environmental protection, public health, safety and local economic needs. As both regulators and regulated entities, counties are responsible for protecting local air, water and land resources under delegated authority from state and federal laws. Federal regulations and guidelines are most effective when they are clear, understandable and easily administered at the local level.

As the Environmental Protection Agency (EPA) and other federal agencies develop future regulations, NACo supports meaningful consultation with county governments early in the rulemaking process, and federal investments should be implemented more quickly by reforming the permitting process. Early engagement helps prevent unfunded mandates and other unintended consequences that could arise from implementing federal policies. Additionally, NACo supports increased federal funding and flexibility to counties to ensure the successful implementation of future regulations.

*Counties invest more than **$146 billion annually** to build and maintain America's water and wastewater infrastructure*

*Counties spend more than **$26 billion** on sewage and solid waste management annually*

*Counties own and maintain a large portion of **public infrastructure,** including drinking water utilities and wastewater treatment plants*

*Scan to view **NACo's PFAS Hub***

Enhance the Nation's Disaster Mitigation, Response and Recovery Efforts by Strengthening Intergovernmental Partnerships

Counties play a vital role in all aspects of emergency management, including planning, preparation, mitigation, response and recovery. As the frequency and costs of disasters continue to rise, counties urge Congress and the administration to provide increased federal resources to help protect residents, property, infrastructure and local economies.

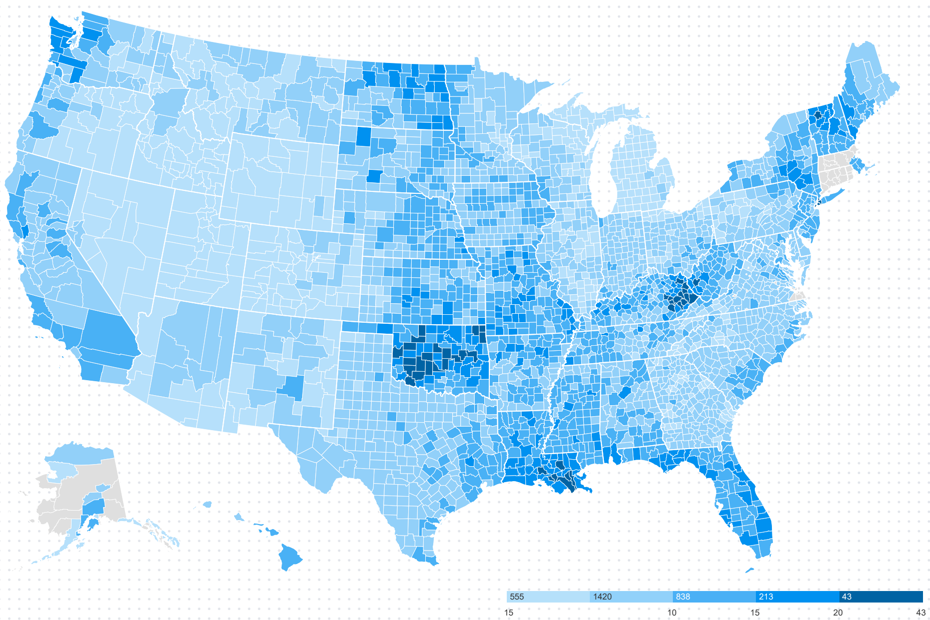
*Nearly **900 counties,** representing about **one-third of all counties,** face natural disasters annually, often more than once*

Counties support reforms to the Federal Emergency Management Agency's (FEMA) Public Assistance Program to ensure expedited reimbursement for communities after disasters. Additionally, counties call on Congress to pass long-term reauthorization and reform legislation for the National Flood Insurance Program (NFIP) to improve affordability, mitigation assistance, flood risk mapping and program administration. The NFIP reduces the impact of flooding on public and private structures by providing affordable insurance and encouraging communities to adopt and enforce floodplain management regulations.

Furthermore, counties support increased funding for the Emergency Management Grant Program and other mitigation grants to strengthen local hazard mitigation and preparedness efforts.

2023 TOTAL NUMBER OF DISASTER DECLARATIONS

Natural Disasters



Source: *NACo Analysis of the U.S. Federal Emergency Management Agency 2013-2023 Disasters data, as of January 19, 2024*

*In 2023, **849 counties** experienced at least one federally declared disaster*

***720 counties** had at least one disaster declaration*

***312 counties** had at least one emergency declaration*

Expand Federal Flexibility, Incentives and Resources to Empower County Investments, Policies and Services

Counties play a vital role in fostering economic growth, supporting labor market recovery and building resilient communities. We advocate for federal investments such as the Economic Development Administration (EDA) to strengthen local economies through infrastructure development, workforce initiatives and public-private partnerships. Counties also call for increased funding for the Community Development Block Grant (CDBG) program, which improves housing, expands economic opportunities for low- and moderate-income residents and helps local governments address critical challenges.

Counties are the largest public employer in the nation, employing over **3.6 million** Americans

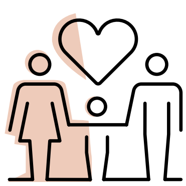
To combat the affordable housing crisis, counties support modernizing the tax code to incentivize housing development and expanding programs such as the Low-Income Housing Tax Credit (LIHTC). Additionally, counties urge Congress to reauthorize the Workforce Innovation and Opportunity Act (WIOA) to address local workforce needs and emerging economic challenges while also preserving local flexibilities and resources.

Counties are also critical partners in delivering human services, advocating for expanded federal resources to combat poverty, strengthen families and support vulnerable populations. This includes increasing investments in child care, modernizing the Child Tax Credit and improving child welfare programs. Counties also support comprehensive immigration reform that imposes no unfunded mandates on local governments.

Counties call for reauthorizing the Temporary Assistance for Needy Families (TANF) program to preserve flexibility while enhancing support for family self-sufficiency. We remain committed to working with Congress and federal agencies to ensure policies promote vibrant communities, economic stability for all residents and local flexibility with accountability.

*Counties invest **$17.7 billion** annually in the construction, operation and support of housing and redevelopment projects*

*The 11 states with a county role in the child welfare system represented **33.8 percent** of the population of children served in formal foster care in 2022*



*Counties collectively invest more than **$121 billion** annually to support the public education system*

NACo members convene on Capitol Hill with Members of Congress to advocate for additional funding for the Affordable Connectivity Program

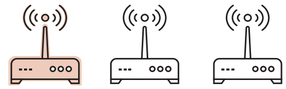
Ensure Access to Affordable and Reliable Technology Solutions While Preserving Local Decision-Making

Counties have an opportunity to lead in innovation by leveraging emerging technologies, including artificial intelligence (AI), to enhance local government services while ensuring residents have robust access to 21st-century communications infrastructure. AI-driven tools can help optimize broadband expansion efforts, improve service delivery, and bridge the digital divide.

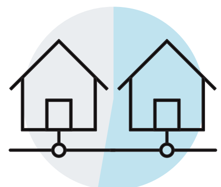
County-supported technology initiatives:

- Attract and retain high-speed internet service that is affordable, reliable, and accessible for all residents, particularly in rural and underserved areas, using AI-driven data analysis to identify coverage gaps and optimize deployment strategies.
- Prioritize the county role as early partners and collaborators in wireline and wireless telecommunications siting decisions and preserve local autonomy in the management of public rights-of-way.
- Promote emerging technologies, including AI-powered solutions, to improve the effectiveness of local government services while prioritizing cybersecurity infrastructure needs and mitigating risks.

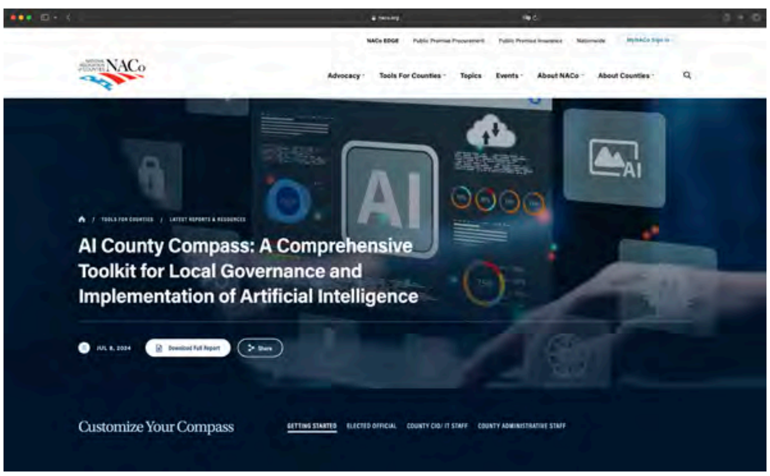
Federal funding programs, including the Broadband Equity, Access, and Deployment (BEAD) program and the State and Local Cybersecurity Grant Program (SLCGP), provide critical grant funding streams to support county technology policy priorities. Successful implementation requires strong local coordination with counties to ensure projects effectively meet local needs, leveraging AI for enhanced data-driven decision-making.



*More than **a third of U.S. households** have access to only one internet service provider or lack access altogether*



*Approximately **53% of U.S. households** subscribe to broadband at or above the FCC's accepted minimum definition of high-speed internet, 100 Mbps download and 20 Mbps upload*



*Scan the QR code to read **NACo's AI County Compass,** a comprehensive guide to artificial intelligence for counties.*

Maintain Election Integrity and Strengthen Election Worker Safety

In the United States, the nation's 3,069 counties administer and fund elections at the local level, overseeing polling places and coordinating poll workers for federal, state and local elections. County election officials work closely with federal, state and local partners to ensure the accuracy, security and accessibility of voting systems.

Counties oppose legislation that imposes impractical election requirements that negatively affect the administration of state and local elections. Counties support legislation that requires federal entities to collaborate with local governments to strengthen election cybersecurity and allocate funding directly to counties.

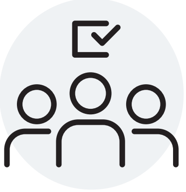
In recent years, election officials have faced an increase in targeted threats and harassment. NACo urges Congress to enact legislation that imposes penalties for harassing or intimidating election officials in the performance of their duties.

NACo also urges Congress to reintroduce and pass legislation that strengthens protections for election officials and enhances security measures for election infrastructure and workers. This includes support for the Election Worker Protection Act.

*More than **200 million people** typically register and are eligible to vote in jurisdictions where counties play a significant role in election administration*

*Counties administer elections through the funding and management of over **100,000 polling places staffed with over 630,000 poll workers** each election cycle*

*Election oversight is primarily the responsibility of county governments in **36 states***



The Maricopa County Recorder's Office explains to federal partners about the county role in the election administration process and how the county runs safe and secure elections.

NATIONAL ASSOCIATION of COUNTIES NACo®

660 North Capitol Street, N.W.
Suite 400 ▪ Washington, D.C. 20001
202.393.6226 ▪ www.NACo.org

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

Item Number:	**Item Title:**
8.B.	Gallagher Update

Presenter (s):
John Chino, Area Vice President
Nasreen Kopecky, Account Manager

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

Item Number:	**Item Title:**
8.C.	Financial Reports
Presenter (s): Richard Garcia, Finance Director	

New Mexico County Insurance Authority Pool

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

1/31/2025

		January 31, 2025		January 31, 2024
Assets				
Current Assets				
Cash and Cash Equivalents		$ 36,760,413		$ 19,698,250
Accounts Receivable - Members		11,675,983		33,666,322
Accounts Receivable - Deductibles		720,149		552,010
Accounts Receivable - Capital Adequacy		932,162		-
Accounts Receivable - Reinsurance		159,518		-
Accounts Receivable - Hi Ded Counties		71,550		39,356
Accounts Receivable - Other		296,431		105,814
Note Receivable		1,207,197		1,298,809
Prepaid Expenses		8,378,004		5,608,766
Total Current Assets		60,201,408		60,969,327
Investments				
Exchange Traded Funds	51,596,372		55,159,648	
US Government Bonds	23,229,672		5,843,647	
Mutual Funds	4,674,411		7,687,865	
Unrealized Gain / Loss	(4,836,068)	74,664,386	(4,898,788)	63,792,372
County Reinsurance Pool Equity		571,663		571,663
County Reinsurance Property Plus Equity		3,502,986		3,502,986
Captive Reinsurance		13,064,435		17,701,233
Total Investments		91,803,470		85,568,255
Total Assets		**$ 152,004,878**		**$ 146,537,582**
Liabilities and Pool Net Position				
Current Liabilities				
Accounts Payable		$ 2,131,391		$ 320,331
Unearned Capital Adequacy Contributions		1,898,122		-
Unearned Member Contributions		41,134,471		33,882,025
Total Current Liabilities		45,163,984		34,202,356
Long Term Liabilities				
Reserve for Future Claims				
Multi-Line Program		11,117,676		12,565,147
Law Enforcement Program		58,419,719		43,095,389
Workers' Compensation Program		18,718,001		19,624,906
Total Long Term Liabilities		$ 88,255,395		$ 75,285,442
Total Liabilities		**$ 133,419,380**		**$ 109,487,798**
Fund Balance		18,062,642		36,916,722
Current Year Pool Net Position		522,856		133,062
Total Pool Net Position		**$ 18,585,498**		**$ 37,049,783**
Total Liabilities and Net Position		**$ 152,004,878**		**$ 146,537,582**

These financial statements are unaudited.

New Mexico County Insurance Authority Pool

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

1 / 31 / 2025

		2025 Budget		Jan 01, 2025 through Jan 31, 2025	8% of Budget
Income					
Member Contributions	$	54,722,687	$	4,171,796	8%
Capital Adequacy Contributions				379,625	
Total Income	**$**	**54,722,687**	**$**	**4,551,421**	**8%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	36,460,482	$	4,495,792	8%
Pool Portion - Group 1 (up to $5MM for IMMH)		667,251		-	0%
Pool Additional - Group 1 (up to $5MM for IMMH)		638,684		-	0%
Adjustment to ULAE				-	
Nurse Case Manager				17,599	
Claims Reserves				(1,136,725)	
Recoveries - Deductibles				(269,998)	
Recoveries - Reinsurance				(12,608)	
Recoveries - County Settlements				(42,500)	
Recoveries - Subrogation & Salvage				(58,897)	
Reinsurance		9,931,276		901,310	9%
Brokerage Fees		100,000		8,333	8%
Total Claims & Claim Adjusting	**$**	**47,797,693**	**$**	**3,902,306**	**8%**
Risk Mitigation Expense					
Administrative Fee-NMAC	$	555,982	$	46,331	8%
Special Projects		90,000		9,381	10%
EDGE Detention Scholarships		15,000		-	0%
Online Training Tool		190,000		3,750	2%
Loss Incentive Program		50,000		-	0%
Legal Advice Program		50,000		151	0%
Lexipol		255,000		26,935	11%
Law Enforcement Accreditation		76,000		5,742	8%
Total Risk Mitigation Expense	**$**	**1,281,981**	**$**	**92,290**	**7%**
Administrative & Other					
Administrative Fee-NMAC	$	4,129,170	$	344,098	8%
Actuary		47,000		18,420	39%
Financial Audit		72,000		-	0%
Investment Advisor Expense		37,500		3,750	
Claims Audit		10,000		-	0%
Payroll Audit		60,000		-	0%
Legal Bureau Operations		50,000		-	0%
Property Appraisal Fees		180,000		-	0%
Legal Expense		42,500		-	0%
Software Support, Licensing, Training		410,000		29,912	7%
Board Training & Education		30,000		-	0%
Board D&O Insurance		129,000		2,379	2%
Miscellaneous		13,000		-	0%
Total Admin & Other	**$**	**5,210,169**	**$**	**398,559**	**8%**
Total Expenses	**$**	**54,289,843**	**$**	**4,393,155**	**8%**
Operating Income	**$**	**432,844**	**$**	**158,266**	
Investment Income		3,532,353		96,107	
Net Change in Fair Value of Investments				264,434	
Interest Income on Note Receivable				4,050	
Earnings from Investment in Captive Reinsurance				-	
Total Non-Operating Revenue	**$**	**3,532,353**	**$**	**364,591**	
Net Position	**$**	**3,965,197**	**$**	**522,857**	

New Mexico County Insurance Authority Pool
Administered by New Mexico Counties
1 / 31 / 2025

Cash	Current Average Yield		Amount		Interest
Banks, Money Market Accts & State Treas LGIP	**0.35%**	**$**	**36,760,413**	**$**	**130,310**

Securities	Est. Ann. Yld		Ending Market Val		Cost	Market Gain / Loss *
Exchange Traded Funds	**4.17%**		47,354,550		51,596,372	(4,241,822)
Certificates of Deposit	**0.00%**		-		-	-
Government Bonds	**4.40%**		22,424,664		22,478,283	(53,619)
Govt Asset Backed Sec	**5.13%**		281,790		751,389	(469,599)
Mutual Funds	**5.74%**		4,603,382		4,674,411	(71,028)
Total Investments	**4.31%**	**$**	**74,664,386**	**$**	**79,500,454**	**$ (4,836,068)**
Total Cash & Investments	**3.14%**	**$**	**111,424,799**	**$**	**116,260,867**	

Estimated Annual Income on Cash & Investments	$	3,353,735

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	86%	$	99,707,223
Moreton Capital Markets	11%		12,609,460
First National Santa Fe	3%		3,940,935
State Treasurers LGIP	0%		3,249
	100%	**$**	**116,260,867**

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

Law Enforcement Program

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

1 / 31 / 2025

	January 31, 2025		January 31, 2024	
Assets				
Current Assets				
Cash and Cash Equivalents		$ 24,748,342		$ 5,673,828
Accounts Receivable - Members		5,990,041		20,238,191
Accounts Receivable - Deductibles		103,430		52,802
Accounts Receivable - Capital Adequacy		392,196		-
Accounts Receivable - Reinsurance		137,059		-
Accounts Receivable - Other		41,558		-
Prepaid Expenses		5,767,856		3,258,636
Total Current Assets		37,180,481		29,223,457
Investments				
Exchange Traded Funds	$ 16,905,064		$ 23,187,842	
US Government Bonds	4,343,402		223,447	
Mutual Funds	656,320		2,564,224	
Unrealized Gain / Loss	(1,547,612)	20,357,174	(1,860,984)	24,114,528
Captive Reinsurance		13,296,275		17,701,233
Total Investments		33,653,449		41,815,762
Total Assets		**$ 70,833,930**		**$ 71,039,218**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable		$ 1,885,853		$ 158,888
Unearned Capital Adequacy Contributions		939,945		-
Unearned Member Contributions		24,772,607		18,551,675
Total Current Liabilities		27,598,405		18,710,563
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 22 - 2016	$ 159,050		$ 217,164	
Fund Year 23 - 2017	858,452		2,160,940	
Fund Year 24 - 2018	(848)		39,921	
Fund Year 25 - 2019	539,363		1,062,214	
Fund Year 26 - 2020	2,885,049		6,162,516	
Fund Year 27 - 2021	6,032,798		6,643,131	
Fund Year 28 - 2022	11,056,271		11,598,974	
Fund Year 29 - 2023	14,658,456		11,890,579	
Fund Year 29 - 2024	17,706,951		1,244,337	
Fund Year 30 - 2025	1,750,513		-	
Claims Mgmt Fees-Future	2,773,663		2,075,614	
Total Long Term Liabilities		$ 58,419,719		$ 43,095,389
Total Liabilities		**$ 86,018,124**		**$ 61,805,952**
Fund Balance		$ (15,300,331)		$ 9,184,429
Current Year Net Position		116,138		48,837
Total Net Position		**$ (15,184,193)**		**$ 9,233,266**
Total Liabilities and Net Position		**$ 70,833,930**		**$ 71,039,218**

NEW MEXICO COUNTIES
33 STRONG

Law Enforcement Program

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

1 / 31 / 2025

	2025 Budget	Jan 01, 2025 through Jan 31, 2025	8% of Budget
Income			
Member Contributions	$ 29,512,563	$ 2,252,055	8%
Capital Adequacy Contributions		187,989	
Total Income	**$ 29,512,563**	**$ 2,440,044**	**8%**
Expenses			
Claims & Claim Adjusting Expense			
Paid Claims	$ 21,006,159	$ 1,634,383	8%
Pool Portion - Group 1 (up to $5MM for IMMH)	667,251	-	0%
Pool Additional - Group 1 (up to $5MM for IMMH)	638,684	-	0%
Claims Reserves		172,799	
Recoveries - Deductibles		(56,668)	
Reinsurance - all (up to $2MM for IMMH)	4,464,639	480,881	11%
Brokerage Fees	35,000	2,917	8%
Total Claims & Claim Adjusting Expense	**$ 26,811,733**	**$ 2,234,312**	**8%**
Risk Mitigation Expense			
Administrative Fee-NMC	$ 148,290	$ 12,357	8%
Special Projects	45,000	9,381	21%
EDGE Detention Scholarships	15,000	-	0%
Online Training Tool	60,000	3,750	6%
Law Enforcement Accreditation	76,000	5,742	8%
Legal Advice Program	30,000	151	1%
Lexipol	255,000	26,935	11%
Loss Incentive Program	15,000	-	0%
Total Risk Mitigation Expense	**644,290**	**58,316**	**9%**
Administrative & Other Expense			
Administrative Fee-NMC	$ 1,737,040	$ 144,754	8%
Actuary	20,000	8,700	44%
Financial Audit	30,000	-	0%
Investment Advisor Expense	15,000	3,750	25%
Legal Bureau Operations	50,000	-	0%
Legal Expense	20,000	-	0%
Software Support, Licensing, Training	130,000	9,193	7%
Board Training and Education	7,500	-	0%
Board D&O Insurance	43,000	792	2%
Miscellaneous	4,000	-	0%
Total Admin & Other Expense	**$ 2,056,540**	**$ 167,189**	**8%**
Total Expenses	**$ 29,512,563**	**$ 2,459,817**	**8%**
Operating Income	**$ -**	**$ (19,773)**	
Investment Income	1,387,361	47,977	
Net Change in Fair Value of Investments		87,934	
Earnings from Investment in Captive Reinsurance		-	
Total Non-Operating Revenue	**$ 1,387,361**	**$ 135,911**	
Net Position	**$ 1,387,361**	**$ 116,138**	

Law Enforcement Program
Administered by New Mexico Counties
Schedule of Investments 1 / 31 / 2025

Cash	Current Average Yield	Amount	Interest
Banks, Money Market Accts & State Treas LGIP	**0.12%**	**$ 24,748,342**	**$ 29,945**

Securities	Est. Ann. Yld	Ending Market Val	Cost	Market Gain / Loss *
Exchange Traded Funds	**4.08%**	15,538,935	16,905,064	(1,366,129)
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**4.67%**	4,104,632	4,133,628	(28,996)
Govt Asset Backed Sec	**5.16%**	80,079	209,774	(129,695)
Mutual Funds	**6.98%**	633,527	656,320	(22,793)
Total Investments	**4.29%**	**$ 20,357,174**	**$ 21,904,786**	**$ (1,547,612)**
Total Cash & Investments	**2.00%**	**$ 45,105,516**	**$ 46,653,128**	

Estimated Annual Income on Cash & Investments $ 903,865

By Institution:

Wells Fargo / Salmon Hauger Wealth Mgmt.	85%	$ 39,796,654
Moreton Capital Markets	9%	4,410,247
First National Santa Fe	5%	2,445,542
State Treasurers LGIP	0%	685
	100%	**$ 46,653,128**

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

Multi-Line Program

Administered by New Mexico Counties

Statement of Financial Position (Unaudited)

1 / 31 / 2025

		January 31, 2025		January 31, 2024
Assets				
Current Assets				
Cash and Cash Equivalents		$ 9,127,628		$ 3,134,464
Accounts Receivable - Members		5,685,942		13,365,030
Accounts Receivable - Deductibles		616,719		499,208
Accounts Receivable - Capital Adequacy		301,019		-
Accounts Receivable - Other		110,755		102,898
Note Receivable		1,207,197		1,298,809
Prepaid Expenses		2,038,418		1,971,047
Total Current Assets		19,087,678		20,371,456
Investments				
Exchange Traded Funds	$ 20,471,638		$ 18,301,758	
US Government Bonds	3,321,485		347,969	
Mutual Funds	2,579,718		3,431,156	
Unrealized Gain / Loss	(1,822,067)	24,550,774	(1,696,958)	20,383,925
County Reinsurance Pool Equity		167,121		167,121
County Reinsurance Property Plus Equity		3,502,986		3,502,986
Captive Reinsurance		(231,840)		-
Total Investments		27,989,041		24,054,032
Total Assets		**$ 47,076,719**		**$ 44,425,487**
Liabilities and Surplus				
Current Liabilities				
Accounts Payable - Other		$ 202,215		$ 103,003
Unearned Capital Adequacy Contributions		527,135		-
Unearned Member Contributions		12,399,122		11,381,048
Total Current Liabilities		13,128,472		11,484,051
Long Term Liabilities				
Reserve for Future Claims				
Fund Year 21 - 2009	$ 1,615		$ 1,615	
Fund Year 23 - 2011	245,804		146,642	
Fund Year 26 - 2014	10,001		-	
Fund Year 29 - 2017	15,314		48,753	
Fund Year 30 - 2018	238,871		580,242	
Fund Year 31 - 2019	188,302		339,573	
Fund Year 32 - 2020	466,861		1,278,576	
Fund Year 33 - 2021	1,330,662		1,957,097	
Fund Year 34 - 2022	1,414,356		2,342,190	
Fund Year 35 - 2023	2,754,498		4,582,428	
Fund Year 36 - 2024	3,294,427		676,956	
Fund Year 37 - 2025	554,209		-	
Claims Mgmt Fees-Future	602,756		611,075	
Total Long Term Liabilities		$ 11,117,676		$ 12,565,147
Total Liabilities		**$ 24,246,148**		**$ 24,049,198**
Fund Balance		22,554,589		20,412,792
Current Year Net Position		275,983		(36,503)
Total Net Position		**$ 22,830,571**		**$ 20,376,289**
Total Liabilities and Net Position		**$ 47,076,719**		**$ 44,425,487**

These financial statements are unaudited.

Multi-Line Program

Administered by New Mexico Counties

Income / Budget Statement (Unaudited)

1 / 31 / 2025

		2025 Budget		Jan 01, 2025 through Jan 31, 2025	8% of Budget
Income					
Member Contributions	$	13,620,541	$	1,127,193	8%
Capital Adequacy Contributions				105,427	
Total Income	**$**	**13,620,541**	**$**	**1,232,620**	**9%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	7,167,046	$	2,425,009	8%
Claims Reserves				(1,540,204)	
Recoveries - Deductibles				(186,154)	
Recoveries - Subrogation & Salvage				(58,897)	
Recoveries - County Settlements				(42,500)	
Reinsurance		4,403,665		330,550	8%
Brokerage Fees		35,000		2,916	8%
Total Claims & Claim Adjusting Expense	**$**	**11,605,711**	**$**	**930,720**	**8%**
Risk Mitigation Expense					
Administrative Fee-NMC	$	122,202	$	10,183	8%
Special Projects		45,000		-	0%
Online Training Tool		60,000		-	0%
Legal Advice Program		10,000		-	0%
Total Risk Mitigation Expense	**$**	**237,202**	**$**	**10,183**	**4%**
Administrative & Other Expense					
Administrative Fee-NMC	$	1,333,128	$	111,094	8%
Actuary		15,000		9,720	65%
Financial Audit		30,000		-	0%
Investment Advisor Expense		15,000		-	0%
Property Appraisal Fees		180,000		-	0%
Legal Expense		20,000		-	0%
Software Support, Licensing, Training		130,000		11,381	9%
Board Training & Education		7,500		-	0%
Board D&O Insurance		43,000		794	2%
Miscellaneous		4,000		-	0%
Total Admin & Other Expense	**$**	**1,777,628**	**$**	**132,989**	**7%**
Total Expenses	**$**	**13,620,541**	**$**	**1,073,892**	**8%**
Operating Income	**$**	**-**	**$**	**158,728**	
Investment Income		1,009,232		1,821	
Net Change in Fair Value of Investments				111,384	
Interest Income on Note Receivable				4,050	
Earnings from Investment in Captive Reinsurance				-	
Total Non-Operating Revenue	**$**	**1,009,232**	**$**	**117,255**	
Net Position	**$**	**1,009,232**	**$**	**275,983**	

Multi-Line Program
Administered by New Mexico Counties
Schedule of Investments 1 / 31 / 2025

Cash	Current Average Yield	Amount	Interest
Banks, Money Market Accts & State Treas LGIP	**0.294%**	**$ 9,127,628**	**$ 26,877**

Securities	Est. Ann. Yld	Ending Market Val	Cost	Market Gain / Loss *
Exchange Traded Funds	**4.21%**	18,906,172	20,471,638	(1,565,466)
Certificates of Deposit	**0.00%**	-	-	-
Government Bonds	**4.13%**	2,994,790	2,989,766	5,024
Govt Asset Backed Sec	**5.40%**	95,762	331,719	(235,957)
Mutual Funds	**5.03%**	2,554,050	2,579,718	(25,668)
Total Investments	**4.29%**	**$ 24,550,774**	**$ 26,372,841**	**$ (1,822,067)**
Total Cash & Investments	**3.21%**	**$ 33,678,402**	**$ 35,500,469**	

Estimated Annual Income on Cash & Investments	$ 1,079,395	
By Institution:		
Wells Fargo / Salmon Hauger Wealth Mgmt.	97%	$ 34,467,901
First National Santa Fe	3%	1,032,091
State Treasurers LGIP	0%	477
	100%	**$ 35,500,469**

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

NEW MEXICO COUNTIES
33 STRONG

Workers' Compensation Program
Administered by New Mexico Counties
Statement of Financial Position (Unaudited)
1 / 31 / 2025

	As of January 31, 2025			As of January 31, 2024		
Assets						
Current Assets						
Cash and Cash Equivalents		$ 2,884,443			$ 10,889,958	
Accounts Receivable-Members		-			63,101	
Accounts Receivable-Capital Adequacy		238,948			-	
Accounts Receivable-Reinsurance		22,459			-	
Accounts Receivable-Hi Ded Counties		71,550			39,356	
Accounts Receivable-Other		144,119			2,916	
Prepaid Expenses		571,729			379,083	
Total Current Assets		3,933,248			11,374,414	
Investments						
Exchange Traded Funds	14,219,670			13,670,048		
US Government Bonds	15,564,784			5,272,231		
Mutual Funds / ETF	1,438,373			1,692,486		
Unrealized Gain / Loss	(1,466,389)	29,756,438		(1,340,846)	19,293,919	
County Reinsurance Limited Equity		404,542			404,542	
Total Investments		30,160,980			19,698,461	
Total Assets		**$ 34,094,228**			**$ 31,072,876**	
Liabilities and Surplus						
Current Liabilities						
Accounts Payable		$ 43,323			$ 58,439	
Unearned Capital Adequacy Contrib		431,042			-	
Unearned Member Contributions		3,962,742			3,949,303	
Total Current Liabilites		4,437,107			4,007,742	
Long Term Liabilities						
Reserves for Future Claims:						
Claims Reserves FY 3 - 1989 / 90	$ -			$ (8)		
Claims Reserves FY 5 - 1991 / 92	12,967			20,153		
Claims Reserves FY 6 - 1992 / 93	19,602			23,747		
Claims Reserves FY 8 - 1994 / 95	7,627			9,240		
Claims Reserves FY 9 - 1995 / 96	24,897			38,168		
Claims Reserves FY 11 - 1997 / 98	14,135			17,125		
Claims Reserves FY 12 - 1998 / 99	(8)			(156)		
Claims Reserves FY 14 - 2000 / 01	9,927			9,796		
Claims Reserves FY 15 - 2001 / 02	86,541			78,489		
Claims Reserves FY 16 - 2002 / 03	22,221			13,222		
Claims Reserves FY 17 - 2003 / 04	(401)			(1,474)		
Claims Reserves FY 18 - 2004 / 05	277,555			294,487		
Claims Reserves FY 19 - 2005 / 06	88,949			104,242		
Claims Reserves FY 20 - 2006 / 07	53,469			71,990		
Claims Reserves FY 21 - 2007 / 08	410,216	Bernalillo County	Other HDC's	463,562	Bernalillo County	Other HDC's
Claims Reserves FY 22 - 2008 / 09	265,852	-	-	340,955	-	-
Claims Reserves FY 23 - 2009 / 10	6,962	-	-	60,348	-	-
Claims Reserves FY 24 - 2010 / 11	96,470	-	-	106,056	-	-
Claims Reserves FY 25 - 2011 / 12	22,846	-	-	180,615	-	-
Claims Reserves FY 26 - 2012 / 13	278,509	-	-	392,508	-	-
Claims Reserves FY 27 - 2013 / 14	238,291	-	-	485,273	-	-
Claims Reserves FY 28 - 2014 / 15	337,907	(74,588)	-	483,894	(147,716)	-
Claims Reserves FY 29 - 2015 / 16	709,148	(24,417)	-	700,280	(37,594)	-
Claims Reserves FY 30 - 2016 / 17	583,785	-	-	674,498	-	-
Claims Reserves FY 31 - 2017 / 18	139,482	-	(4,062)	536,041	-	(5,239)
Claims Reserves FY 32 - 2018 / 19	628,676	(8,205)	-	803,383	(10,743)	-
Claims Reserves FY 33 - 2019 / 20	628,286	-	-	929,232	-	-
Claims Reserves FY 34 - 2020 / 21	1,472,235	(6,824)	-	2,622,315	(60,660)	-
Claims Reserves FY 35 - 2021 / 22	1,519,299	-	(68,487)	2,163,576	-	(76,573)
Claims Reserves FY 36 - 2022 / 23	1,826,798	-	-	3,755,658	-	(51,399)
Claims Reserves FY 37 - 2023 / 24	4,968,687	-	(73,459)	3,834,592	-	(135,388)
Claims Reserves FY 38 - 2024 / 25	3,624,188		(277,423)	-		
Claims Mgmt Fees-Future	880,349	-	-	938,410	-	-
Total Reserve for Future Claims	$ 19,255,466	$ (114,034)	$ (423,431)	$ 20,150,218	$ (256,713)	$ (268,599)
Total Long Term Liabilites		18,718,001			19,624,906	
Total Liabilities		**$ 23,155,108**			**$ 23,632,648**	
Fund Balance		10,808,384			7,319,501	
Current Year Net Position		130,736			120,727	
Total Net Position		**$ 10,939,120**			**$ 7,440,228**	
Total Liabilities and Net Position		**$ 34,094,228**			**$ 31,072,876**	

Workers' Compensation Program
Administered by New Mexico Counties
Income / Budget Statement (Unaudited)
1 / 31 / 2025

		Budget 2025		1 / 31 / 2025	8% of budget
Income					
Member Contributrions	$	11,589,583	$	792,548	7%
Capital Adequacy Contributions				86,209	
Total Income	**$**	**11,589,583**	**$**	**878,757**	**8%**
Expenses					
Claims & Claim Adjusting Expense					
Paid Claims	$	8,287,277	$	436,400	8%
Claims Reserves				230,680	
Recoveries- Deductibles				(27,176)	
Recoveries- Reinsurance				(12,608)	
Nurse Case Manager				17,599	
Reinsurance		1,062,972		89,879	8%
Brokerage Fees		30,000		2,500	8%
Total Claims & Claim Adjusting Expense	**$**	**9,380,249**	**$**	**737,274**	**8%**
Risk Mitigation Expense					
Administrative Fee-NMAC	$	285,490	$	23,791	8%
Legal Advice Program		10,000		-	0%
Loss Incentive Program		35,000		-	0%
Online Training Program		70,000		-	0%
Total Risk Mitigation Expense	**$**	**400,489**	**$**	**23,791**	**6%**
Administrative & Other Expense					
Administrative Fee-NMAC	$	1,059,002	$	88,250	8%
Actuary		12,000		-	0%
Claims Audit		10,000		-	0%
Financial Audit		12,000		-	0%
Payroll Audit		60,000		-	0%
Investment Advisor Expense		7,500		-	
Legal Expense		2,500		-	0%
Software Support, Licensing, Training		150,000		9,338	6%
Board Training and Education		15,000		-	0%
Board D&O Insurance		43,000		793	2%
Miscellaneous Expenses		5,000		-	0%
Total Admin & Other Expense	**$**	**1,376,001**	**$**	**98,381**	**7%**
Total Expenses	**$**	**11,156,739**	**$**	**859,446**	**8%**
Operating Income	**$**	**432,844**	**$**	**19,311**	**4%**
Interest Income Investments		1,135,760		46,309	
Net Change in Fair Value of Investments				65,116	
Total Non-Operating Revenue	**$**	**1,135,760**	**$**	**111,425**	
Net Position	**$**	**1,568,604**	**$**	**130,736**	

Workers' Compensation Program
Administered by New Mexico Counties
Schedule of Investments 1 / 31 / 2025

Cash	Current Average Yield		Amount		Interest
Banks, Money Market Accts & State Treas LGIP	**2.55%**	**$**	**2,884,443**	**$**	**73,487**

Securities	Est. Ann. Yld		Ending Market Val		Cost	Market Gain / Loss *
Exchange Traded Funds	**4.21%**		12,909,442		14,219,670	(1,310,227)
Certificates of Deposit	**0.00%**		-		-	-
Government Bonds	**4.40%**		15,325,242		15,354,889	(29,647)
Govt Asset Backed Sec	**4.84%**		105,948		209,895	(103,947)
Mutual Funds	**5.21%**		1,415,805		1,438,373	(22,568)
Total Investments	**4.36%**	**$**	**29,756,438**	**$**	**31,222,827**	**$ (1,466,389)**
Total Cash & Investments	**4.20%**	**$**	**32,640,881**	**$**	**34,107,270**	

Estimated Annual Income on Cash & Investments	$	1,370,475

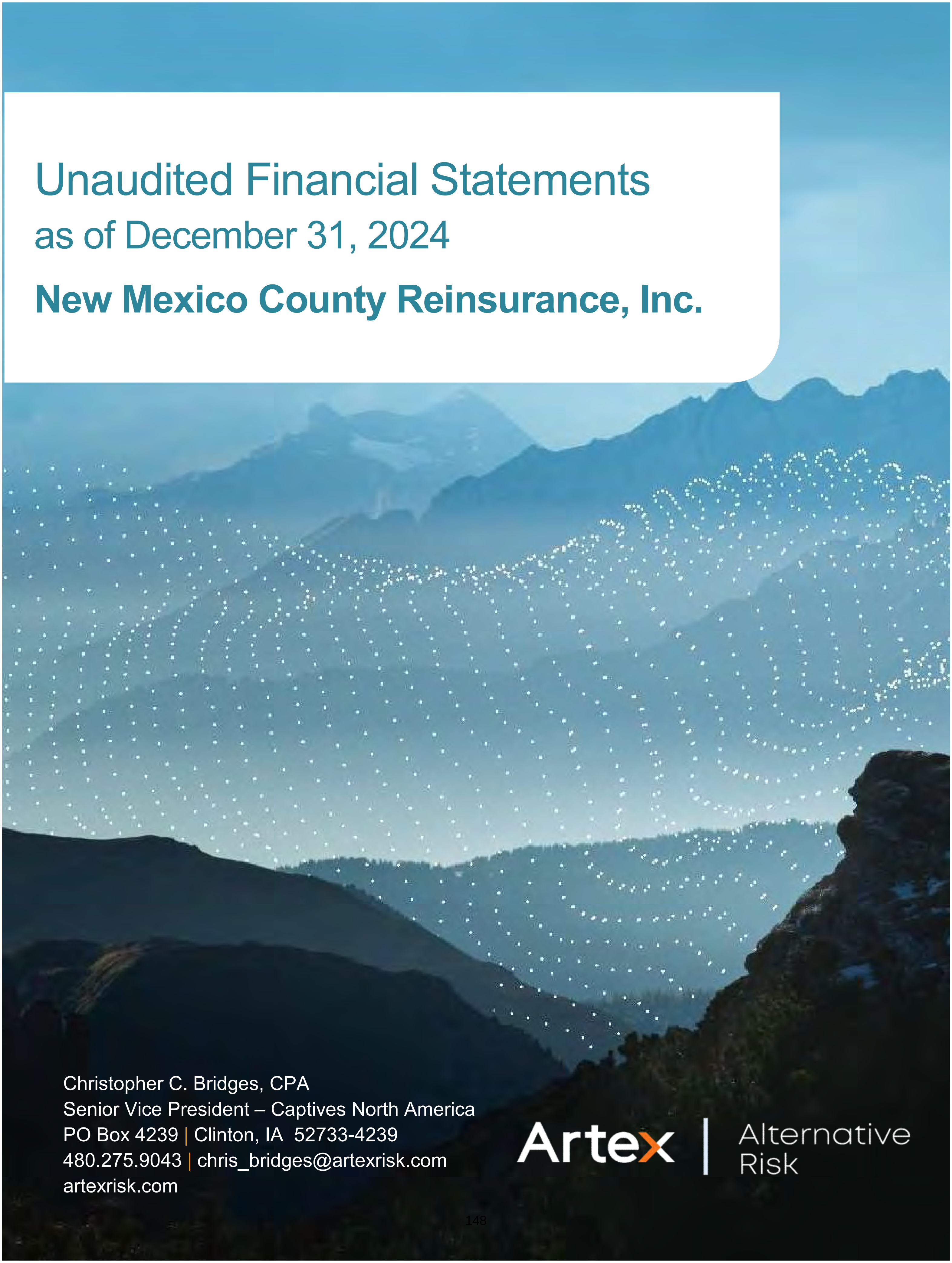
By Institution:			
Wells Fargo / Salmon Hauger Wealth Mgmt.	75%	$	25,442,667
Moreton Capital Markets	24%		8,199,213
First National Santa Fe	1%		463,302
State Treasurers LGIP	0%		2,088
	100%	**$**	**34,107,270**

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

Unaudited Financial Statements

as of December 31, 2024

New Mexico County Reinsurance, Inc.



Christopher C. Bridges, CPA
Senior Vice President – Captives North America
PO Box 4239 | Clinton, IA 52733-4239
480.275.9043 | chris_bridges@artexrisk.com
artexrisk.com

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New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
December 31, 2024

Contents

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

		Unaudited December 31, 2024	Audited December 31, 2023
Assets:			
Cash & Cash Equivalents	*Exhibit 1*	$ 911,171.99	$ 1,547,120.69
Investments	*Exhibit 2*	22,428,562.03	18,727,551.04
Accrued Investment Interest		105,319.19	84,086.64
Ceded Unearned Premium Reserve	*Exhibit 5*	1,983,562.00	-
Total Assets		**$ 25,428,615.21**	**$ 20,358,758.37**
Liabilities:			
Assumed Incurred But Not Reported		$ 4,741,281.00	$ 2,512,525.00
Assumed Outstanding Loss Reserves		6,754,065.00	145,000.00
Recoverable Incurred But Not Reported		(226,126.00)	-
Recoverable Outstanding Losses		(2,000,000.00)	-
Net Unpaid Loss Reserves	*Exhibit 6*	9,269,220.00	2,657,525.00
Accounts Payable & Accrued Expenses	*Exhibit 3*	63,484.90	-
Reinsurance Premium Payable	*Exhibit 4*	1,670,000.00	-
Funds Withheld Account		1,361,475.00	-
Total Liabilities		**12,364,179.90**	**2,657,525.00**
Shareholder's Equity:			
Contributed Capital & Surplus		15,600,000.00	15,600,000.00
Retained Earnings		(2,535,564.69)	2,101,233.37
Total Shareholder's Equity		13,064,435.31	17,701,233.37
Total Liabilities and Shareholder's Equity		**$ 25,428,615.21**	**$ 20,358,758.37**

For Internal Use Only

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

		Current		Prior
		Quarter	*Year-to-Date*	*Year*
		October 1, 2024 - December 31, 2024	**January 1, 2024 - December 31, 2024**	**January 1, 2023 - December 31, 2023**
Assumed Premium Written		$ -	$ 3,726,064.00	$ 3,855,000.00
Provision for Unearned Assumed Premium Reserve		936,605.00	-	-
Assumed Premium Earned		936,605.00	3,726,064.00	3,855,000.00
Reinsurance Ceded Premium Written		-	(4,000,000.00)	-
Provision for Unearned Ceded Premium Reserve		(1,008,219.00)	1,983,562.00	-
Reinsurance Ceded Premium Earned		(1,008,219.00)	(2,016,438.00)	-
Net Premium Earned	*Exhibit 5*	**(71,614.00)**	**1,709,626.00**	**3,855,000.00**
Interest Expense		(41,666.67)	(83,333.34)	-
Net Ceding Commission		(41,666.67)	(83,333.34)	-
Assumed Losses & Losses Adjustment Expenses Paid		300,000.00	300,000.00	-
Assumed Change in Outstanding Reserves		2,039,015.00	6,609,065.00	145,000.00
Assumed Change in IBNR		4,102,390.00	2,228,756.00	2,266,547.00
Total Assumed Losses Incurred		6,441,405.00	9,137,821.00	2,411,547.00
Ceded Change in Outstanding Reserves		-	(2,000,000.00)	-
Ceded Change in IBNR		(1,469,962.00)	(226,126.00)	-
Total Ceded Losses Incurred		(1,469,962.00)	(2,226,126.00)	-
Net Losses Incurred	*Exhibit 6*	4,971,443.00	6,911,695.00	2,411,547.00
Placement Fees		-	30,000.00	30,000.00
Underwriting Expense		**4,971,443.00**	**6,941,695.00**	**2,441,547.00**
Net Underwriting Profit (Loss)		**(5,084,723.67)**	**(5,315,402.34)**	**1,413,453.00**
Audit and Tax Fees		-	12,300.00	11,500.00
Actuarial Fees		6,500.00	17,750.00	8,000.00
Captive Management		15,000.00	60,000.00	60,000.00
Legal Fee		-	-	26,843.15
License & Fees		-	7,510.00	45,518.00
D&O Insurance Expense		2,207.15	8,780.56	10,906.88
Directors Fees		-	200.00	200.00
Outsourced Service Fees		4,889.53	9,769.21	-
Meeting Expenses		-	-	(164.70)
Bank Fees		-	-	225.00
Miscellaneous Expense		-	-	84.90
Operating Expenses		**28,596.68**	**116,309.77**	**163,113.23**
Investment Income		280,785.90	1,026,424.23	641,712.89
Realized Gain (Loss)		-	6,490.18	3,000.49
Unrealized Gain (Loss)		(591,958.26)	(189,737.41)	212,935.84
Investment Expenses		(14,289.49)	(48,262.95)	(30,428.05)
Other Income (Expense)		**(325,461.85)**	**794,914.05**	**827,221.17**
Net Income (Loss)		**$ (5,438,782.20)**	**$ (4,636,798.06)**	**$ 2,077,560.94**

For Internal Use Only

New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statement of Cash Flow
For the Period Ended December 31, 2024

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Net Income (Loss)	$ (4,636,798.06)
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Net Unrealized (Gains) Losses on Investments	189,737.41
Bond Amortization	(33,997.38)
(Decrease) Increase in:	
Accrued Investment Interest	(21,232.55)
Ceded Unearned Premium Reserve	(1,983,562.00)
Accounts Payable & Accrued Expenses	63,484.90
Funds Withheld Account	1,361,475.00
Reinsurance Premium Payable	1,670,000.00
Assumed Incurred But Not Reported	2,228,756.00
Assumed Outstanding Loss Reserves	6,609,065.00
Recoverable Incurred But Not Reported	(226,126.00)
Recoverable Outstanding Losses	(2,000,000.00)
Total adjustments	7,701,860.35
Net Cash Provided (Used) By Operating Activities	3,220,802.32
Cash Provided (Used) by Financing Activities	
Net Cash Provided (Used) by Financing Activities	-
Cash Provided (Used) by Investing Activities	
Purchase of Investments	(4,866,274.81)
Proceeds from Sale of Marketable Securities	1,016,013.97
Realized (Gain) Loss on Sales of Marketable Securities	(6,490.18)
Net Cash Provided (Used) by Investing Activities	(3,856,751.02)
Net Increase (Decrease) in Cash & Cash Equivalents	(635,948.70)
Cash & Cash Equivalents at Beginning of Period	1,547,120.69
Cash & Cash Equivalents at End of Period	$ 911,171.99

New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations
as of December 31, 2024

	Assumed			Ceded	
	Program Yr. 1 **1/1/2022-1/1/2023**	Program Yr. 2 **1/1/2023-1/1/2024**	Program Yr. 3 **1/1/2024-1/1/2025**	3 Yr Reinsurance **7/1/2024-7/1/2025**	**Total**
Premium Written	$ 333,000.00	$ 3,855,000.00	$ 3,726,064.00	$ (4,000,000.00)	$ 3,914,064.00
Provision for Unearned Premium Reserve	-	-	-	1,983,562.00	1,983,562.00
Net Premium Earned	**333,000.00**	**3,855,000.00**	**3,726,064.00**	**(2,016,438.00)**	**5,897,626.00**
Ceding Commission	-	-	-	-	-
Interest Expense	-	-	-	(83,333.34)	(83,333.34)
Net Ceding Commission	**-**	**-**	**-**	**(83,333.34)**	**(83,333.34)**
Losses & Losses Adjustment Expenses Paid	300,000.00	-	-	-	300,000.00
Change in Outstanding Reserves	149,000.00	4,605,065.00	2,000,000.00	(2,000,000.00)	4,754,065.00
Change in IBNR	298,187.00	1,795,880.00	2,647,214.00	(226,126.00)	4,515,155.00
Net Losses Incurred	747,187.00	6,400,945.00	4,647,214.00	(2,226,126.00)	9,569,220.00
Placement fees	-	30,000.00	30,000.00	-	60,000.00
Underwriting Expense	**747,187.00**	**6,430,945.00**	**4,677,214.00**	**(2,226,126.00)**	**9,629,220.00**
Net Underwriting Profit (Loss)	**(414,187.00)**	**(2,575,945.00)**	**(951,150.00)**	**126,354.66**	**(3,814,927.34)**
Audit and Tax Fees	-	11,500.00	12,300.00	-	23,800.00
Actuarial Fees	-	8,000.00	17,750.00	-	25,750.00
Captive Management	60,000.00	60,000.00	60,000.00	-	180,000.00
Legal Fee	75.00	26,843.15	-	-	26,918.15
License & Fees	6,375.00	45,518.00	7,510.00	-	59,403.00
D&O Insurance Expense	4,137.63	10,906.88	8,780.56	-	23,825.07
Directors Fees	-	200.00	200.00	-	400.00
Outsourced Service Fees	-	-	9,769.21	-	9,769.21
Meeting expenses	164.70	(164.70)	-	-	-
Bank fees	175.00	225.00	-	-	400.00
Miscellaneous Expense	25.00	84.90	-	-	109.90
Operating Expenses	**70,952.33**	**163,113.23**	**116,309.77**	**-**	**350,375.33**
Investment Income	8,295.70	641,712.89	1,026,424.23	-	1,676,432.82
Realized Gain (Loss)	-	3,000.49	6,490.18	-	9,490.67
Unrealized Gain (Loss)	-	212,935.84	(189,737.41)	-	23,198.43
Investment Expenses	(692.94)	(30,428.05)	(48,262.95)	-	(79,383.94)
Other Income (Expense)	**7,602.76**	**827,221.17**	**794,914.05**	**-**	**1,629,737.98**
Net Income (Loss)	**$ (477,536.57)**	**$ (1,911,837.06)**	**$ (272,545.72)**	**$ 126,354.66**	**$ (2,535,564.69)**

For Internal Use Only

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended December 31, 2024

Exhibit 1	Cash & Cash Equivalents	Current Quarter End	Prior Fiscal Year-end
	Wells Fargo Advisors #2932 Investment Account - Cash	$ 41,700.59	$ 111,888.75
	Wells Fargo Advisors #2932 Investment Account - Money Market	733,505.42	757,537.42
	Wells Fargo Advisors #1288 Investment Account - Cash	27.61	-
	Wells Fargo Advisors #1288 Investment Account - Money Market	135,938.37	677,694.52
	Total	$ 911,171.99	$ 1,547,120.69

Exhibit 2	Investments	Current Quarter End - Amortized [Original] Cost	Current Quarter End - Market Value	Prior Fiscal Year-end - Market Value
	Wells Fargo Advisors #2932 Investment Account	$ 22,405,363.60	$ 22,428,562.03	$ 18,727,551.04
	Total	$ 22,405,363.60	$ 22,428,562.03	$ 18,727,551.04

Exhibit 3	Accounts Payable & Accrued Expenses	Current Quarter End	Prior Fiscal Year-end
	Amelie-Rio Ventures, LLC	$ 1,626.56	$ -
	Minimum Interest Credit Accrual	$ 61,858.34	$ -
	Total	$ 63,484.90	$ -

Exhibit 4	Ceded Premiums Payable	Current Quarter End	Prior Fiscal Year-end
	Reinsurer - Three Year Excess of Loss Reinsurance Contract	$ 1,670,000	$ -
	Total	$ 1,670,000	$ -

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended December 31, 2024

Exhibit 5

Premiums	A Policy Effective Date	B Written Prior Fiscal Year Policy Premium	C Written Current Fiscal Year Policy Premium	D # Days Earned this Year	E Premium Earned Current Year-to-date	F Current Quarter-End Premium Unearned	G Prior Fiscal-Year End Premium Unearned
Grand Total, Policies In Force		**$ 4,188,000.00**	**$ (273,936.00)**		**$ 1,709,626.00**	**$ (1,983,562.00)**	**$ -**
			Premium written on P&L		*Premium earned on P&L*	*UEPR on balance sheet*	*UEPR on balance sheet*
Assumed Coverage							
Law Enforcement Liability Reinsurance - All counties	1/1/2022	$ 333,000.00	$ -	0	$ -	$ -	$ -
Law Enforcement Liability Reinsurance - All counties	1/1/2023	3,375,000.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2023	480,000.00	-	0	-	-	-
Law Enforcement Liability Reinsurance - All counties	1/1/2024	-	2,824,455.00	366	2,824,455.00	-	-
Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024	-	367,231.00	366	367,231.00	-	-
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024	-	64,378.00	366	64,378.00	-	-
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024	-	470,000.00	366	470,000.00	-	-
	Total	$ 4,188,000.00	$ 3,726,064.00		$ 3,726,064.00	$ -	$ -
Ceded Coverage							
Law Enforcement Liability 3 Year Loss Reinsurance - Year 1	7/1/2024	$ -	$ (4,000,000.00)	184	(2,016,438.00)	(1,983,562.00)	-
	Total	$ -	$ (4,000,000.00)		$ (2,016,438.00)	$ (1,983,562.00)	$ -

Exhibit 6		A	B	C	D	E	F	G	H	I	J	K
			(C /A)			(C / 365 * D)		(E - F)			(E - H - I)	(I+J)
Losses & Loss Reserves									Inception to Date			
Coverage Description	Policy Effective Date	Full Year Premium	Loss Ratio	Full Year Ultimate	# Days Earned this Year	Ultimate Pro-rata	Prior Year's Pro-rata Ultimate	Current Year-to-Date Provision for Loss	Paid Losses	Case Reserves (OSLR)	IBNR Reserves	Net Unpaid Loss Reserves
Grand Total, Policies In Force		**$ 3,914,064.00**	**187.6%**	**$ 7,343,094.00**		**$ 9,569,220.00**	**$ 2,657,525.00**	**$ 6,911,695.00**	**$ 300,000.00**	**$ 4,754,065.00**	**$ 4,515,155.00**	
								Prov for Loss per P&L		*OSLR on balance sheet*	*IBNR on balance sheet*	*Net Unpaid Loss Reserves on balance sheet*
Law Enforcement Liability Reinsurance - All Counties												
10% share of $3,000,000 in excess of $2,000,000	1/1/2022	$ 333,000.00	224.4%	$ 747,187.00	0	$ 747,187.00	$ 245,978.00	$ 501,209.00	$ 300,000.00	$ 149,000.00	$ 298,187.00	$ 447,187.00
$2,000,000 Excess of $2,000,000 & 50% share of $2,000,000 Excess of $2,000,000	1/1/2023	3,375,000.00	171.0%	5,771,829.00	0	5,771,829.00	2,277,853.00	3,493,976.00	-	4,105,065.00	1,666,764.00	5,771,829.00
$2,000,000 Excess of $2,000,000	1/1/2024	2,824,455.00	110.5%	3,120,625.00	366	3,120,625.00	-	3,120,625.00	-	2,000,000.00	1,120,625.00	3,120,625.00
Total Assumed Coverage 1	Total	$ 6,532,455.00	147.6%	$ 9,639,641.00		$ 9,639,641.00	$ 2,523,831.00	$ 7,115,810.00	$ 300,000.00	$ 6,254,065.00	$ 3,085,576.00	$ 9,339,641.00
Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe												
50% share of $1,000,000 Excess of $4,000,000	1/1/2023	$ 480,000.00	131.1%	$ 629,116.00	0	$ 629,116.00	$ 133,694.00	$ 495,422.00	$ -	$ 500,000.00	$ 129,116.00	$ 629,116.00
50% share of $1,000,000 Excess of $4,000,000	1/1/2024	367,231.00	140.8%	516,998.00	366	516,998.00	-	516,998.00	-	-	516,998.00	516,998.00
Total Assumed Coverage 2	Total	$ 847,231.00	135.3%	$ 1,146,114.00		$ 1,146,114.00	$ 133,694.00	$ 1,012,420.00	$ -	$ 500,000.00	$ 646,114.00	$ 1,146,114.00
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services												
50% share of $2,000,000 Excess of $2,000,000	1/1/2024	$ 64,378.00	1265.4%	$ 814,629.00	366	$ 814,629.00	$ -	$ 814,629.00	$ -	$ -	$ 814,629.00	$ 814,629.00
Total Assumed Coverage 3	Total	$ 64,378.00	1265.4%	$ 814,629.00		$ 814,629.00	$ -	$ 814,629.00	$ -	$ -	$ 814,629.00	$ 814,629.00
Muli-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O												
$1,000,000 Excess of $1,000,000	1/1/2024	$ 470,000.00	41.5%	$ 194,962.00	366	$ 194,962.00	$ -	$ 194,962.00	$ -	$ -	$ 194,962.00	$ 194,962.00
Total Assumed Coverage Package Policy	Total	$ 470,000.00	41.5%	$ 194,962.00		$ 194,962.00	$ -	$ 194,962.00	$ -	$ -	$ 194,962.00	$ 194,962.00
Ceded Law Enforcement Liability Reinsurance - All Counties												
$2,500,000 per Occurrence	7/1/2024	$ (4,000,000.00)	111.3%	$ (4,452,252.00)	184	$ (2,226,126.00)	$ -	$ (2,226,126.00)	$ -	$ (2,000,000.00)	$ (226,126.00)	$ (2,226,126.00)
Total Ceded Coverage 1	Total	$ (4,000,000.00)	111.3%	$ (4,452,252.00)		$ (2,226,126.00)	$ -	$ (2,226,126.00)	$ -	$ (2,000,000.00)	$ (226,126.00)	$ (2,226,126.00)
		$ 3,914,064.00	**187.6%**	**$ 7,343,094.00**		**$ 9,569,220.00**	**$ 2,657,525.00**	**$ 6,911,695.00**	**$ 300,000.00**	**$ 4,754,065.00**	**$ 4,515,155.00**	**$ 9,269,220.00**
Summary by Policy Period												
Assumed Policies Incepting on	1/1/2022	$ 333,000.00	224.4%	$ 747,187.00		$ 747,187.00	$ 245,978.00	$ 501,209.00	$ 300,000.00	$ 149,000.00	$ 298,187.00	$ 447,187.00
Assumed Policies Incepting on	1/1/2023	3,855,000.00	166.0%	6,400,945.00		6,400,945.00	2,411,547.00	3,989,398.00	-	4,605,065.00	1,795,880.00	6,400,945.00
Assumed Policies Incepting on	1/1/2024	3,726,064.00	124.7%	4,647,214.00		4,647,214.00	-	4,647,214.00	-	2,000,000.00	2,647,214.00	4,647,214.00
Ceded Policies Incepting on	7/1/2024	$ (4,000,000.00)	111.3%	$ (4,452,252.00)		$ (2,226,126.00)	$ -	$ (2,226,126.00)	$ -	$ (2,000,000.00)	$ (226,126.00)	$ (2,226,126.00)

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

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

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 24, 2025
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: NMCIA Update

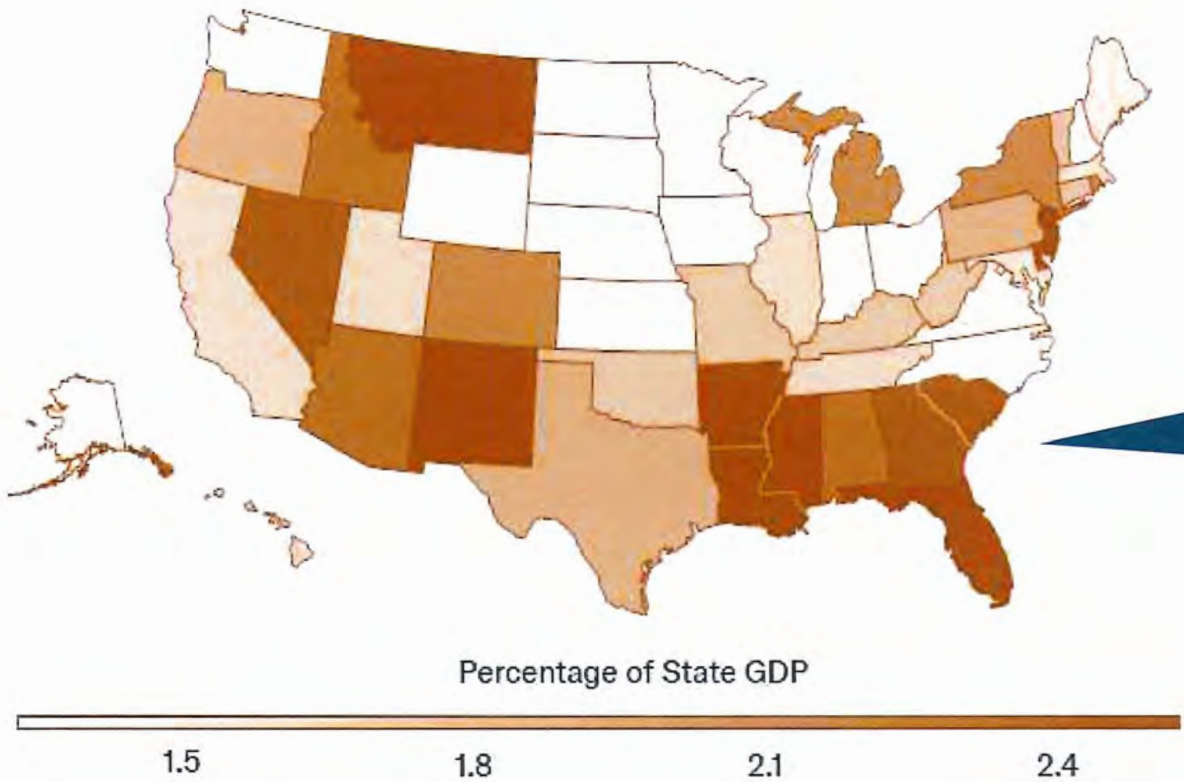
- NMCIA provided a proposal to San Juan County at their request for multiline and law enforcement coverage effective April 1. On March 24 the Commission voted to remain with Travelers.
- Roosevelt County provided their 180-day notice February 5 that they will consider other options for multiline and law enforcement coverage (see attachment). (see attachment)
- NMCIA will request a quote from CRL for 25/75, 50/50 and 75/25 quota shares on Workers' Comp reinsurance for the CRL layer and will have that pricing before the NMCIA May 21 board meeting.
- Richard Garcia, Steve Kopelman, and I attended the SAAI investment summit in San Diego.
- Steve Mauer and I attended the AGRiP governance conference in Las Vegas including the Pooling Basics day.
- Met with congressional delegation in D.C. regarding proposed cap on federal civil rights claims
- Provided a resolution to NACo Justice and Public Safety Committee D.C. to support adoption of a damages cap on civil rights claims
- Sought opinion from the Attorney General regarding unfunded mandate in MAT regulations (see attachment)
- Tort costs represent a higher percentage of GDP in New Mexico than in most other states (see attachment)
- Greg Rees attended a training by Force Science, receiving a certificate as a Force Science Analyst. Force Science is the research and application of unbiased scientific principles and processes to determine the true nature of human behavior in high stress and deadly force encounters.
- Legislative Update
  - Workers' compensation attorney fee cap increase from $22,500 to $30,000 with future increases HB66

444 Galisteo Street
Santa Fe, NM 87501

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

NMCOUNTIES.ORG

Tort Costs as Percent of State GDP, by State (2020)



Tort costs as a share of GDP stood at 2.1% for the US overall but are materially higher in the Southeast

Source: US Chamber of Commerce Institute for Legal Reform (Nov. 2022), "Tort Costs in America: An Empirical Analysis of Costs and Compensation of the U.S. Tort System" accessed at: https://instituteforlegalreform.com/research/tort-costs-in-america-an-empirical-analysis-of-costs-and-compensation-of-the-u-s-tort-system/. Risk and Uncertainty Management Center, Univ. of South Carolina.

ALBUQUERQUE
Randy M. Autio
Nick Autio
Patrick F. Trujillo
Michael I. Garcia
Kenneth J. Tager
Robert D. Kidd, Jr.
Theresa Baca Sandoval
David M. Wesner
Lea Corinne Strife
6121 Indian School Road NE, Ste. 202
Albuquerque, NM 87110
Telephone: (505) 889-0983

LGL
NM Local Government Law, LLC

SANTA FE
*Charles Rennick
Randall D. Van Vleck
Scott Aaron *of Counsel*
1440-B St. Francis Dr.
Santa Fe, NM 87505
Telephone: (505) 889-0983
*Also admitted in Texas

February 5, 2025

TO: Lori Urban
FROM: Michael I. Garcia, NM Local Government Law, LLC
DATE: December 30, 2024
RE: Roosevelt County 2025 Multi Line and Law Enforcement Deductible and Coverage Options

Dear Ms. Urban:

I'm writing on behalf of Roosevelt County to let you know that the County is considering other options for insurance coverage. At this time, no decision has been reached. This consideration of options has nothing to do with the good relationship between New Mexico Counties and Roosevelt County, or with the excellent service NM Counties has provided over the years; rather, it is a necessity resulting from increased costs and Roosevelt's tight budget, which requires the County to explore all options.

Please consider this Roosevelt County's 180-day notice that it is considering other insurance options. Either I or County Manager Annette Kirk will notify you as soon as possible as to the decision.

Thank you for your consideration. If you have any questions or concerns, please contact me or Ms. Kirk at your earliest convenience.

Sincerely,

/s/Michael I. Garcia
Michael I. Garcia

AGRiP

GOVERNANCE CONFERENCE 2025

ENERGIZING THE POWER OF LEADERSHIP

March 16–19 in Las Vegas, NV

Association of Governmental Risk Pools

State of New Mexico

House of Representatives

Santa Fe

DAYAN HOCHMAN-VIGIL

MAJORITY WHIP

D – Bernalillo

District 15

8100 Wyoming Blvd. NE, Ste M4-336

Albuquerque, NM 87113

Mobile: (505) 948 - 2320

Email: dayan.hochman-vigil@nmlegis.gov

COMMITTEES:

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Rules & Order of Business

Dear Attorney General:

I am writing to request your opinion on the following question:

> In the absence of state funding, are the regulations contained in Title 8, Chapter 325, Part 12 of the New Mexico Annotated Code that require county detention facilities to provide new and significantly expanded medicated assisted treatment services enforceable considering the prohibition on unfunded mandates contained in N.M. Const. art. X, § 8?

As one of the co-sponsors of Laws 2023, Chapter 49 (SB425), I have a vested interest in ensuring that medication assisted treatment is made available and successfully implemented in all custodial settings to which the law applied, including county detention facilities throughout the state.

On June 16, 2023, NMSA § 24-1-5.11 (2023) took effect. Section 24-1-5.11 requires, among other things, that the state corrections department (NMCD) maintain existing programs and establish additional medication-assisted treatment (MAT) programs for prisoners in NMCD custody by certain dates. However, no such requirements or deadlines were specified for county detention facilities in the law that was enacted.

As originally conceived, SB 425, would have provided $10 million in funding for MAT programs in county detention facilities. SB 425 also specified that "[a]ll detention facilities operated by counties shall offer medication-assisted treatment to inmates in need of such treatment no later than July 1, 2024." *See* SB 425, 2023 as introduced. The $10 million in funding for county detention facilities was later stripped from the budget, and language requiring counties to offer MAT programs was also stricken from the final version of the bill See: final version.

Section 24-1-5.11 directed the Health and Human Services Department (now Health Care Authority) to promulgate regulations for the operation of MAT treatment programs in correctional facilities by December 2023. While Section 24-1-5.11 defines correctional facilities as “a prison or other detention facility, whether operated by a government or private contractor, that is used for confinement of adult persons who are charged with or convicted of a violation of a law or an ordinance,” it only directs NMCD to provide or expand MAT programs in “state” correctional facilities. Section 24-1-5.11(D).

> On September 1, 2024, the regulations took effect. *See* NMAC Chapter 325, Part 12. The regulations contain future deadlines for NMCD to provide continuation of medication assisted treatment and induction of treatment. NMAC 8.325.12.5. However, although they do not contain any deadlines by which county detention facilities must provide such services, the regulations do not appear to be limited only to the Department of Corrections. Instead, they include county pre-trial detention facilities within the definition of correctional facilities; thus, appearing to greatly exceed the scope of the original statutory directive. *See* NMAC 8.325.12.7 (D).

Thus, a plain reading of NMAC Title 8, Chapter 25, Part 12, would require all county detention centers to <u>currently</u> provide the same services state prisons will be required to provide on future dates including:

1. Preliminary substance use disorder screening that follows evidence-based practices consistent with current scientifically-based and validated tools to identify all individuals who may have a substance use disorder or need withdrawal management services;
2. Identification of all individuals who are on some form of SUD treatment to ensure continuation of those services;
3. Comprehensive clinical assessment and diagnostic evaluation of individuals diagnosed with a SUD to serve as a basis for provision of treatment that shall include offering all FDA-approved medications for opioid use disorder (MOUD);
4. SUD screening on request at any time during a detainee’s incarceration.
5. Provision of <u>all</u> medications approved by the FDA for the treatment of SUD and withdrawal management including methadone and injectable forms of approved medications.
6. Therapeutic services that include the creation of individualized treatment plans, group or individual counseling, and engagement with qualified peer-support workers or certified peer-support workers;

7. Reentry planning that begins upon entry to the treatment program and includes qualified or certified peer support workers who are engaged from the onset of the participant's enrollment in the treatment program, referral to community based programs and primary care clinical facilities, provision of housing, employment, healthcare, transportation and other safety-net services in the individual's area of release, and reactivation of Medicaid/Medicare enrollment;
8. Transitional services that include a warm handoff with a transition of care plan and discharge planning that ensures continuity of care and access to MAT/MOUD; and
9. MAT for the duration of detention at no charge with supervised clinical taper from MOUD for individuals who are transitioning to a community that does not have resources available to continue treatment.

See NMAC 8.325.12.9.

Due to the inclusion of county pre-trial detention facilities within the definition of "correctional facilities", I am concerned the rule as promulgated could constitute an "unfunded mandate" as it relates to the provision of MAT programs by county correctional facilities, the language for which was stricken in the final version of the SB 425.

N.M. Const. art. X, § 8 prohibits unfunded mandates as follows:

> "A state rule or regulation mandating any county or city to engage in any new activity, to provide any new service or to increase any current level of activity or to provide any service beyond that required by existing law, shall not have the force of law, unless, or until, the state provides sufficient new funding or a means of new funding to the county or city to pay the cost of performing the mandated activity or service for the period of time during which the activity or service is required to be performed."

As one of the co-sponsors of SB 425 hoping to expand MAT programs to as many custodial settings as possible throughout the state, I am seeking clarification from the New Mexico Department of Justice as to whether NMAC 8.325.12.7 constitutes an unfunded mandate as it relates to applications in county detention facilities. Clarification on this point is needed to better inform the Legislature as to future changes needed to expand NMSA § 24-1-5.11 to expressly include county detention facilities within the purview of the law and to avoid nullification of the regulations applicable thereto as promulgated by the Health Care Authority.

In sum, the Legislature consciously chose to not require county correctional facilities to provide MAT when funding for them to do so was removed from SB 425. Nonetheless, the Health Care Authority adopted rules or regulations that include a definition requiring counties to do so. This seemingly exceeds the statutory authority granted to the Health Care Authority and violates N.M. Const. Art. X, § 8 and may lead to the deprivation of MAT services in county detention facilities.

Therefore, I am sending this letter to formally request your legal opinion as to whether NMAC Chapter 325, Part 12 is enforceable against counties in the absence of state funding to pay the cost of performing the mandated activities.

Dayan Hochman-Vigil
House Majority Whip – HD-15

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- Gov & Politics

Risk Management Division reports $3.9 million shortfall in settlement fund

State officials say they are hiring more lawyers, raising premiums to address rising legal claims

By: **Danielle Prokop** - February 6, 2025 5:03 pm

The state government building that houses the General Services Department, seen from West Cordova Road in Santa Fe.(Photo by Austin Fisher / Source NM)

The agency charged with insuring New Mexico state government reported a negative balance of $3.9 million in its settlement fund, and estimated during a Wednesday presentation to the Senate Finance Committee that the fund could be on the hook for $87.9 million more in outstanding settlements.

In short: “The fund is currently negative with outstanding liabilities that far exceed the assets,” said Risk Management Deputy Director Markita Sanchez.

Several large settlements — particularly from New Mexico’s child welfare and corrections departments — drove the losses, the Legislative Finance Committee reported in its proposed budget.

The government insurer plans to raise rates across most state agencies by $10 million to nearly $33.7 million and is also seeking a $17 million dollar plug from state lawmakers to shore up the fund’s reserves. But independent legislative analysis found in 2023 the state’s laws are not primed to “cover or prevent escalating settlement costs,” a responsibility often left to the agencies.

The $87.9 million figure is only an estimate of future costs for the fiscal year, but lawmakers said the dollar amount raises continued concerns for the solvency of the state’s public liability fund.

“The system is broke,” said Sen. Pat Woods (R-Clovis) to members of Risk Management on Wednesday. “It’s not your fault, you’re living under the law; it’s not your fault the system is broke.”

What is the public liability fund?

The Risk Management Division — a portion of the broad umbrella of the General Services Department — is the self-insurer of 130 state agencies against a variety of claims, and manages the fund for voluntary or court-ordered settlements from anything from injuries from tripping on a sidewalk, to civil rights violation allegations, severe injuries, sexual misconduct and death.

The state pays those settlements using the Risk Management Fund but, in recent years, the increase in the number and costs of settlements has risen.

The average number of claims filed against New Mexico doubled in the last four years to 2,350 per year. In May of 2024, the public liability fund only had enough cash to cover 16% of the anticipated payouts, about $145 million short, according to a report from the Legislative Finance Committee.

Last year, the Legislature allowed a $20 million dollar transfer to boost reserves in the Public Liability Fund and allowed for additional transfers from state agencies. The goal, according to state report cards, is for the fund to have at least 50% of reserves to cover outstanding liabilities. State law has some caps for settlements, but those limits do not apply to federal civil rights.

The state Constitution usually limits most state agencies from spending money they don’t have, but because these settlements are often made to end lawsuits, state law allows Risk Management to fulfill settlements and recoup the costs from later premium charges.

But the costs of settlements are outstripping how much the agency is charging for the costs of insurance, and more agencies are having to pay higher premiums.

Joseph Simon, an analyst with the Legislative Finance Committee, told lawmakers that insurance premiums are rising for approximately 74% of the state’s 130 agencies.

Large departments with large settlements had the highest insurance premium increases: the New Mexico Corrections Department; New Mexico State University; the Children Youth and Families Department; the University of New Mexico; and UNM Hospital, according to an August Legislative Finance Committee report.

"Most agencies, even those without claims history, saw a large percentage increase – it might only be a few thousand dollars – but a large percentage increase in their liability premiums," Simon told the committee. " Because, to make up those other rate increases, other agencies are pitching in as well."

The premiums increase is based on loss history, so the greatest jumps are for the small number of agencies with "significant claims history," while 34 agencies will see no change or insurance costs decrease.

State accounting procedures mean that higher liability insurance payments show up as increases in agency's personnel costs, the LFC noted.

Sen. Nicole Tobiassen (R-Albuquerque) said she was frustrated that some agencies are picking up the tab for other agencies' settlements.

"If I were running an effective agency that maybe had the lowest rate of claims, I would be very unhappy right at this moment, knowing that I'm paying for the challenges – let's say, the gaps in all these other agencies," Tobiassen said. "I understand why it works that way, but it's definitely alarming."

Stopping the 'open checkbook'

Acting General Services Secretary Anna Silva said Wednesday the agency is instituting steps to better address the number of claims, such as doubling the number of attorneys working at the agency. She promised to hold meetings with the state agencies that generate the majority of claims.

These meetings would address that "claims are being settled without the knowledge of leadership," Silva said, adding that the meetings would start after the legislative session.

The staffing changes include a team of three staff assigned to the Children Youth and Families Department, Silva told lawmakers.

In 2024, CYFD settled $18 million across 12 settlements, according to a Source NM review of the settlement data available on the state's portal. The settlements ended lawsuits alleging the department's responsibility for the deaths or severe injuries of children in state custody, from years ago.

The most recent was a $4 million December 2024 settlement to end a civil lawsuit brought on behalf of two children who had remained in the custody of parents when the department had more than two dozen complaints alleging abuse first filed in 2020.

Additional attorneys will address state agencies before claims are filed, but also have more time for fighting in the courtroom, Risk Management Division Director Jeannette Chavez said during Wednesday's Senate Finance Committee meeting.

"With the amount of attorneys that we have in the team that we have, we can start working with the individual agencies with their legal counsel, informing them and partnering with them on what we can do to not only settle the claims, but also fight those claims that can be fought," Chavez said. "Because before we have always just been an open checkbook and we are stopping that."

Bills on the line

On Monday, the Senate Judiciary Committee tabled Senate Bill 182, which would have capped settlement payments.

The Senate Judiciary did approve Senate Bill 220, also carried by Woods, which requires the Risk Management Division to continue publishing settlement data with state agencies within 30 days of settlement, which the department is currently doing voluntarily. The bill heads to Senate Finance next.

SB 220, if passed, would also require Risk Management to appoint a review team when a state agency's alleged actions cause a death, serious injury or substantial loss, a practice inspired by a program in Washington state.

Correction: This story was updated since publication to reflect the correct bill number of legislation tabled in Senate Judiciary Committee.

Comments made by Legislative Finance Analyst Joseph Simon in a previous version of this story were inadvertently attributed to General Services Department spokesperson Joe Vigil. Source regrets the error.

Danielle Prokop

Danielle Prokop covers the environment and local government in Southern New Mexico for Source NM. Her coverage has delved into climate crisis on the Rio Grande, water litigation and health impacts from pollution. She is based in Las Cruces, New Mexico.

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

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

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 26, 2025
To: NMCIA Board
From: Grace Philips, Risk Management Director
Re: CRL Update

We are requesting a range of quotes for our WC renewal that will include 50/50 and 75/25 quota share.

The CRL Property Plus committee owners met on December 9 and we were informed that members will need to sign an acknowledgement that there are participants that have not contributed capital. The Property and Property Plus Insurance Agreement is being updated and capital contribution will be required of non-owner participants. The Property Plus program will be billed on a prorate share of expenses currently being covered by the CRL general account. NMCIA paid the 2024 General Account capital contribution of $197,177 when invoiced last summer in conjunction with our property reinsurance renewal.

NMCIA is a member of the Property Plus program, making an initial investment of $1 million when joining the program in June 2021. We have a Property Plus equity share of $3,502,986 million as of December 31, 2024.

CRL will be meeting on May 13-14 and I will be attending.

444 Galisteo Street
Santa Fe, NM 87501

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

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

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

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 21, 2025
To: NMCIA Board
From: Grace Philips, NMCIA Risk Management Director
Re: NMCRe Update

- NMCRe met on March 18 and approved the discretionary agreement with Wells Fargo with an amendment that will need to be addressed. The captive board decided to table action on the proposed investment policy revisions until this board had an opportunity to review the proposal. I intend to request a special meeting to address both.
- The Board approved the 2025 NMCRe – NMCIA reinsurance agreement
- Johnnie Miller provided the Board with an update regarding new Utah state legislation that pertains to the captive:
  - SB4 replaces and updates the existing law related to captive investments. The changes do not affect our captive relating to minimum capital investments and a decrease in percentage of surplus, but staff and investment advisors/consultants are advised to review the bill.
  - The Legislature defined a new type of captive that is allowed – a pooling captive, noting that NMCRe could choose to pool with another captive within the state.
  - If captives create a dividend payment plan, it must be approved by the state's insurance commissioner.
  - The state is rolling back its pause on requiring one captive board meeting to be held annually in Utah but is allowing in state participation by one out-of-state board member to satisfy the requirement. In lieu of that, captives can choose to join the state's captive insurance association at a cost of $4,000 annually. The NMCRe board has until May 2026 to meet this requirement.

444 Galisteo Street
Santa Fe, NM 87501

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

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

Item Number:	**Item Title:**
9.A.	Loss Prevention Update

Presenter (s):
Greg Rees, Loss Prevention Manager

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 17, 2025
To: NMCIA Board
From: Greg Rees, Loss Prevention Manager
Re: Loss Prevention Update

The Lexipol Policy Management solutions for Sheriff's Offices' monthly update report is attached. Six counties, highlighted in green on the last page of the report, have completed the implementation process and have either issued or are in final review of all policies.

Sierra, Taos, Grant, Cibola, and Dona Ana counties are reported to be moving slowly or not at all. There are various reasons for the delays. I will continue to outreach to these members to determine the best way to assist.

Also attached is the Benchmark Analytics iMPACT timeline. NMC staff worked diligently with Benchmark Solutions to create a questionnaire with 65 pertinent questions for the efficient and safe operations of a detention center.

In addition, four post-survey interviews have been completed with Sandoval, Valencia, Curry, and Socorro counties detention administrators. The post survey interviews are used to verify the information included in the online survey; provide evidence-based practices that reduce liability; and document areas of improvement discussed in the meeting.

I believe the iMPACT program will be a useful tool to help our members gather information and improve operational efficiency.

Thank you in advance.

Greg Rees

444 Galisteo Street
Santa Fe, NM 87501

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

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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	02/01/2025 - 02/28/2025	06/01/2024	02/28/2026

PROJECT SUMMARY - FEBRUARY 2025

PURPOSE OF PROJECT	Establish and implement constitutionally sound Law Enforcement Policy Manuals for the New Mexico Counties consortium of twenty-nine individual counties supported and delievered using the Lexipol Knowledge Management System.
MONTHLY SUMMARY	Of the eleven group 1 participants six have completed the implementation process and have either issued all policies or are having policies undergo final review prior to release. Two agencies are in the final tier of implementation and three are working in tiers two, three or four. Group 2 agencies (10 total) have continued with the implementation process; one agency has completed implementation, one is completed pending county commission approval, one is working in tier five, one is working on tier four, twor are working in tier three, and four are working in tiers two and three. All of the Group 3 participants have completed the pre-implementation meetings with the exception of Dona Ana CO SO; Lexipol staff and NMC met with Dona Ana CO SO in January to present the product information and to answer questions. NMC staff continues to follow up with Dona Ana County staff to confirm participation. Cibola CO SO have submitted their Use Agreements, but has not completed the pre-implementation meeting and has not responded to multiple emails and phone call messages. Of the 29 counties, six have completed the implementation process, three are in quality assurance phase, and the rest have started and are in implementation with the exception of Cibola CO SO and Dona Ana CO SO.
TASK(S) COMPLETED	• There are eight Group 1 projects that are either completed or in tier five and should be completed with the implementation within the next month or two. • One Group 2 project is completed and two are at the end of tier five review or completion and now in quality assurance. I would expect to be done these in the next month or two. • Two Group 3 projects have started in tier fiver, and five are in tier two or higher.

TASK(S) DELAYED	• Sierra CO has not met with their PM for over 6 weeks now and has been non responsive. • Taos CO cxld every meeting in Feburary and has reqeusted to cxl all in March due to staffing issues. • Grant CO cancelled all two of three meetings in January; process is slow due to a lack of meetings. • Cibola CO sent in the Use Agreement, but has still not responded to set a pre-implementation meeting. No response at all.
UPCOMING TASKS	• Update each of Groups participants status of implementation by end of March. • Follow-up with NMC regarding Dona Ana CO SO and Cibola CO SO to see if they are going to participate in this project. • Assess all projects and update estimated completion dates. • Review project hours and implementation status to update estimated completion date.
RISK LOG	• Continue to reach out to agencies that are missing meetings, not corresponding, or haven't started the process. • Document delays and communicate problems to NMC and customer agencies. • Monitor delays of individual projects - extended time frames to begin or continue should be evaluated and consider moving next project in line to implementation.
ISSUE LOG	• Any issues related to projects have been conveyed to the project manager and PS supervision for resolution.

TENTATIVE SCHEDULE

KEY MILESTONES - GROUP 1 (11 agencies)	START	FINISH
Project Discovery Meeting	06/11/2024	07/20/2024
Existing Content Received / Reviewed	June/July 24	08/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	July/August 24	In Progress (2/11) Done (9/11)
Completion of PWG Initial Edits to Tier 2	August/Sept 24	In Progress(2/11) Done (9/11)
Completion of PWG Initial Edits to Tier 3	August/Sept 24	In Progress (1/11) Done (10/11)
Completion of PWG Intial Edits to Tier 4	Sept/Oct 24	In Progress (4/11) Done (6/11)
Completion of PWG Initial Edits to Tier 5	Sept/Oct 24	In Progress (2/11) Done (6/11)
Existing Content Cross-Reference (As needed)	July/Oct 24	October
Onboarding / KMS Orientation	July/Oct 24	In Progress
Administrative and End-User Training	July/Oct 24	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD

Go-Live with KMS	TBD	TBD
KEY MILESTONES - GROUP 2 (10 agencies)	**START**	**FINISH**
Project Discovery Meeting	Aug/Sept 24	09/01/2024
Existing Content Received / Reviewed	Aug/Sept 24	10/01/2024
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Aug/Sept 24	In Progress (4/10) Done (6/10)
Completion of PWG Initial Edits to Tier 2	TBD	In Progress (5/10) Done (4/10)
Completion of PWG Initial Edits to Tier 3	TBD	In Progress (4/10) Done (2/10)
Completion of PWG Intial Edits to Tier 4	TBD	In Progress (2/10) Done (2/10)
Completion of PWG Initial Edits to Tier 5	TBD	In Progress (1/10) Done (2/10)
Existing Content Cross-Reference (As needed)	Aug/Sept 24	October
Onboarding / KMS Orientation	September	In Progress
Administrative and End-User Training	TBD	In Progress
Initial Draft Completion of Procedural Documents	TBD	TBD
Go-Live with KMS	TBD	TBD
KEY MILESTONES - GROUP 3 (8 agencies)	**START**	**FINISH**
Project Discovery Meeting	Nov/Dec 24	In Progress
Existing Content Received / Reviewed	Nov/Dec 24	In Progress
Finalize Project Plan / Kick Off	Jun-24	Jul-24
Completion of PWG Initial Edits to Tier 1	Nov/Dec 24	In Progress (2/8) Done (4/8)
Completion of PWG Initial Edits to Tier 2	TBD	In Progress (1/8) Done (3/8)
Completion of PWG Initial Edits to Tier 3	TBD	In Progress (2/8) Done (2/8)
Completion of PWG Intial Edits to Tier 4	TBD	In Progress (0/8) Done (2/8)
Completion of PWG Initial Edits to Tier 5	TBD	In Progress (2/8) Done (0/8)
Existing Content Cross-Reference (As needed)	Nov/Dec 24	TBD

Onboarding / KMS Orientation	Nov/Dec 24	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	03/07/2025

Group #	Agency	MSA Signed / Review SoW	Pre-Implementation Meeting	EC Received & Reviewed	Kick-Off Meeting Completed	Recurring Mtg Schedule	Onboarding/KMS Orientation	Tier I - Review/Edits	Tier II - Review/Edits	Tier III - Review/Edits	Tier IV - Review/Edits	Tier V - Review/Edits	Quality Assurance Review	Policy Issuance / Handoff Meeting
		Policy Implementation Stages - Progress												
1	NM Guadalupe County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ /Jan
1	NM Hidalgo County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ /Jan
1	NM Otero County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Jan
1	NM Quay County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Dec
1	NM Santa Fe County SO	√	√	√	√	√	IP	IP	IP	IP	IP	IP		
1	NM Sierra County SO	√	√	√	√	√	IP	√	√	IP	IP	IP		
1	NM Valencia County SO	√	√	√	√	√	IP	√	√	√	IP			
1	NM Sandoval County SO	√	√	√	√	√	√	√	√	√	√	√	√	√ / Dec
1	NM Lincoln County SO	√	√	√	N/A	√	√	√	√	√	√	√	IP	Pending
1	NM Curry County SO	√	√	√	√	√	IP	IP	IP					
1	NM Grant County SO	√	√	√	√	√	IP	√	√	√	IP			
2	NM McKinley County SO	√	√	√	√	√	IP	√	√	IP	IP			56
2	NM Luna County SO	√	√	√	√	√	√	IP	IP					
2	NM Chaves County SO	√	√	√	N/A	√	IP	√	IP					
2	NM Taos County SO	√	√	No	√	√	IP	√	√	IP				
2	NM Socorro County SO	√	√	√	√	√	IP	√	IP	IP				11
2	NM Catron County SO	√	√	N/A	√	√	√	√	√	√	√	√	√	√ / Feb
2	NM Bernalillo County SO	√	√	√	√	√	IP	IP						
2	NM Union County SO	√	√	√	√	√	IP	IP	IP					
2	NM Colfax County SO	√	√	N/A	√	√	IP	IP	IP	IP	IP	IP		March
2	NM De Baca County SO	√	√	N/A	√	√	√	√	√	√	√	√	IP	March
3	NM Harding County SO	√	√	√	√	√	IP	IP						
3	NM Mora County SO	√	√	N/A	√	√	IP	√	√	√	√	IP		
3	NM San Miguel County SO	√	√	N/A	√	√	IP	√	√	IP				
3	NM Cibola County SO	√	No											
3	NM Roosevelt County SO	√	√	N/A	√	√	IP	IP						
3	NM Torrance County SO	√	√	N/A	√	√	IP	√	√	√	√	IP		
3	NM Eddy County SO	√	√	N/A	√	√	IP	√	IP	IP				
3	NM Dona Ana County SO	No												

iMPACT 3-Year Strategic Plan

1. **Assess member risk** w/ iMPACT Jail forecasts
2. **Engage** 100% of Jail Members
3. **Collect & Measure** agency evidence-based practice
4. **Track** evidence-based practice recommendations
5. **Assess** member engagement & follow-up

Member Participation:
100%

12/24 – 12/25

12/25 – 12/26
Proposed

Member Participation:
100%

Year 2

- **Maintain** member risk forecasts
- **Track** evidence-based practice adoption for 2025 cohort
- **Highlight top performers** / foster evidence-based practice adoption

Year 3

- **Maintain** member risk forecasts
- **Track** evidence-based practice adoption for 2025 cohort
- **Highlight top performers** / foster evidence-based practice adoptio
- ** **Measure ROI**

12/26 – 12/27
Proposed

Member Participation:
100%

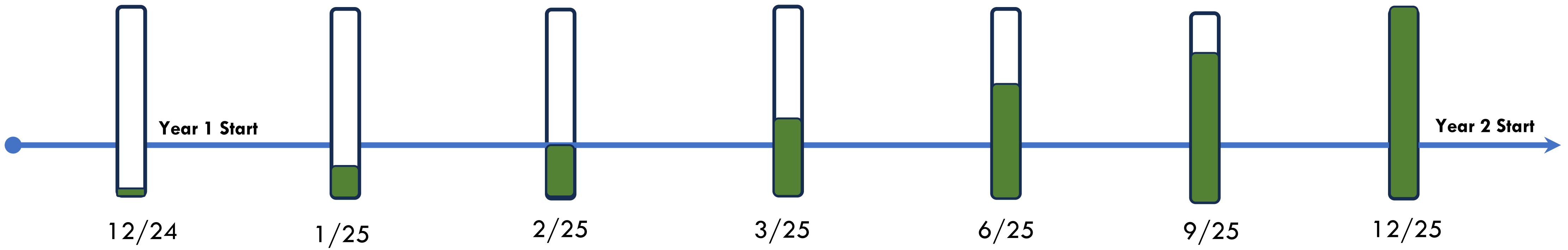
iMPACT Program Objectives and Key Results (OKRs)

Objectives

Overarching Objective: Implement iMPACT to Reduce Law Enforcement Jail Risk

✓ [1] Data Intake Complete
✓ [2] Plan Year 1 Engagement
✓ [2,3] Loss Control Training Begin

- [4] Begin tracking of evidence-based practices
- [5] Member feedback



12/24

✓ Contract Start
✓ [2] Program Kickoff
✓ [2] Program Plan

1/25

✓ [1] Analyze & predict member risk
✓ [2] Member Engagement Started
✓ [2] Survey Review
✓ [2] Create Field Interview Deck
✓ [2] Conference Presentation

2/25

✓ [1] iMPACT Platform Delivered – **Feb 27th**
✓ [2] Begin Field Visits
✓ [2] Incorporate iMPACT into loss control field ops
- **March 26th** Board Session; Deliverable by 10th

6/25

- [5] Preliminary member engagement metrics

Y1 Results – October 22nd Last Board Meeting

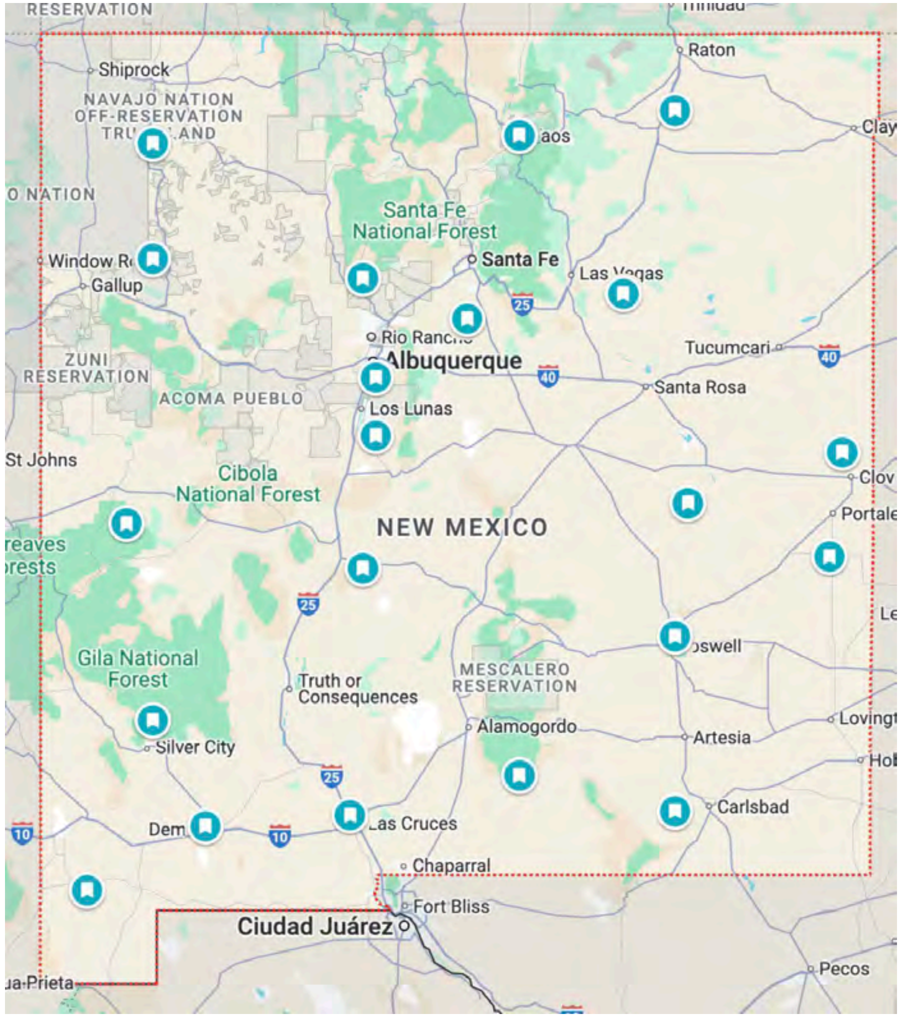
- [2] Engagement rate
- [3,4,5] Year End Survey Audit & Report
- [3,4] EBP adoption baseline
- [5] Overall sentiment
- [2] Finalize field visits
- Year 2 objectives

BENCHMARK ANALYTICS

Member Engagement Tracker

Year 1 – Dec '24 – Dec '25

- ✓ Interviews Complete - 3 Members (12%)
  - Curry
  - Sandoval
  - Valencia
- Survey Complete/Needs Scheduling – 20 Members (80%)
  - Bernalillo
  - Bernalillo Juvenile
  - Chaves
  - Curry
  - De Baca
  - Dona Ana
  - Dona Ana Juvenile
  - Eddy
  - Grant
  - Luna
  - Mckinley
  - Quay
  - Roosevelt
  - San Miguel
  - Sandoval
  - Santa Fe
  - Socorro
  - Taos
  - Valencia
  - Vigil Maldonado
- No Response – 2 Members (8%)
  - Catron
  - Hidalgo



iMPACT Member Engagement

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

Item Number:	**Item Title:**
9.B.	Workers' Compensation Update

Presenter (s):
Kamie Denton, Workers' Compensation Claims Manager

NEW MEXICO COUNTIES
33 STRONG

Memorandum

Date: March 26, 2025
To: NM Counties Insurance Authority Members
From: Kamie Denton, Workers' Compensation Claims Manager
Re: Workers' Compensation Department Update

- The New Mexico Workers' Compensation Administration has begun auditing the pool's open workers' compensation claims. The status of the audit is currently pending.

- As of February 28, 2025, we had 573 open workers' compensation claims (the oldest dating back to 1991) with a total incurred of $46 Million. Of these open claims, 139 were from detention centers, and 111 were from sheriff departments.
  - o 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. As of February 28, 2025, there were a total of 402 claims involving these causes of injury, with a total incurred of $28.8 Million.
  - o The most injured body part classification is multiple body parts, with 148 open claims as of February 28, 2025, and a total incurred of $14.8 Million.

- Since its inception (01/01/1987), NMC has received 28,688 claims with a total incurred of $171.3 Million as of February 28, 2025.

- Our in-house nurse case manager had 49 open cases as of March 1, 2025; 29 new cases were opened, and 23 cases were closed in February 2025.
  - o She managed 90 cases in 2025 (through 2/28/25).

- All members participating in the NMCIA workers' compensation line of coverage are automatically enrolled in the Company Nurse triage program. Please contact me or Cynthia Stephenson for any questions

444 Galisteo Street
Santa Fe, NM 87501

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

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about how this program can help with your county's workers' compensation claims.

   - 76 incidents were reported to Company Nurse from January 1, 2025 through February 28, 2025. Only 4 were triaged to emergency care, and 33 were triaged to self-care.

- We partnered with Comp IQ for our bill review management needs. They processed 1,531 bills from January 2025 through February 2025; the total billed was $1.2 Million, with a net savings of $730K.

- Alius Health provides pharmacy benefit management services for our injured workers. There were 224 prescriptions filled from January 2025 through February 2025, with 209 being generic prescriptions providing additional savings. The retail charges for this period were $46K; our net savings during this period were $20K.

- Our new lost time adjuster has been trained in subrogation recovery strategy. This will help reduce the total overall claims costs for our workers' compensation members.

- 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@nmcounties.org) for questions or if you would like to schedule a training or open claim review.

KD

444 Galisteo Street
Santa Fe, NM 87501

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

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

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

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

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

Motion to adjourn by:

Seconded by:

Adjournment time: