

**New Mexico
Public Schools Insurance Authority**



**Board of Directors Special Meeting
May 17, 2024**



New Mexico Public Schools Insurance Authority

Board of Directors Special Meeting

Board of Directors

Al Park, President, Governor Appointee
Chris Parrino, Vice President, NM Association of School Business Officials
Trish Ruiz, Secretary, Educational Entities at Large
Denise Balderas, Governor Appointee
Vicki Chavez, NM Superintendents Association
Tim Crone, American Federation of Teachers NM
Pauline Jaramillo, NM School Boards Association
Bethany Jarrell, National Education Association - New Mexico
K.T. Manis, Public Education Commission
David Martinez, Jr., National Education Association - New Mexico
Sammy J. Quintana, Governor Appointee

Virtual

Please join my meeting from your computer, tablet or smartphone.

<https://us02web.zoom.us/j/88303361833?pwd=ODJWYm9INFA4UW5hNmR1d0pDTmxXUT09>

You can also dial in using your phone.

United States: [+1 719 359 4580](tel:+17193594580)

Meeting ID: [883 0336 1833](tel:+17193594580)

Passcode: [878725](tel:+17193594580)

One Click is also available by clicking this link on an iPhone:

[+17193594580,,88303361833#,,,,*878725#](tel:+17193594580)

Get the app now and be ready when your first meeting starts: <https://meet.goto.com/install>

Friday, May 17, 2024

3:30 p.m.

Agenda

Draft

- | | |
|---|-------------|
| 1. Call to Order | A. Park |
| 2. Roll Call | K. Jones |
| 3. Approval of Agenda (Action Item) | A. Park |
| 4. Financial Matters | |
| A. Approval of Contract for Actuarial Services (Action Item) | P. Gonzales |
| 5. Benefits Matters | |
| A. Approval of Fiscal Year 2025 Benefit Premium Rate Setting (Action Item) | P. Sandoval |
| 6. Risk Matters | |
| A. Approval of Fiscal Year 2025 Risk Premium Rate Setting (Action Item) | P. Sandoval |
| 7. Adjournment (Action Item) | |

STATE OF NEW MEXICO

NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY

PROFESSIONAL SERVICES CONTRACT # 342-2025-02

THIS AGREEMENT is made and entered into by and between the State of New Mexico, **Public Schools Insurance Authority (NMPSIA)**, hereinafter referred to as the “Authority,” and [REDACTED] hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the Authority.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Contractor shall perform the following work:

The primary purpose of the service shall be to develop estimated outstanding losses at various confidence levels and project losses for the Risk fund maintained by the Authority and to provide this information to the contractor to conduct the Authority’s fiscal audit. The report will be included and utilized in the audit to establish the fiscal standing of the Authority.

- A. Property, Crime, Automobile Physical Damage, General and Automobile Liability, and Errors and Omissions claims for public schools and other educational entities in New Mexico who participate in the Authority; and
- B. Workers’ Compensation Claims for employees of public schools and other educational entities in New Mexico who participate in the Authority; and
- C. The following services will be provided for each coverage offered by the Authority. All Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Boards (GASB) reporting standards that apply to a self-insured public entity are required to be adhered to in this financial reporting contract. The contractor will determine:
 - 1. Estimated Outstanding Losses
 - 2. Present Value of Estimated Outstanding Losses
 - 3. Incurred but Not Reported (IBNR)
 - 4. Frequency and Severity graphs for each coverage part
 - 5. Loss Rates for Each coverage
 - 6. Confidence Levels

7. Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense liabilities
8. Loss Development including triangulation graphs for each coverage for both paid and incurred losses.
9. List all large claims for each coverage
10. Provided a range of loss reserve estimates (low, central, and high)

D. Forecast Loss Reserve Projections for the following fiscal year.

1. Generally, the work shall consist of, and it shall be the responsibility of the contractor to evaluate the performance of the plan to establish the adequacy of current funding needs and examine prospective loss dollars and payouts using actuarial methodology.
2. The contractor shall forecast future loss payments and estimate payments based in all available data, information and expected changes (financially, legally etc.) which would affect actual loss dollars. To the extent that the Authority's historical data is weak, of a small volume, or has gaps in information, the contractor will supplement it with industry data (local, state, and national) as necessary. Justified assumptions will be made relative to potential interest income and payout patterns and expenses to identify the amount necessary to set aside to meet all future obligations. The work shall be completed no later than September 30th for the yearly analysis and February 28th for the midyear analysis. Each analysis will include projected funding estimates for the next five fiscal years. All final documents and reports will be delivered electronically by that date. It shall also be the responsibility of the contractor to present the report to the Board of Directors at a regularly scheduled meeting of the Board at a place to be determined in New Mexico. The contractor may also be required to present its actuarial analysis to New Mexico Public Schools Insurance Authority Advisory Committees, staff, consultants, and other appropriate entities. Such work shall be subject to the prior approval of the Executive Director of NMPSIA.

E. Statement of Actuarial Opinion (SAO) and Rate Adequacy Certification Documents

1. Provide a formal statement of Actuarial Opinion and Rate Adequacy Certification Documents certifying that loss reserves held by the Authority and charged by the Authority are actuarially appropriate in accordance with NMAC.

F. Audit Reports

1. Complete Reserves for Losses and Loss Adjustment Expenses Report and Ten-Year Claims Development Information report and any other reports that may be related to the financial audit.

2. **Compensation.**

A. The Authority shall pay to the Contractor in full payment for services satisfactorily performed in the amounts outlines below in 2.A.1 including gross receipts tax. In the event of a Statement of Actuarial Opinion (SAO) and/or rate adequacy certification (RAC) is produced the contractor shall be paid up to \$2,00 in addition to schedule 2.A.1. including gross receipts tax.

2.A.1

Fiscal Year	Amount	SAO/RAC	Total
2025	\$62,777	\$2,000	\$64,777
2026	\$64,601	\$2,000	\$66,601
2027	\$66,539	\$2,000	\$68,539
2028	\$68,539	\$2,000	\$70,539

The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed (AMOUNT). This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. The Contractor is responsible for notifying the Authority when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

B. Payment in Fiscal Year 2025, 2026, 2027, and 2028 is subject to the availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work and to approval by the Authority. All invoices **MUST BE** received by the Authority no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date **WILL NOT BE PAID.**

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the Authority finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services and outlining steps the Contractor may take to provide remedial action. Upon certification by the Authority that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the Authority shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. Term.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE AUTHORITY with a start date of **July 1, 2024**. This agreement shall terminate on **June 30, 2028** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

4. Termination.

A. Grounds. The Authority may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the Authority's uncured, material breach of this Agreement.

B. Notice; Authority Opportunity to Cure.

1. Except as otherwise provided in Paragraph (4)(B)(3), the Authority shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give Authority written notice of termination at one hundred and eighty (180) days prior to the intended date of termination, which notice shall (i) identify all the Authority's material breaches of this Agreement upon which the termination is based and (ii) state what the Authority must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if the Authority does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the Authority does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the Authority; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, "Appropriations", of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the Authority's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AUTHORITY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.**

D. Termination Management. Immediately upon receipt by either the Authority or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Authority; 2) comply with all directives issued by the Authority in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Authority shall direct for the protection, preservation, retention or transfer of all property titled to the Authority and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Authority upon termination and shall be submitted to the Authority as soon as practicable.

5. **Appropriations.**

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Authority to the Contractor. The Authority's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Authority proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. **Status of Contractor.**

The Contractor and its agents and employees are independent contractors performing professional services for the Authority and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. **Assignment.**

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Authority.

8. **Subcontracting.**

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Authority. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Authority.

9. **Release.**

Final payment of the amounts due under this Agreement shall operate as a release of the Authority, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. **Confidentiality.**

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Authority.

11. **Product of Service -- Copyright.**

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Authority no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. **Conflict of Interest; Governmental Conduct Act.**

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any Authority employee while such employee was or is employed by the Authority and participating directly or indirectly in the Authority's contracting process;

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a

member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Authority's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Authority.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the Authority relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Authority if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Authority and notwithstanding anything in the Agreement to the contrary, the Authority may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the Authority proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers

Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Authority.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Authority, the General Services Department/State Purchasing Division and the State Auditor. The Authority shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Authority to recover excessive or illegal payments.

20. Indemnification.

The Contractor shall defend, indemnify and hold harmless the Authority and the State of New Mexico from all actions, proceedings, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the general counsel of the Authority via electronic mail.

21. New Mexico Employees Health Coverage.

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Notices.

Any notice required to be given to either party by this Agreement shall be in writing via electronic mail as follows:

To the Authority:

Public Schools Insurance Authority
410 Old Taos Highway
Santa Fe, NM 87501

Patrick Sandoval
Patrick.Sandoval@psia.nm.gov

Martin Esquivel
mesquivel@esqlawnm.com

Charlette Probst
Charlette.Probst@psia.nm.gov

To the Contractor:

[REDACTED]

[REDACTED]

25. **Authority.**

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

26. **Incorporation by Reference and Precedence.**

If this Agreement has been procured pursuant to a request for proposals, this Agreement is derived from (1) the request for proposal, (including any written clarifications to the request for proposals and any Authority response to questions); (2) the Contractor's best and final offer; and (3) the Contractor's response to the request for proposals.

27. **Succession.**

This Agreement shall extend to and be binding upon the successors and assigns of the parties.

28. **Contractor Personnel.**

A. **Key Personnel.** The Contractor's key personnel shall not be diverted from this Agreement without the prior written approval of the Authority. Key personnel are those individuals considered by the Authority to be mandatory to the work to be performed under this Agreement. Key personnel shall be agreed upon by both the Authority and the Contractor.

B. **Personnel Changes.** Replacement of any personnel shall be made with personnel of equal ability, qualifications and experience. If the number of Contractor's personnel assigned to the Authority is reduced for any reason, Contractor shall, replace with the same or greater number of personnel with equal ability, experience, and qualifications.

29. **Arbitration.**

Any controversy or claim arising between the parties shall be settled by arbitration pursuant to NMSA 1978 § 44-7A-1 et seq, in Santa Fe, New Mexico.

30. **Non-Collusion**

In signing this Agreement, the Contractor certifies the Contractor has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this offer submitted to the Authority.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the Authority below.

New Mexico Public Schools Insurance Authority

By: _____
NMPSIA, Board President

Date: _____

(CONTRACTOR)

By: _____

Date: _____

Description	FY25 Rate-Setting Approved Scenario March 2024 (Updated)	Scenario A FY25 10% Increase No Appropriation	Scenario B FY25 10% Increase \$15M Appropriation	Scenario C FY25 10% Increase \$35M Appropriation	Scenario D FY25 10% Increase \$50M Appropriation	Scenario E (FY25 12% Increase)	
Rate Action*							
Eff. 10/1/2024	15.5%	10.0%	10.0%	10.0%	10.0%	12.0%	
Eff. 10/1/2025	8.9%	10.6%	10.3%	9.8%	9.4%	9.6%	
Eff. 10/1/2026	7.5%	10.6%	10.3%	9.8%	9.4%	9.6%	
Eff. 10/1/2027	7.5%	10.6%	10.3%	9.8%	9.4%	9.6%	
Eff. 10/1/2028	5.8%	10.6%	10.3%	9.8%	9.4%	9.6%	
Fund Balance							
End of FY2025	Revenue	\$437,239,633	\$422,171,154	\$422,171,154	\$422,171,154	\$422,171,154	\$427,622,466
	Fund Balance	\$5,240,460	-\$9,828,019	-\$9,828,019	-\$9,828,019	-\$9,828,019	-\$4,376,708
	Month of Claims	0.1	(0.3)	(0.3)	(0.3)	(0.3)	(0.1)
End of FY2026	Revenue	\$479,911,108	\$463,520,421	\$462,491,145	\$461,103,624	\$460,057,014	\$468,449,550
	Appropriation	\$0	\$0	\$15,000,000	\$35,000,000	\$50,000,000	\$0
	Fund Balance	\$14,544,978	-\$16,914,187	-\$2,943,464	\$15,669,016	\$29,622,406	-\$6,533,747
	Month of Claims	0.4	(0.4)	(0.1)	0.4	0.7	(0.2)
End of FY2027	Revenue	\$515,291,173	\$509,562,031	\$506,945,730	\$503,429,999	\$500,786,572	\$510,842,856
	Fund Balance	\$26,191,452	-\$10,996,857	\$357,567	\$15,454,315	\$26,764,278	\$664,409
	Month of Claims	0.6	(0.3)	0.0	0.4	0.6	0.0
End of FY2028	Revenue	\$551,820,813	\$560,458,983	\$555,935,874	\$549,879,183	\$545,341,438	\$557,302,605
	Fund Balance	\$38,983,788	\$10,433,650	\$17,264,964	\$26,305,021	\$33,077,240	\$18,938,537
	Month of Claims	0.8	0.2	0.4	0.6	0.7	0.4
End of FY2029	Revenue	\$584,509,514	\$616,725,313	\$609,926,169	\$600,854,395	\$594,082,368	\$608,220,428
	Fund Balance	\$46,452,342	\$50,118,004	\$50,150,173	\$50,118,457	\$50,118,649	\$50,118,005
	Month of Claims	0.9	1.0	1.0	1.0	1.0	1.0

*Medical/Rx rate increase is shown on a blended basis

All scenarios include a 5% Dental rate increase and 3% Vision rate increase effective 10/1/2024

The above projection is an estimate of future cost and is based on information available to Segal at the time the projection was made. Segal has not audited the information provided by NMPSIA. A projection is not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates, and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from health care reform legislation or other recently passed state or federal regulations.

This document has been prepared for the exclusive use and benefit of NMPSIA, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

New Mexico Public Schools Insurance Authority
Risk Pool Proposed Rate Increases
May 17, 2024 Special Board Meeting

		Adopted Scenario	Adopted Scenario Updated Experience	Scenario A	Scenario B	Scenario C	Scenario D	Scenario D	Scenario E
		Scenario I.1 Rolling 5-year	.68 % increase	No Appropriation	\$20M Appropriation	\$40M Appropriation	\$60M Appropriation	\$60M Appropriation	No Appropriation
Rate Action									
Effective	FY25 7/1/2024	31.86%	32.54%	14.99%	14.99%	14.99%	14.99%	14.99%	22.54%
Effective	FY26 7/1/2025	17.00%	17.68%	16.91%	15.64%	14.35%	13.03%	13.03%	13.69%
Effective	FY27 7/1/2026	4.35%	5.03%	16.91%	15.64%	14.35%	13.03%	13.03%	13.69%
Effective	FY28 7/1/2027	4.35%	5.03%	16.91%	15.64%	14.35%	13.03%	13.03%	13.69%
Effective	FY29 7/1/2028	4.35%	5.03%	16.91%	15.64%	14.35%	13.02%	13.02%	13.69%
Premium Income									
Effective	FY25 7/1/2024	\$ 132,200,952	\$ 133,685,941	\$ 115,984,204	\$ 115,984,204	\$ 115,984,204	\$ 115,984,204	\$ 115,984,204	\$ 123,599,481
Effective	FY26 7/1/2025	\$ 154,675,114	\$ 157,321,615	\$ 135,597,132	\$ 134,124,133	\$ 132,627,937	\$ 131,096,945	\$ 131,096,945	\$ 140,520,250
Effective	FY27 7/1/2026	\$ 161,403,481	\$ 165,234,892	\$ 158,526,607	\$ 155,101,147	\$ 151,660,046	\$ 148,178,877	\$ 148,178,877	\$ 159,757,472
Effective	FY28 7/1/2027	\$ 168,424,532	\$ 173,546,208	\$ 185,333,457	\$ 179,358,967	\$ 173,423,262	\$ 167,486,585	\$ 167,486,585	\$ 181,628,270
Effective	FY29 7/1/2028	\$ 175,751,000	\$ 182,275,582	\$ 216,673,344	\$ 207,410,709	\$ 198,309,500	\$ 189,293,338	\$ 189,293,338	\$ 206,493,180
Fund Balance (Projected)	June 30, 2024	(13,017,402)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)	(15,088,862)
FY 2025 Operating Income (Loss)		(4,029,226)	(5,736,791)	(23,438,528)	(23,438,528)	(23,438,528)	(23,438,528)	(23,438,528)	(15,823,251)
Legislative Appr		0	0	0	20,000,000	40,000,000	60,000,000	60,000,000	0
Fund Balance	June 30, 2025	(17,046,628)	(20,825,653)	(38,527,390)	(18,527,390)	1,472,610	21,472,610	21,472,610	(30,912,113)
FY 2026 Operating Income (Loss)		9,080,268	8,649,011	(13,075,472)	(14,548,471)	(16,044,667)	(17,575,659)	(17,575,659)	(8,152,354)
Legislative Appr		0	0	0	0	0	0	0	0
Fund Balance	June 30, 2026	(7,966,361)	(12,176,642)	(51,602,862)	(33,075,861)	(14,572,058)	3,896,951	3,896,951	(39,064,467)
FY 2027 Operating Income (Loss)		19,271,390	19,369,027	12,660,742	9,235,282	5,794,181	2,313,012	2,313,012	13,891,607
Legislative Appr		0	0	0	0	0	0	0	0
Fund Balance	June 30, 2027	11,305,029	7,192,385	(38,942,120)	(23,840,579)	(8,777,877)	6,209,963	6,209,963	(25,172,860)
FY 2028 Operating Income (Loss)		(718,847)	491,314	12,278,563	6,304,073	368,368	(5,568,309)	(5,568,309)	8,573,376
Legislative Appr		0	0	0	0	0	0	0	0
Fund Balance	June 30, 2028	10,586,183	7,683,699	(26,663,557)	(17,536,506)	(8,409,509)	641,654	641,654	(16,599,485)
FY 2029 Operating Income (Loss)		(5,580,642)	(2,594,737)	31,803,025	22,540,390	13,439,181	4,423,019	4,423,019	21,622,861
Legislative Appr		0	0	0	0	0	0	0	0
Fund Balance	June 30, 2029	5,005,540	5,088,962	5,139,468	5,003,884	5,029,673	5,064,673	5,064,673	5,023,376