

**NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS VIRTUAL MEETING MINUTES**

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**Thursday, September 2, 2021**

**1. Call to Order**

Mr. Al Park, President, called the NMPSIA Board Meeting to order at 9:01 a.m. on Thursday, September 2, 2021.

**2. Roll Call**

Ms. Pamela Vigil, called roll.

**Present via virtual meeting/telephonic meeting:**

Alfred Park, President  
Chris Parrino, Vice-President  
Pauline Jaramillo, Secretary  
Denise Balderas  
Daniel Benavidez  
Tim Crone  
Bethany Jarrell  
Sammy Quintana  
K.T. Manis  
David Martinez Jr.  
Trish Ruiz

**Absent:**

**Staff Members present via virtual meeting/telephonic meeting:**

Richard Valerio, Executive Director  
Patrick Sandoval, Deputy Director  
Martha Quintana, Chief Financial Officer  
Melissa Rael, Financial/HR Manager  
Katherine Chavez, Benefits/Wellness Operations Manager  
Pamela Vigil, Risk Program Coordinator  
Dion Romero, Accountant Auditor  
Claudette Roybal, Chief Procurement Officer

**Audience present via virtual/telephonic meeting:**

Dave Willden	Coba Health
Lee Jacobson	Coba Health
Don Nickle	Coba Health
Aaron Hillebrandt	Pinnacle Actuarial Resources, Inc.
Matthew Meade	Pinnacle Actuarial Resources, Inc.
Tim Farley	Farley Consulting Services
Connor Jorgensen	LFC
Martin Esquivel	Esquivel & Howington
David Poms	Poms & Assoc.
Julie Garcia	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Tammy Pargas	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Kevin Sovereign	CCMSI
Jerry Mayo	CCMSI
Dr. Nura Patani	Segal
Melissa Krumholz	Segal
Marlene Mier	BCBS
Maureen Sergel	BCBS
Christopher Baker	BCBS
Sam Garcia	Davis Vision
Cathy Fenner	Davis Vision
Marianna Sandoval	Davis Vision
Rich Bolstad	Delta Dental
JoLou Trujillo-Ottino	Delta Dental
Steve Valdez	Presbyterian
Lia Gainey	Presbyterian
CS Hwa	Erisa
Kathy Payanes	Erisa
Lourdes Rael	Erisa
Mike Barrios	Erisa
Greg Archuleta	Standard
Stephanie Anthony	United Concordia
Brian Brown	

**3. Introduction of Guests**

There were no guests.

**4. Citizens to Address the Board (five- minute time limit)**

There were no citizens to address the Board.

## 5. Approval of the Agenda (Action Item)

Mr. Richard Valerio, Executive Director, NMPSIA requested that Item 11.D - Workers' Compensation and Property/Liability Claims Audit – 2021, be moved after Administrative Matters.

A motion was made to approve the agenda as amended.

**MOTION:** T. Ruiz

**SECONDED:** D. Martinez Jr.

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

## 6. Approval of July 29, 2021, Board Minutes (Action Item)

A motion was made to approve the July 29, 2021, NMPSIA Board Minutes as presented.

**MOTION:** D. Benavidez

**SECONDED:** T. Ruiz

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Abstained  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

**7. Approval of August 19, 2021, Minutes (Action Item)**

A motion was made to approve the August 19, 2021, NMPSIA Board Minutes as presented.

**MOTION:** T. Ruiz

**SECONDED:** T. Crone

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

**8. Administrative Matters**

**8.A Investment Policy Review Committee**

Mr. Park stated Mr. Chris Parrino will serve as the chair of this committee and Ms. Bethany Jarrell and Mr. K.T. Manis will serve as committee members.

**8.B Rules & Regulations Review Committee**

Mr. Park stated Ms. Trish Ruiz will serve as chair of this committee and Mr. David Martinez Jr. and Ms. Pauline Jaramillo will serve as committee members.

Mr. Crone stated he would also like to serve on this committee.

**8.C Loss Prevention Committee**

Mr. Park stated Mr. Sammy Quintana will serve as chair of this committee and Ms. Denise Balderas, Mr. Daniel Benavidez and himself will serve as committee members.

Mr. Valerio stated staff and appropriate contractors will be working in conjunction with these committees.

## **8.D COVID-19 Update**

Mr. Valerio reported the spend to date is \$16.9 million dollars for testing, treatment, and vaccinations for COVID-19. He stated there have been discussions with the Executive Branch of the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) with respect to possibly receiving funds from FEMA. Mr. Valerio stated DFA is supporting continual discussions with FEMA and supports applying for funds.

Mr. Martinez Jr. inquired about testing students in schools and the cost.

Mr. Valerio reported this is a mandate from the Public Education Department (PED) and he is not sure if PED or the school district would cover the cost. He explained that if students are covered under the NMPSIA plan, and are tested through the plan, they would be covered. There are protocols in place to be covered for testing.

Mr. K.T. Manis asked if there are any plans related to policy premium changes for vaccinated versus unvaccinated individuals.

Mr. Valerio stated NMPSIA has not had discussions with respect to policy premium changes for vaccinated or unvaccinated individuals, nor does it plan to. He stated NMPSIA sets one premium rate for all members.

## **8.E Legislative Update**

Mr. Valerio reported the LFC Budget Hearing was held on August 26, 2021, at Taos Ski Valley. Mr. Valerio stated he reported on some of the high-cost drivers and what is being done to mitigate those costs on both the Benefits and Risk Funds. He stated no recommendations were made at this hearing.

Mr. Valerio reported there is a follow up hearing on September 24, 2021, in Santa Fe.

## **8.F Out of State Travel Request to Attend 2021 National Comp Conference October 20-22, 2021 – Las Vegas, NV (Action Item)**

Mr. Valerio requested Out of State Travel approval to attend the 2021 National Comp Conference, October 20-22, 2021, in Las Vegas, NV for himself, Mr. Sammy Quintana and any other Board Members that would like to attend.

Ms. Trish Ruiz stated she would like to attend. Ms. Pauline Jaramillo stated she would like to attend. Mr. Tim Crone stated he would like to attend.

A motion was made to approve the request for Out of State Travel for Mr. Richard Valerio, Mr. Sammy Quintana, Ms. Trish Ruiz, Ms. Pauline Jaramillo and Mr. Tim Crone to attend the 2021 National Comp Conference, October 20-22, 2021, in Las Vegas, NV.

**MOTION:** T. Ruiz

**SECONDED:** D. Benavidez

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

Mr. Valerio requested the motion be amended to add Mr. Al Park to the list of attendees to the 2021 National Comp Conference, October 20-22, 2021, in Las Vegas, NV.

A motion was made to amend the original motion to include Mr. Al Park to the Out of State Travel Request to attend the 2021 National Comp Conference, October 20-22, 2021, in Las Vegas, NV.

**MOTION:** T. Ruiz

**SECONDED:** D. Benavidez

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

### **11.G Workers' Compensation and Property/Liability Claims Audit – 2021 (Action Item)**

Mr. Tim Farley, Farley Consulting Services, LLC, provided the Workers' Compensation and Property/Liability Claims Audit for 2021. Mr. Farley reported this report summarizes the results of an independent audit of workers' compensation and property/liability claims for

NMPSIA. He explained that 75 workers' compensation claims, and 75 property/liability claims administered by CCMSI were audited. This includes 55 open indemnity claims and 20 closed indemnity claims for each program.

Mr. Farley reported the audit of 75 workers' compensation claims for NMPSIA concludes that CCMSI continues to be in general compliance with accepted standards of claims administration for all lines of coverage. Minor deficiencies exist in the key area of information system accuracy and documentation clarity.

The audit of 75 property/liability claims indicates CCMSI is competently administering NMPSIA's claims. Notable deficiencies in the areas of case reserve accuracy persist, but there has been a more accurate assessment of probable outcome on serious claims since the audit completed in August of 2020.

Mr. Farley reported that CCMSI continues to do an excellent job. All minor deficiencies were discussed in detail with CCMSI staff.

A motion was made to approve the Workers' Compensation and Property/Liability Claims Audit – 2021.

**MOTION:** T. Ruiz

**SECONDED:** D. Benavidez

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Not present for vote

**Vote: Vote carried unanimously.**

## **9. Financial Matters**

### **9.A Financial Reports for June 2021 (Action Item)**

Mr. Patrick Sandoval, Deputy Director, NMPSIA, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 6/1/2021 through 6/30/2021. The Benefits Fund had revenues in the amount of \$27,205,211.83 and expenditures in the amount of \$30,550,208.67 that resulted in a loss of \$3,344,996.84.

For fiscal year ending June 30, 2021, the Benefits Fund ended with total revenue of \$362,112,369.42 and had total expenditures of \$322,716,822.55 resulting in a gain of \$3,395,546.87.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 6/1/2021 through 6/30/2021. The Risk Fund had revenues in the amount of \$7,121,016.34 and expenditures in the amount of \$5,128,527.95 that resulted in a gain of \$1,992,488.39.

For fiscal year ending June 30, 2021, the Risk Fund ended with total revenue of \$85,702,852.45 and had total expenditures of \$89,512,622.99 resulting in a loss of \$3,809,770.54.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 6/1/2021 through 6/30/2021. The Program Support Fund had revenues in the amount of \$116,750 and expenditures in the amount of \$280,239.07 that resulted in a loss of \$163,489.07.

For fiscal year ending June 30, 2021, the Program Support Fund ended with total revenue of \$1,401,000.00 and had total expenditures of \$1,407,463.66 that resulted in a loss of \$6,463.66.

Mr. Sandoval reviewed the balance sheet for the period 6/1/2021 through 6/30/2021. Program Support had total assets of \$951,592.47, total liabilities of \$245,563.24, and fund equity of \$706,029.23. Employee Benefits had total assets of \$61,885,505.56, total liabilities of \$26,886,319.53, and fund equity of \$34,999,186.03. Risk had assets of \$99,653,227.61, total liabilities of \$96,340,626.44, and a fund equity of \$3,312,601.17.

For fiscal year ending June 30, 2021, total assets for the agency were \$162,490,325.64 and year ending liabilities were \$123,472,509.21. Combined fund equity for the agency was \$39,017,816.43.

A motion was made to approve the Financial Reports for June 2021 as presented.

**MOTION:** D. Martinez Jr.

**SECONDED:** T. Ruiz

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes



Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

### **9.B Financial Reports for July 2021 (Action Item)**

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 7/1/2021 through 7/31/2021. The Benefits Fund had revenues in the amount of \$26,864,327.16 and expenditures in the amount of \$32,546,197.63 that resulted in a loss of \$5,681,870.47.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 7/1/2021 through 7/31/2021. The Risk Fund had revenues in the amount of \$7,324,996.68 and expenditures in the amount of \$9,067,994.53 that resulted in a loss of \$1,742,997.85.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 7/1/2021 through 7/31/2021. The Program Support Fund had revenues in the amount of \$118,336 and expenditures in the amount of \$92,491.89 that resulted in a gain of \$25,844.11.

Mr. Sandoval reviewed the balance sheet for the period 7/1/2021 through 7/31/2021. Program Support had total assets of \$950,611.25, total liabilities of \$218,737.91, and fund equity of \$731,873.34. Employee Benefits had total assets of \$60,388,643.57, total liabilities of \$31,071,328.01, and fund equity of \$29,317,315.56. Risk had assets of \$180,256,088.86, total liabilities of \$178,686,485.54, and a fund equity of \$1,569,603.32. Total assets for the agency were \$241,595,343.68 and total liabilities of \$209,976,551.46. Combined fund equity for the agency was \$31,618,792.22.

A motion was made to approve the Financial Reports for July 2021 as presented.

**MOTION:** T. Ruiz

**SECONDED:** D. Balderas

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis – Not present for vote  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

Chris Parrino, Vice-President - Yes  
Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

## **10. Benefits Matters**

### **10.A Employee Benefits Fund Actuarial Analysis as of June 30, 2021 (Action Item)**

Dr. Nura Patani, Segal, provided the Employee Benefits Fund Actuarial Analysis as of June 30, 2021. She reported Segal has completed its evaluation of Health Reserves for NMPSIA's self-funded program. The reserve is calculated to estimate outstanding liability for covered services received prior to July 1, 2021, and paid after June 30, 2020. She went on to report Segal's estimate if incurred but not reported (IBNR) claims includes unreported claims, reported but unprocessed claims, and claims processed but unpaid by NMPSIA's administrator.

Dr. Patani reviewed the remaining IBNR as of June 30, 2021. She reported Segal is recommending the amount that NMPSIA hold on the books as the outstanding IBNR claims liability is \$22.9 million. She stated that IBNR is reduced for amounts that are included as runout but have already been booked. The recommendation is \$22.9 million be booked for FY21. This is about \$3.3 million dollars higher than what was estimated last year.

Dr. Patani reviewed the estimate from the prior year as a follow up study to determine whether the reserve estimate was adequate. She stated there was more than adequate reserves. Dr. Patani stated it was a particularly challenging year to try and develop estimates. Dr. Patani provided a visual representation of the incurred but not reported claims looking back at the last year.

After discussion, a motion was made to approve the Employee Benefits Fund Actuarial Analysis as of June 30, 2021.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes

Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

### **10.B New Mexico Tech Request to Add Life and Disability Insurance (Action Item)**

Mr. Valerio reported the New Mexico Tech currently participates under the NMPSIA Benefits Program. They currently offer medical, dental and vision coverages. New Mexico Tech would now like to offer life and disability coverages to their employees.

Mr. Valerio stated it was the recommendation of the Benefits Advisory Committee to approve the request.

**MOTION:** P. Jaramillo

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes

Tim Crone – Yes

Pauline Jaramillo, Secretary - Yes

Bethany Jarrell - Yes

Sammy Quintana - Yes

K.T. Manis - Yes

David Martinez Jr. - Yes

Trish Ruiz - Yes

Chris Parrino, Vice-President - Yes

Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

### **10.C Interagency Benefits Advisory Committee Update**

Mr. Valerio reported the Interagency Benefits Advisory Committee (IBAC) held its first in person meeting last month with NMPSIA as chair. He explained the meeting was a hybrid option and that went well. Mr. Valerio stated there was a presentation by COBA Health and their surgical services. He stated the IBAC is also currently working on the Prescription Benefits Manager (PBM) Request for Proposals (RFP). Mr. Valerio asked if there were any Board Members that would like to serve on the evaluation committee for this RFP. He stated the next IBAC meeting is scheduled for September 8, 2021.

### **10.D COBA Health Surgical Care**

Mr. Dave Willden, COBA Health Surgical Services, introduced Mr. Lee Jacobson, Founder and CEO, COBA Health Surgical Services and Mr. Don Nickle, COBA Health Surgical Services.

Mr. Jacobson provided a brief video overview of what COBA Health Surgical Care does. He explained this program is an addition to medical benefits and provides personalized service and saves money through bundled surgical care. Members will still see primary care physicians for primary care, but if surgery is required, this program may be beneficial.

Mr. Jacobson stated COBA health works with some of the best surgeons to achieve savings for members. COBA negotiates surgery costs upfront and will help to reduce or eliminate out of pocket costs.

Mr. Jacobson stated COBA Health does not replace anything that is currently offered in the plan. It is an option for employees to find the best surgeons, receive a concierge service that will guide them through the entire process. Mr. Jacobson reviewed how a bundled claim works, which is simple and efficient. By using COBA Health, members will save approximately 40% on average compared to Blue Cross United Cigna Aetna (BUCA). He explained with most clients it is structured so there is a zero dollar out of pocket for this episode of care. They are taken out of network, and it does not affect the deductible with the existing plan. Mr. Jacobson stated with the high deductibles that are being seen these days, this is a great benefit. Mr. Jacobson reviewed a case study to outline the potential savings.

Mr. Jacobson reviewed the implementation processes in detail and all the communication efforts.

Mr. Willden stated COBA is good for the fund because it returns the savings to the fund, and it is good for the members because there is no longer an out of pocket expense on most elective surgeries. He stated COBA has guaranteed NMPSIA there will be no loss if the savings do not equal the cost.

Mr. Parrino stated the BAC agreed to research further and bring back for action to initiate a procurement process.

After discussion, it was a consensus of the Board to bring this back to the next Board meeting for discussion and action to initiate a procurement process.

## **10.E Wellness Update**

Ms. Katherine Chavez, Benefits and Wellness Operations Manager, NMPSIA, presented the wellness update for the month. Ms. Chavez stated it is time for preventive screenings and the Primary Care Provider Campaign (PCP) and NMPSIA is encouraging members to connect with a primary care provider to schedule their annual exam and preventative screenings.

Ms. Chavez reported on awareness campaigns to promote home screenings.

Ms. Chavez reported BCBS has initiated a Colorectal Cancer Screening Campaign.

Ms. Chavez reported on the Back to Basics Working Well Campaign to encourage changes to reap big health rewards.

Ms. Chavez reported on Wondr Health. She stated Wondr Health application process has closed and she will be providing statistics when they become available.

Ms. Chavez provided an update on Livongo/Teledoc Health since 5/5/2020.

Ms. Chavez reported on the MotivateMe Incentive program.

## 11. Risk Matters

### 11. A Risk Fund Actuarial Analysis as of June 30, 2021 (Action Item)

Mr. Aaron Hillebrandt, Pinnacle Actuarial Resources, Inc. and Mr. Matt Meade, Pinnacle Actuarial Resources, Inc., reviewed the Loss Reserve and Funding Analysis as of 6/30/2021. He reviewed the following items in detail:

- SIR Changes Effective 7/1/2021
- Impact of SIR Changes
- Actual vs. Expected Loss Development 12/31/2020 to 6/30/2021
- Drivers of Favorable Development
- Ultimate Loss Trends
- Frequency/Severity/Loss Cost Trends
  - Workers Compensation
  - General Liability
- Summary of Results of 6/30/2021 analysis

Mr. Meade presented the following summary of results:

Loss and LAE Reserve Estimates- Nominal Value (Undiscounted) as of 6/30/2021
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	Property & Liability		Workers Compensation	Total
Claim Reserves	\$23,758,544		\$13,536,444	\$37,294,988
IBNR Reserves	Low	30,213,372	22,086,534	52,299,906
	Central	37,117,989	24,709,607	58,827,596
	High	38,022,606	27,332,680	65,355,286
Total Reserves	Low	53,971,917	35,622,977	89,594,894
	Central	57,876,534	38,246,050	96,122,584

	High	61,781,151	40,869,123	102,650,274
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Loss and LAE Reserve Estimates- Present Value (Discounted) as of 6/30/2021
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	Property & Liability		Workers Compensation	Total
Claim Reserves	\$23,044,412		\$12,379,821	\$35,424,233
IBNR Reserves	Low	29,048,836	20,132,293	49,181,129
	Central	32,809,088	22,518,073	55,327,161
	High	36,569,339	24,903,853	61,473,193
Total Reserves	Low	52,093,249	32,512,114	84,605,362
	Central	55,853,500	34,897,894	90,751,394
	High	59,613,752	37,283,674	96,897,426

Funding Estimate- Nominal Value (Undiscounted) as of 6/30/2021
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Policy Period	Property & Liability	Workers' Compensation	Total
2021-2022	\$27,135,076	\$13,464,246	\$40,599,322
2022-2023	29,492,945	13,772,510	43,265,454
2023-2024	32,069,241	14,088,514	46,157,755

Funding Estimate- Present Value (Discounted) as of 6/30/2021
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Policy Period	Property & Liability	Workers' Compensation	Total
2021-2022	\$25,769,504	\$12,580,638	\$38,350,141
2022-2023	28,008,777	12,868,671	40,877,448
2023-2024	30,455,355	13,163,937	43,619,292

A motion was made to approve the Loss Reserve and Funding Analysis as of 6/30/2021.

**MOTION:** T. Ruiz

**SECONDED:** C. Parrino

A roll call vote was taken.  
Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

**11. B 2021-2022 MOCL024 General & Automobile Liability Memorandum of Coverage (Action Item)**

Mr. Valerio reported the draft MOCL024 was provided to the RAC and Board via email. He stated it was the recommendation of the Board to bring this back for further discussion and to possibly add language that would exclude the defense or coverage for perpetrators and sexual molestation instances acting outside of their scope of work. He explained NMPSIA Staff worked with Mr. Martin Esquivel, NMPSIA General Counsel, Poms & Associates Staff and Mr. Al Park, NMPSIA Board President to draft language.

Mr. Esquivel stated there is a high level of frustration in having to insure and pay judgements on improper and illegal behavior by members of schools. He stated the amount of money paid out in judgements is an alarming figure. Mr. Esquivel stated NMPSIA has a desire to offer insurance to members that is expansive and fair. He stated staff was forced to look at options to address this issue. Mr. Esquivel stated staff is recommending a specific exclusion which considers behavior that is found to be improper in violation of certain portions of the New Mexico Children’s Code when it comes to sexual abuse. He stated this option might be the best at this point and a step in the right direction regarding how to shield NMPSIA from behavior that is clearly not within the course and scope of a staff members employment. Mr. Esquivel stated in going through the MOCL024 and with the passage of HB128 there is an opportunity to work with members on improving policy that might address some of these issues with respect to better defining conduct and ethical misconduct, limiting contact with students outside of school. He stated some districts do have these policies, but some do not. Mr. Esquivel stated this solution still allows us on a case by case to determine what will be insured and what will not be insured as the case proceeds.

After a lengthy discussion, the Board agreed to approve the changes to the 2021-2022 MOCL024 General & Automobile Liability Memorandum of Coverage.

**MOTION:** T. Ruiz

**SECONDED:** D. Martinez Jr.

Mr. Park thanked Mr. Esquivel, Mr. Poms and staff, and NMPSIA staff for the work on this MOC.

A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

## **11. C TPA Reports**

### **11.C.1 Property & Liability Monthly Claims Report**

Mr. Kevin Sovereign, CCMSI, reported on the Property & Liability Monthly Claims Report. He stated for the month of July 2021 there were 315 open claims, 27 new claims and 21 claims were closed. Mr. Sovereign reported reserves were at \$48,503,674.57, payments were \$31,702,135.55 for a total of \$80,205,810.12.

### **11.C.2 Property & Liability Large Losses**

Mr. Sovereign reported there are four large losses to report on. Three claims are roofing losses and involved rain and hail at Belen High School, a Taos Charter School and Pecos High School. Mr. Sovereign stated the roofs are repairable.

Mr. Sovereign reported the fourth loss involved a museum storage building at the Mesa Lands Community College in Tucumcari. He stated the roof was blown off because of wind damage. Mr. Sovereign reported this will most likely be a total loss.

Mr. Sovereign also reported on a large recovery. He stated this has to do with a flood at Martin Luther King Elementary School in Rio Rancho in February 2020. He stated the flood was caused by a contractor that was assigned to relocate a fire hydrant near the playground. There was approximately 30,000 square feet of flooding that occurred and took over most of the school. CCMSI went in and determined that an experienced crew was needed to repair the flood damage. Initially there was an agreement between the subcontractor's insurance



company and CCMSI. When it came time to pay the bill the subcontractors insurance company wanted to offer less than a third of approximately \$380,000. After a strong worded letter by outlining the facts, the insurance company agreed to reimburse the entire \$384,000 to NMPSIA without litigation.

### **11.C.3 Workers' Compensation Monthly Claims Report**

Mr. Jerry Mayo, CCMSI, provided the Workers' Compensation Monthly Claims Report for Districts as of July 31, 2021. He reported during the month of July there were 810 open claims, 61 new claims, 13 claims were re-opened, and 100 claims were closed. Mr. Mayo reported reserves were at \$13,856,889.02, payments were \$49,727,577.14: for a total of \$63,584,466.16.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of July 31, 2021. Mr. Mayo reported during the month of July, there were 30 open claims, 2 new claims, and 2 claims were closed. Mr. Mayo reported reserves were at \$626,641.48; payments were \$1,429,361.01, for a total of \$2,056,002.49.

### **11.C.4 Workers' Compensation Large Losses**

Mr. Mayo reported there were no large losses that exceeded \$50,000.00 in July.

### **11.E Loss Prevention Update**

Ms. Garcia reported that in a small district in the east corner of the state, the Superintendent starts every interview with a statement that the school district must comply with HB128. This Superintendent shared that a potential employee ended the interview and walked out because of this opening statement.

Mr. Larry Vigil, Poms & Associates, provided an update on Springer and Gadsden School Districts. He stated both had received Critical Hazard Letters for issues that were identified. Mr. Vigil reported all the issues have been remedied.

## **12. General Discussion**

Mr. Parrino shared a story with respect to utilizing benefits and stated he was happy with the benefit plans offered through NMPSIA and the ease of utilization.

## **13. Next Meeting Date and Location**

After discussion, the Board agreed to hold the October Board and Committee Meetings virtually on Thursday, October 7, 2021.

## **14. Adjournment (Action Item)**

A motion was made to adjourn the meeting at 10:53 a.m.

**MOTION:** S. Quintana

**SECONDED:** C. Parrino


A roll call vote was taken.

Ms. Pamela Vigil, called roll.

Daniel Benavidez - Yes  
Tim Crone – Yes  
Pauline Jaramillo, Secretary - Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
K.T. Manis - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Chris Parrino, Vice-President - Yes  
Alfred Park, President – Yes

**Vote: Vote carried unanimously.**

**APPROVED:**

DocuSigned by:  
  
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Mr. Chris Parrino, Vice-President