



**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL**  
**Administered by New Mexico Counties**

April 15, 2024

Anne Laurent  
Los Alamos County  
1000 Central Avenue  
Los Alamos NM, 87544

Dear Represented Member:

It is a pleasure representing your county on the New Mexico County Insurance Authority (NMCIA) Board of Directors (Board). The NMCIA insurance pool provides crucial services and benefits to county members, including:

- an array of educational and loss prevention tools;
- legal consultation on unique county legal and employment issues;
- workers compensation, liability, and property insurance coverage for all of the operational areas of county government; and
- expert claims handling for all of the unique types of claims that counties experience.

The NMCIA Bylaws require the Board to assure that the Authority remains financially solvent and authorize the Board to set special assessments sufficient to maintain the Authority. Section IV.D.2 and .4.

As a follow-up to the announcement at the membership meeting in Santa Fe this January, I am writing to provide details on the NMCIA Board's strategic decision to adopt the attached Policy on Capital Adequacy. Providing the Pool with adequate capital for long-term operations ensures that county members will have the most comprehensive coverage and support available into the foreseeable future.

By way of summary, the NMCIA Policy on Capital Adequacy:

- Was developed with PricewaterhouseCoopers, who conducted a capital adequacy assessment for NMCIA and developed options based upon that risk assessment;
- Positions NMCIA to meet the coverage needs of its members for the long run by ensuring adequate capital to pay claims even in an extreme risk year; and
- Will make NMCIA more attractive to reinsurers, who consider capital adequacy when making underwriting decisions.

444 Galisteo Street  
Santa Fe, NM 87501

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



**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL**  
**Administered by New Mexico Counties**

As indicated, the Policy on Capital Adequacy is based upon risk assessment. More specifically:

- the lower bound of the desired risk capital target range (\$54 million) is based upon an estimated 1-in-200-year demand on program capital from financial risks, which is consistent with the 99.5% confidence level expectation contained in global insurance regulation; and
- the upper bound (\$109 million) is based upon a 2 times a 1-in 200-year capital event.

When NMCIA’s net position is below the lower bound, the NMCIA Board is required to create a funding plan to reach the lower bound over a several year timeframe.<sup>1</sup>

NMCIA is currently at a \$37.5MM net position. The plan is to fund the approximately \$16.55MM difference over three years, with member counties being given flexibility in their payment options so long as the total annual amount is paid by the end of each fiscal year.<sup>2</sup> NMCIA will bill bi-annually with payments due no later than September 30 and March 31 of each year.

Here are the calculations that indicate your county’s assessment amount:

Line of Coverage	LE	ML	WC
Total 2023 Pool Contributions	18,023,319	9,897,664	9,478,325
Total Capital Funding Goal by Coverage	7,938,783	4,359,643	4,174,945
Your County's Capital Funding Year 1	N/A	N/A	74,710
Your County's Est. Capital Funding Year 2	N/A	N/A	76,204
Your County's Est. Capital Funding Year 3	N/A	N/A	76,951
Your County's 2023 Pool Contribution	N/A	N/A	508,840
Your County's % of Total Pool Contribution	N/A	N/A	5.37%
Your County's Total Capital Assessment	N/A	N/A	227,866

Your county’s portion of the \$16.5 MM is \$227,866, which is based on your county’s total exposure with NMCIA.

444 Galisteo Street  
 Santa Fe, NM 87501

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

<sup>1</sup> If NMCIA’s net position falls below \$31MM, immediate corrective action is required to restore the capital to this minimum level within 12 months.

<sup>2</sup> Section IV.D of the Bylaws authorizes the Board to make assessments such as this capital adequacy assessment.



**NEW MEXICO COUNTY INSURANCE AUTHORITY POOL**  
**Administered by New Mexico Counties**

In closing, I would emphasize that this capital adequacy assessment does NOT mean that NMCIA is in poor financial health. Rather, this type of robust risk assessment and forward looking capital planning represents a significant growth step in the continued maturation of NMCIA, which the Board took to ensure NMCIA is able to meet your coverage needs even during extreme risk years. This investment of capital into the NMCIA Pool will ensure the Pool is able to pay your claims for many years into the future.

Please do not hesitate to contact me if you want to discuss the Policy on Capital Adequacy or NMCIA's funding plan. I would also be happy to arrange a presentation to your Commission on this, and/or any other topic regarding NMCIA or New Mexico Counties, that would be helpful.

Respectfully,

Jhonathan Aragon  
Geographic Representative Board Member

Kate Fletcher  
Population Representative Board Member

Encls. (Policy on Capital Adequacy)

444 Galisteo Street  
Santa Fe, NM 87501

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



**NEW MEXICO COUNTY INSURANCE AUTHORITY**  
 ADMINISTERED BY NEW MEXICO ASSOCIATION OF COUNTIES  
 444 Galisteo Street  
 Sante Fe, NM 87501  
 Phone (505) 983-2101

## INVOICE

INVOICE #: NMCIA-00102  
 DATE: 01/01/2026  
 DUE DATE: 03/31/2026

**BILL TO:**

ANNE LAURENT, COUNTY MANAGER  
 LOS ALAMOS COUNTY  
 100 CENTRAL AVE STE 350  
 LOS ALAMOS, NM 87544

**SEND TO:**

MELISSA DADZIE, CHIEF FINANCIAL OFFICER  
 LOS ALAMOS COUNTY  
 1000 CENTRAL AVE STE 350  
 LOS ALAMOS, NM 87544

Purchase Order	Terms	Claim Number
N/A	See Due Date	N/A

DESCRIPTION	AMOUNT
WORKERS' COMPENSATION - CAPITAL ADEQUACY FUNDING - YEAR 2 (SECOND HALF)	\$38,102.00
Subtotal	\$38,102.00
Total	\$38,102.00