



NEW MEXICO
GENERAL SERVICES DEPARTMENT

LEGISLATIVE FINANCE COMMITTEE
RISK PRESENTATION
SEPTEMBER 30, 2020

FY22 Allocation Report

(version 1.06 - 29 - 20)

Base Premium (unadjusted) is 5-year average of limited incurred losses (see [9.2] of regulations)

Base Premium's Loss and Exposure components set by Director's ratios (see [10.2])

Base Premiums to be apportioned to individual entities based on their share of Losses / Exposures (see

0.1%

Coverage	Incurred Losses ⁽¹⁾							Adjustments						Weights		Base Premiums		
	2015	2016	2017	2018	2019	5-Yr Tot	5-Yr Avg	Loss Dev. ⁽²⁾	Insurance ⁽³⁾	Admin ⁽⁴⁾	0.1% CPI	Other ⁽⁵⁾ Scenario D	Total Prem	Loss %	Exposure %	Loss	Exposure	Total
12 Workers Compensation	10,782,714	13,729,086	9,737,179	12,106,819	10,544,090	56,899,888	11,379,978	3,631,482	0	1,000,000	76,208	0	16,087,668	90	10	14,478,901	1,608,767	16,087,668
21 General Liab	6,664,718	5,296,210	4,105,680	3,514,487	1,954,533	21,535,628	4,307,126	1,648,401	0	3,000,000	32,837	0	8,988,364	70	30	6,291,855	2,696,509	8,988,364
22 Law Enforcement	265,538	283,808	232,605	177,532	106,927	1,066,409	213,282	85,313	0	0	1,496	0	300,091	70	30	210,063	90,027	300,091
23 Medical Malpractice	7,698,292	6,248,855	2,481,203	3,995,720	3,087,737	23,511,806	4,702,361	1,880,945	0	0	32,982	0	6,616,288	70	30	4,631,402	1,984,886	6,616,288
24 Civil Rights	12,857,026	7,815,333	6,120,011	7,030,898	4,213,361	38,036,628	7,607,326	3,042,930	0	0	53,358	0	10,703,614	70	30	7,492,530	3,211,084	10,703,614
35 Auto Liability	792,164	824,248	927,099	1,389,836	581,287	4,514,633	902,927	218,708	4,251	0	5,624	0	1,131,509	70	30	792,056	339,453	1,131,509
Aircraft Liability	0	0	0	0	0	0	0	0	19,120	0	19	0	19,139	n/a	n/a	0	0	19,139
38 Railroad Liability	49,870	7,932	0	0	0	57,802	11,560	4,424	0	0	80	0	16,065	70	30	11,245	4,819	16,065
41 Auto Physical Damage	820,039	1,736,869	1,353,673	1,486,588	1,666,099	7,063,268	1,412,654	8,995	0	0	7,122	0	1,428,771	30	70	428,631	1,000,140	1,428,771
50 Fidelity Bonds	0	0	0	1	0	1	0	0	0	0	0	0	0	0	100	0	0	0
71 Blanket Property	3,551,878	3,213,972	2,405,851	1,648,450	5,555,818	16,375,969	3,275,194	70,377	2,838,000	1,000,000	20,599	0	7,204,170	30	70	2,161,251	5,042,919	7,204,170
80 Fine Arts	0	88	0	0	0	88	18	0	226,575	0	227	0	226,819	30	70	68,046	158,774	226,819
90 Boiler	59,462	0	0	0	0	59,462	11,892	0	157,632	0	217	0	169,742	30	70	50,922	118,819	169,742
92 Money & Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0
Aircraft Hull	0	0	0	0	0	0	0	0	203,668	0	204	0	203,872	n/a	n/a	0	0	203,872
Crime	0	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	0	0	0
Total	43,541,701	39,156,401	27,363,301	31,350,330	27,709,851	169,121,584	33,824,317	10,591,575	3,449,246	5,000,000	230,973	0	53,096,112			36,616,903	16,256,198	53,096,112

RMD Cost of Defense

FY2013	\$14,856,475
FY2014	\$11,453,157
FY2015	\$12,870,094
FY2016	\$9,636,782
FY2017	12,826,086
FY2018	\$10,111,036
FY2019	\$11,189,111
FY2020*	\$10,977,813

*This amount should be considered a preliminary estimate.

FY11-FY20 Liability Claims \geq \$250,000 Agency Totals (Top Frequency 10 Years)

AGENCY	TOTAL FY11-FY20
University of New Mexico Hospital	88
Department of Transportation	36
Department of Public Safety	20
Children, Youth and Families Department	11
Department of Health	8
New Mexico Corrections Department	6

Liability Claim Count \geq \$250,000 by line of coverage

Coverage Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Grand Total
Auto Liability	0	0	0	1	0	0	0	0	0	0	1
Civil Rights	6	4	8	1	9	6	5	5	7	10	61
General Liability	6	4	4	4	5	9	3	4	5	3	47
Law Enforcement	0	0	0	2	4	0	0	0	0	0	6
Medical Malpractice	9	9	7	11	12	11	14	10	6	10	99
Railroad Liability	2	1	1	0	0	0	0	0	0	0	4
Grand Total	23	18	20	19	30	26	22	19	18	23	218*

Totals indicated as of 9.24.2020

FY11-FY20 Property Claims \geq \$250,000 Agency Totals Top Frequency 10 Years

AGENCY	TOTAL FY11-FY20
University of New Mexico	10
General Services Department	5
New Mexico State University	4
Department of Transportation	2
Department of Cultural Affairs	2
Department of Military Affairs	2

FY20 indicates only one loss > \$250,000 @ NMSU (Fire)

FY11-FY20 Property Claims \geq \$250,000

Loss Type

Top Frequency 10 Years

LOSS TYPE	TOTAL FY11-FY20
Flood	8
Wind / Hail	8
Fire	5
Water Line Burst	3
Mechanical Breakdown	3

Certificate of Coverage Highlights

The FY21 Letter of Administration and the Liability Certificate carry over from FY20 with no modifications.

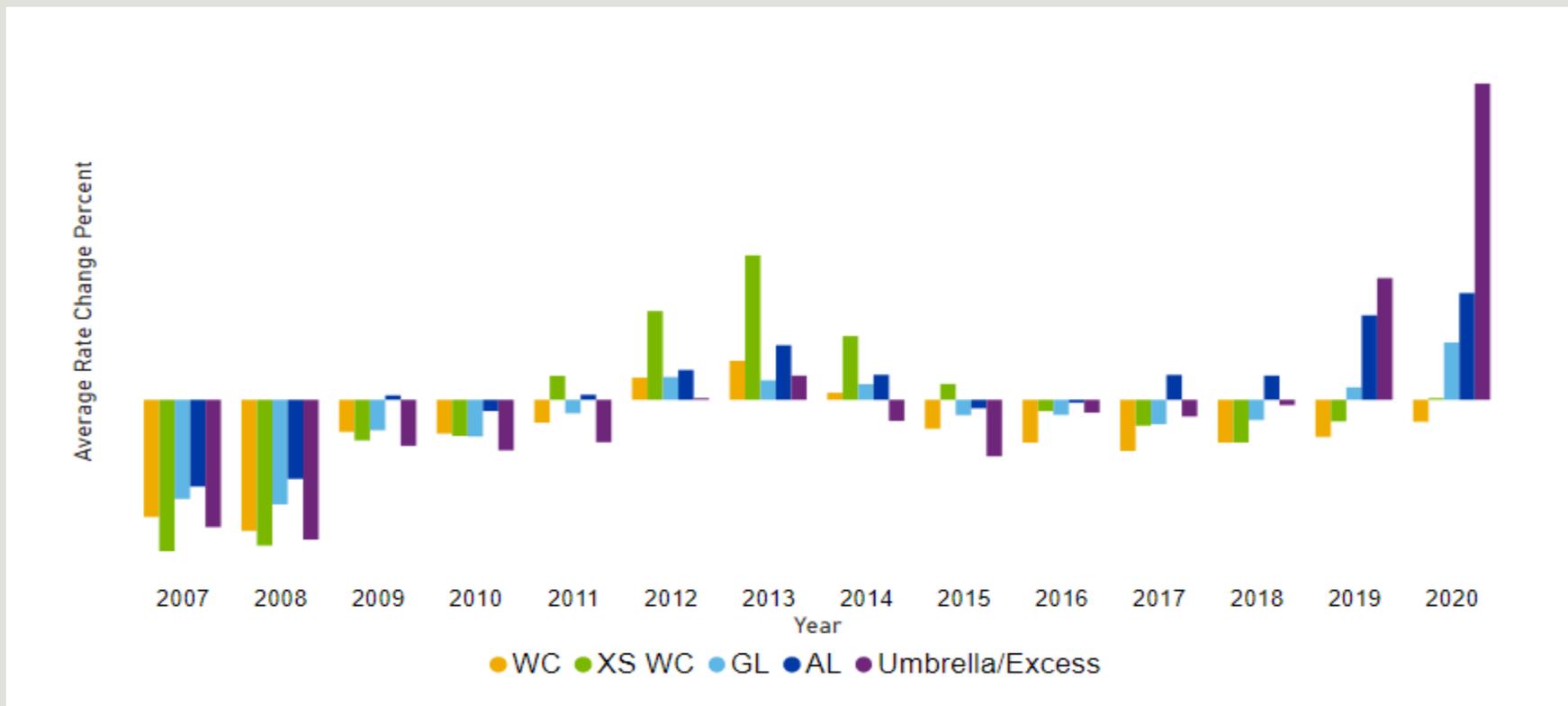
The FY21 Property Certificate had one modification shown below (highlighted):

VALUATION

In case of **loss** to property of a **Governmental Entity** covered hereunder, the basis of adjustment shall be as of the time and place of **loss** as follows, subject to applicable deductibles:

On all real and personal property, including **Property of Others** in the care of or control of the **Governmental Entity**, at the replacement value (as defined below) at the time of the **loss** without deduction for depreciation. If property is not replaced, or construction procurement begun, within (12) twelve months, then the actual cash value shall apply. **No payment shall be provided if the Governmental Entity has no intention of replacement or repair of the damaged property or if repairs have not commenced within 18 months from the date of loss.**

Average Rate Change Since 2007



- *The percentages were purposefully omitted – the slide is intended to show directional change over time*
- *Reflects year-over-year rate change by line of business for Aon's National Casualty / complex casualty clients since Q1 2007*
- *Total Tower is a combination of the Lead Umbrella and the Excess Liability Layers*

Excess Insurance Renewal Summary FY20-FY21

	<u>'19-'20 Premium</u>	<u>'20-'21 Premium</u>	<u>Differential</u>
<u>Commercial Property</u>	\$3,446,338.00	\$4,137,256.00	+\$690,918 (20%)
<u>Fine Arts</u>	\$226,575.00	\$207,145.00	-\$19,429 (9%)
<u>Rail Runner Liability</u>	\$1,476,000.00	\$2,298,500.00	+\$822,500 (56%)
<u>Rail Runner Property</u>	\$371,367.00	\$368,086.37	-\$3,280.63 (1%)

Context: Total premium increases for all lines of coverage (about \$1.5 million) represents about 2.7% of total projected expenditures from the Public Property and Liability Funds.

Public Liability Fund

PUBLIC LIABILITY
FUND: 357

		Actual FY2019	Actual FY2020 ¹	Actual FY2021
		End Cash Bal:	Beg Cash Bal:	Beg Cash Bal:
		\$57,138.8	\$71,507.9	\$72,912.8
SOURCES		TOTAL Actual FY2019	TOTAL ACTUAL FY2020 ¹	TOTAL PROJ FY2021
Revenues				
Insurance Assessments ²		\$43,886.4	\$39,619.3	\$38,645.3
Interest		\$2,080.0	\$2,475.0	\$1,000.0
Misc.		\$11.8	\$3.5	\$3.0
AR		\$1,157.3	\$52.7	\$100.0
Total Revenues		\$47,135.5	\$42,150.5	\$39,748.3
USES		TOTAL ACTUAL FY2019	TOTAL ACTUAL FY2020	TOTAL PROJ FY2021
Category				
	400 Prior Year A/P	(\$403.8)	\$1,696.9	\$1,000.0
	400 Prior Year	\$35.6	\$177.6	\$0.0
	Total	(\$368.2)	\$1,874.5	\$1,000.0
	300	\$11,040.8	\$11,578.2	\$13,180.4
	400	\$19,678.0	\$24,716.3	\$23,524.1
	500	\$2,415.8	\$2,576.5	\$2,654.7
	Total	\$33,134.6	\$38,871.0	\$39,359.2
Total Expenditures		\$32,766.4	\$40,745.5	\$40,359.2
DOJ award settlement Adj (AP)		\$0.0	\$0.0	\$0.0
		End Cash Bal:	End Cash Bal:	End Cash Bal:
		\$ 71,507.9	\$ 72,912.8	\$ 72,301.9

FY20 BUDGET	FY20 ACTUAL	BALANCE
\$0.0	\$1,696.9	(\$1,696.9)
\$0.0	\$177.6	(\$177.6)
\$13,888.3	\$11,578.2	\$2,310.1
\$25,322.1	\$24,716.3	\$605.8
\$2,576.5	\$2,576.5	\$0.0
\$41,786.9	\$40,745.5	\$1,041.4

Projected fund health: PUBLIC LIABILITY
Fund Indicator: **Y**

Projected YREND Fund Ratios			
FY19	FY20	FY21	Item
\$71,507.9	\$72,912.8	\$72,301.9	Projected Assets
\$68,123.0	\$70,721.3	\$79,450.2	Outstanding Liabilities ⁵
105%	103%	91%	Projected Fund Health

- NOTES**
- Per SHARE GL Detail by Fund report dated 7-9-2020.
 - FY19 BILLING \$48,931.3 Collection Rate 90% = \$43,886.5
 FY20 BILLING \$38,645.3 Collection Rate 103% = \$39,619.2
 FY21 BILLING \$38,645.3 Collection Rate 100% = \$38,645.3
 - 300 category expenditure for professional services, primarily for Legal, Investigator, Excess Insurance and System Maintenance expenses
 - AON RPT Projected Losses Paid TABLE III-4 Column (2), FY19= Actual, FY20 = \$31,363.7, FY21 = \$23,524.1 - Assumes "worst case" scenario
 - FY19, FY20 and FY21 per AON RPRT, GL-12/13, LE-12/13, CR-12/13, AL-12/13, MP-12/13, Column 9;
 FY19= \$68,123k actuarial calculation of outstanding liabilities
 FY20 = \$70,721.3k actuarial calculation of outstanding liabilities
 FY21 = \$79,450.2k actuarial calculation of outstanding liabilities

Public Property Fund

**PUBLIC PROPERTY
FUND: 356**

	Actual FY2019 Beg Cash Bal:	ACTUAL FY2020 ¹ End Cash Bal:	Actual FY2021 End Cash Bal:
	\$18,704.7	\$18,307.2	\$21,452.5
SOURCES	TOTAL Actual FY2019	TOTAL Proj FY2020¹	TOTAL PROJ FY2021
Revenues			
Insurance Assessments	\$9,310.7	\$9,409.3 ²	\$9,432.1
Interest	\$510.6	\$580.6	\$200.0
Misc.	\$135.2	\$3,207.2	\$1,000.0
AR	\$0.0	\$0.0	\$0.0
Total Revenues	\$9,956.6	\$13,197.0	\$10,632.1
USES	TOTAL Actual FY2019	TOTAL PROJ FY2020	TOTAL PROJ FY2021
Category			
Other uses			
PY Vouchers Payable	(\$74.8)	\$108.2 ³	\$100.0
300	\$4,016.3	\$4,620.3 ³	\$4,670.1 ⁴
400	\$5,412.6	\$4,323.2	\$7,319.6 ⁴
400 Prior Year	\$0.0	\$0.0	\$0.0
500	\$1,000.0	\$1,000.0	\$1,500.0
Total Expenditures	\$10,354.1	\$10,051.7	\$13,589.7
Adj.	\$0.0		\$0.0
	End Cash Bal: \$18,307.2	End Cash Bal: \$21,452.5	End Cash Bal: \$18,494.9

BUDGET FY20	ACTUAL FY20	BALANCE
\$0	\$108.2	(\$108.2)
\$4,665.0	\$4,620.3	\$44.7
\$6,070.0	\$4,323.2	\$1,746.8
\$0.0	\$0.0	
\$1,000.0	\$1,000.0	\$0.0
\$11,735.0	\$10,051.7	\$1,683.3

NOTES

1. Per SHARE GL Detail by Fund report dated 7-9-2020

2. FY19 BILLING \$9,933.2 Collection Rate 94% = \$9,310.7
 FY20 BILLING \$9,535.6 Collection Rate 99% = \$9,409.3
 FY21 BILLING \$9,432.1 Collection Rate 100% = \$9,432.1

3. 300 category expenditure for professional services, primarily for Excess Insurance and System Maintenance expenses

4. AON TABLE III-4, p 10 FY19= Actual; FY20 = \$7,301.6; FY21 = \$7,319.6 - Assumes "worst case" scenario

5. FY19 , FY20 and FY21 per AON RPRT, PD-12, PD 13, OP12, OP-13, Column 9;

FY19 = \$2,977.8k actuarial calculation of outstanding liabilities.

FY20= \$2,916.7k actuarial calculation of outstanding liabilities.

FY21 = \$2,949.1k actuarial calculation of outstanding liabilities

Projected fund health: PUBLIC PROPERTY

Fund Indicator: **G**

Projected YREND Fund Ratios			Item
FY19	FY20	FY21	
\$18,307.2	\$21,452.5	\$18,494.9	Projected Assets
\$2,977.8	\$2,916.7	\$2,949.1	Outstanding Liabilities ⁵
615%	736%	627%	Projected Fund Health

Worker's Compensation Fund

WORKERS COMPENSATION

FUND: 359

	Actual FY2019 Beg Cash Bal:	ACTUAL FY2020 End Cash Bal:	Projected FY2021 End Cash Bal:
	\$24,317.6	\$28,673.2	\$34,607.6
SOURCES	TOTAL Actual FY2019	TOTAL Proj FY2020	TOTAL PROJ FY2021
Revenues			
Insurance Assessments	\$18,840.1	\$19,836.3 ²	\$18,708.7
Interest	\$863.8	\$1,093.1	\$500.0
Misc.	\$190.8	\$238.0	\$200.0
Accounts Receivable	\$0.0	(\$0.8)	\$0.0
Total Revenues	\$19,894.7	\$21,166.7	\$19,408.7
USES	TOTAL Actual FY2019	ACTUAL FY2020	TOTAL PROJ FY2021
Category			
Prior Year AP	(\$98.7)	\$223.1	200.0
400 Prior Year Payment	\$24.6	\$74.1	80.0
Contracts Payable	\$13.5	\$0.0	\$0.0
Total Prior Year	(\$60.6)	297.2	280.0
300 ²	\$ 1,292.6	\$785.7 ³	\$2,118.7
400 ³	\$ 12,307.0	\$12,149.4 ⁴	\$16,039.4
500	\$ 2,000.0	\$2,000.0	\$2,000.0
	\$ -		
Total Current Year	\$15,599.6	\$14,935.1	\$20,158.1
Total Expenditures	\$15,539.0	15,232.3	20,438.1
Adjustment	\$0.0		
	End Cash Bal:	End Cash Bal:	End Cash Bal:
	\$28,673.2	\$34,607.6	\$33,578.2

BUDGET FY20	ACTUAL FY20	REQUIRED BAR
	\$223.1	(\$223.1)
	74.1	(\$74.1)
\$2,098.4	\$785.7	\$1,312.7
\$14,170.1	\$12,149.4	\$2,020.7
\$2,000.0	\$2,000.0	\$0.0
\$18,268.5	\$15,232.3	\$3,036.2

Projected fund health: Workers' Compensation
Fund Indicator: Y

Projected YREND Fund Ratios			Item
FY19	FY20	FY21	
\$28,673.2	\$34,607.6	\$33,578.2	Projected Assets
\$49,847.8	\$57,731.7	\$59,892.3	Outstanding Liabilities ⁵
58%	60%	56%	Projected Fund Health

NOTES

1. Per SHARE GL Detail by Fund report dated 7-10-2020
2.

FY19 BILLING	\$18,839.2	Collection Rate	100% =	\$18,840.1
FY20 BILLING	\$19,836.2	Collection Rate	100% =	\$19,836.20
FY21 BILLING	\$18,708.7	Collection Rate	100% =	\$18,708.70
3. 300 category expenditure for professional services, primarily for Legal, Investigator, Excess Insurance and System Maintenance expenses
4. AON TABLE III-4, p 9 Columns (2) and (3) FY19=Actual, FY20=\$15,611.9, FY21=\$16,039.4- Assumes "worst case" scenario
5. FY19, FY20 and FY21 per AON RPRT Exhibit WC-12 and WC-13 Column 9
 - FY19 = \$49,847.8k actuarial calculation of outstanding liabilities
 - FY20 = \$57,731.7k actuarial calculation of outstanding liabilities
 - FY21 = \$59,892.3k actuarial calculation of outstanding liabilities

State Unemployment Fund

STATE UNEMPLOYMENT FUND: 353

	Actual FY2019	Actual FY2020	Projected FY2021
	Beg Cash Bal:	Beg Cash Bal:	Beg Cash Bal:
	\$8,417.1	\$12,017.1	\$12,314.9
SOURCES	TOTAL Actual FY2019	TOTAL PROJ FY2020	TOTAL PROJ FY2021
Revenues			
Insurance Assessments ²	\$5,880.4	\$5,330.3	\$4,084.7
Interest	\$301.4	\$415.0	\$20.0
Misc.	\$0.0	\$0.0	\$0.0
AR	\$0.0	\$0.0	\$0.0
Total Revenues	\$6,181.8	\$5,745.3	\$4,104.7
USES	TOTAL Actual FY2019	TOTAL PROJ FY2020	TOTAL PROJ FY2021
Category			
400 Prior Year AP	\$454.4	(\$1,322.1) ⁷	\$0.0
400 Prior Year	\$0.0	\$0.0	\$0.0
Total Prior Year	\$454.4	(\$1,322.1)	\$0.0
Due To	(\$1,959.8)		
300 ³	\$59.4	\$60.0	\$90.0
400 WSD Reimburse			\$4,682.1 ⁴
Q1 Actual			\$0.0
Q2 Actual			\$0.0
Q3 Actual			\$0.0
Q4 Actual			\$0.0
Uncollectable		\$202.9	
Claims	3,027.8	\$4,519.5	
500 Transfers	\$1,000.0	\$1,987.2	\$0.0
Total Current Year	\$2,127.4	\$6,769.6	\$4,772.1
Total Expenditures	\$2,581.8	\$5,447.5	\$4,772.1
Adj.			
	End Cash Bal:	End Cash Bal:	End Cash Bal:
	\$12,017.1	\$12,314.9	\$11,647.5

COMMENTS

Qtr	FY20
Q1	\$923.3
Q2	\$845.2
Q3	\$709.8
Q4	\$2,041.2
Total	\$4,519.5

	FY20	FY20	BALANCE
	BUDGET	ACTUAL	
	\$100.0	\$60.0	\$40.0
	\$6,000.0	\$4,722.40	\$1,277.6
	\$1,987.2	\$1,987.2	\$0.0
	\$8,087.2	\$6,769.6	\$1,317.6

Projected fund health: STATE UNEMPLOYMENT

Fund Indicator: Y

Projected YREND Fund Ratios

FY18	FY19	FY20	Item
\$12,017.1	\$12,314.9	\$11,647.5	Projected Assets
\$4,829.9	\$5,061.2	\$5,061.2	Outstanding Liabilities ⁴
249%	243%	230%	Projected Fund Health

NOTES

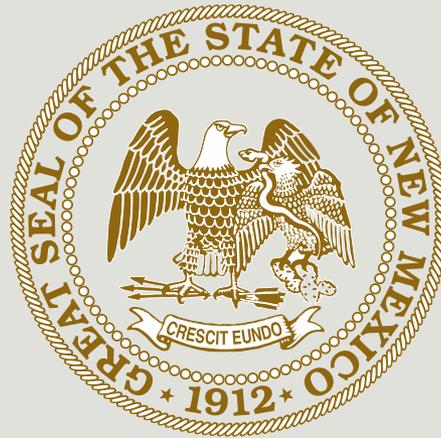
1. Per SHARE GL Detail by Fund report dated 8-17-2020

FY19 Billing	\$5,880.4	Collection Rate	100.00% =	\$5,880.4
FY20 Billing	\$5,327.9	Collection Rate	100.00% =	\$5,327.9
FY21 Billing	\$4,095.9	Collection Rate	100.00% =	\$4,084.7

3. 300 category expenditure for professional services, primarily for Third Party Administrator (TPA)

4. Estimates based on AON Exhibit UC-8, p 259 Total FY19= Actual; Total FY20 = \$4,682.1 FY21 = \$4,682.1

Questions & Comments



NEW MEXICO
GENERAL SERVICES DEPARTMENT