

**This is an amendment to 6.50.13 NMAC, Section 8, effective 12/10/2024.**

**6.50.13.8 SETTLEMENT POLICIES:** The authority retains the right at its sole discretion to decide the terms and conditions of settlement of any claim against any authority insured. The authority or its third-party administrator will not settle a claim against an authority insured for an amount in excess of [~~\$25,000~~] \$50,000 without first notifying the authority insured of the proposed settlement and the rationale supporting the proposed settlement. After the authority or its third-party administrator has notified an insured of a proposed settlement, the authority or its third-party administrator retains the power to proceed to settle the claim as the authority or its third-party administrator deems it in the best interest of the authority. Should the insured object to the proposed settlement by the authority, the insured shall (if the proposed settlement is a payment of money damages) be offered a payment in an amount equal to the money damages proposed to be paid by the authority under the settlement. The offer to the insured shall be made on condition that the insured release the authority from any further liability on the claim. If the insured accepts the offer, the authority will not consummate the proposed settlement with the claimant. The insured shall then be responsible for defense and settlement or payment of any judgment with regard to the claim and the authority on payment of the settlement amount to the insured shall be released by the insured from all further responsibility for the claim.

[6.50.13.8 NMAC - Rp, 6 NMAC 50.13.8, 09/01/2014; A, 12/10/2024]