

This is an amendment to 6.50.4 NMAC, Sections 8, 9 and 10, effective 12/10/2024.

6.50.4.8 PROCEDURE FOR JOINING THE AUTHORITY BY OTHER EDUCATIONAL ENTITIES:

- A.** Other educational entities who desire to join the authority shall provide the following to the authority:
- (1) an up-to-date employee census including for all employees their age, gender and classification;
 - (2) a minimum of three years loss reports and claims experience for all lines of authority coverages the other educational entity wishes to participate in;
 - (3) submission of financial and benefit information which meets standards set by the board;
 - (4) a resolution of the governing body of the other educational entity stating that it is requesting authority membership and participation in the authority's offerings of ~~[risk-related]~~ risk-related and employee benefits coverages and a statement that the other educational entity will abide by the Public School Insurance Authority Act, Section 22-29-1 et seq. NMSA 1978, and all authority rules and board policies and will keep in force all authority coverages for the duration of the then existing carrier agreements;
 - (5) an agreement in a form acceptable to the authority whereby the governing body of the other educational entity agrees that it will abide by and be bound by the Public School Insurance Authority Act, Section 22-29-1 et seq. NMSA 1978, and all other authority rules and board policies, including authority claims processing, settlement practices and the authority schedule for payment of premiums, late penalties and applicable interest, and will take, pay for and keep in force for the duration of the carrier agreements all applicable authority coverages; and
 - (6) payment of ~~[an excess premium deposit equal to ten percent of the total annual]~~ the total first year premiums, however, if the entity joins after July 1st, a prorated premium would be charged for the coverages selected [by the educational entity desiring to join the authority].
- B.** An other educational entity desiring to participate in only some of the authority's coverages shall apply for waivers as is required of school districts and charter schools pursuant to Subsections C and D of Section 22-29-9 NMSA 1978.
- C.** The authority may reject any application by any other educational entity with or without cause. [6.50.4.8 NMAC - Rp, 6 NMAC 50.4.8, 09/01/2014; A, 12/10/2024]

6.50.4.9 PROCEDURE FOR EXITING THE AUTHORITY BY OTHER EDUCATIONAL ENTITIES:

- A.** Other educational entities can voluntarily exit the authority only at the expiration of the carrier agreements for the authority coverages they have selected.
- B.** Under no circumstances can other educational entities voluntarily exit the authority prior to having been a member for a minimum of three years.
- C.** An other educational entity desiring to exit the authority shall make a request to the board in writing stating the reasons why it desires to exit, with a provisional notice no later than one year prior to the expiration date and final notice will be provided no later than [90] 180 days prior to the expiration date of the carrier agreements for the authority coverages the other educational entity has selected. The board shall vote whether to accept the resignation of the other educational entity at its next regular meeting following receipt of the other educational entity's request to exit.
- D.** The board shall reevaluate annually other educational entities who violate authority rules, regulations or board policies, which have poor loss histories or which evidence clear signs of fiscal irresponsibility and the board may at its discretion terminate the other educational entity's membership in the authority upon 90-day notice. [6.50.4.9 NMAC - Rp, 6 NMAC 50.4.9, 09/01/2014; A, 12/10/2024]

6.50.4.10 PENALTIES AGAINST OTHER EDUCATIONAL ENTITIES FOR FAILURE TO PARTICIPATE AFTER JOINING THE AUTHORITY:

A. Other educational entities may not drop any authority coverages prior to the expiration of carrier contracts. However, should a successor governing body of a participating other educational entity drop participation by refusing continued premium payments, the other educational entity shall be terminated from all coverages by the authority upon [~~30-day~~] 30-day notice and the following penalties shall be incurred.

(1) For risk-related coverages, the other educational entity shall forfeit to the authority any right to any reserves held on its behalf and shall pay to the authority the cost of any losses in excess of premium.

(2) For health and life employee benefits coverages, the other educational entity shall forfeit to the authority any right to any return premiums or reserves it may otherwise be entitled to. It shall pay to the authority any funds the authority has paid for or will pay for incurred claims related to the other educational entity in excess of premiums paid by the other educational entity as well as administrative expenses directly or indirectly related to claim payments including third party administrator costs and a reasonable percentage of the authority administrative costs.

B. If the other educational entity ceases to participate in authority coverages prior to expiration of the carrier contracts, it shall, in addition to any other penalties, pay to the authority any sums determined by the authority to be due in order to hold safe and harmless all other members of the authority from any adverse financial impact caused by its failure to participate.

[6.50.4.10 NMAC - Rp, 6 NMAC 50.4.10, 09/01/2014; A, 12/10/2024]