

This is an amendment to 6.50.5 NMAC, Section 8, effective 12/10/2024.

6.50.5.8 ESTABLISHMENT OF EMPLOYEE-BENEFIT AND RISK RELATED PREMIUMS:

A. The authority shall establish premiums necessary to protect the solvency of the fund considering all expenses, potential expenses and costs of the authority programs.

B. Whenever possible, the authority shall obtain loss experience for each line of coverage for each participating entity.

C. Whenever possible and economically feasible, the authority shall obtain professional actuarial advice to establish premium levels.

D. Whenever possible, the authority shall consider the loss experience of each particular participating entity as a primary factor in establishing the premiums for that entity. However, the authority shall also use other factors as necessary to protect the stability and solvency of the fund.

E. The authority shall also consider an appropriate premium increase of up to ten percent when presented with a member's untimely reporting of losses, in addition to a potential denial of a claim under the memorandums of coverages.

~~[E]~~ **F.** Exposure information, which includes, but is not limited to, property values, vehicle counts, payroll, average daily attendance, budgets, new or hazardous exposures, is requested from each member typically in December of each year. This information is one of the factors used to allocate premiums among the members. The deadline for submission of this information to the authorized representative of the authority is the second Friday in January. The authorized representative shall have three to four weeks to review the data, ask and answer any questions and verify the information. The final deadline for the submission of all additional or amended exposure information by the members to the authorized representative is the second Friday in February. The board will have the final decision to approve or reject any late received exposure information. If the exposure information is not received by the deadlines described above, the board may, at its discretion, impose a ten percent penalty increase to that member's prior year's exposure information.

~~[F]~~ **G.** If, at any time, the authority becomes aware that a member has under reported exposure information, an additional premium will be retroactively charged [~~at a rate to be determined by the board~~] back to the appropriate policy period.

~~[G]~~ **H.** If, at any time, the authority becomes aware that a member over reports exposure information, the member will not receive any return of premiums paid. However, if there are extenuating circumstances, the member can request that the board waive the forfeiture of the return premium.

[6.50.5.8 NMAC - Rp, 6 NMAC 50.5.8, 09/01/2014; A, 12/10/2024]