GENERAL SERVICES DEPARTMENT

RISK MANAGEMENT DIVISION

2018 ANNUAL REPORT

THE HONORABLE MICHELLE LUJAN GRISHAM

GOVERNOR

CLINTON NICLEY

DIRECTOR

SUBMITTED TO

THE NEW MEXICO STATE LEGISLATURE

MAY 8, 2019

Executive Summary

The Risk Management Division ("RMD") was established to meet a diverse array of critical needs for public entities in the State of New Mexico. *See* RMD's organic statute, NMSA 1978, §15-7-1 *et seq*.

RMD is responsible for self-insured administration and procurement of insurance to protect the Public Liability Fund (*see* § 41-4-23), the Workers' Compensation Retention Fund (*see* § 15-7-6), and the Public Property Reserve Fund (*see* § 13-5-1). RMD administers the State's group benefits self-insurance plan, providing life, vision, health, dental, and disability coverage for employees of the state and participating local public bodies (*see* § 10-7B-1 *et seq*). Section 51-1-15 further charges RMD with administering the State Government Unemployment Compensation Reserve Fund and the Local Public Body Unemployment Compensation Reserve Fund.

RMD struggled in Fiscal Year 2018 to address challenges associated with reduced State revenues. In Fiscal Year 2016 and Fiscal Year 2017, the legislature swept millions from several of RMD's funds in order to address a General Fund shortfall, which adversely impacted the solvency of the funds in Fiscal Year 2018. RMD has worked in concert with the Department of Finance and Administration and Legislative Finance Committee to modify risk rates as reduced revenues have adversely impacted budgets of all State agencies. RMD works to limit the cost of excess insurance so that agency risks are truly "self-insured" and their rates relate more directly to actual losses as opposed to sinking public dollars toward insurance premiums paid into the commercial markets.

Separate units within RMD, known as Bureaus, carry out the division's different functions. The following narrative describes the operations of each individual RMD Bureau.

Alternative Dispute Resolution Bureau

Established in 2007 by the New Mexico Governmental Dispute Prevention and Resolution Act (NMSA 1978, § 12-8A-1 *et seq.)*, the Alternative Dispute Resolution ("ADR") program helps state agencies constructively resolve workplace issues, thereby reducing costs and avoiding complicated legal proceedings through a preventative care model. ADR is a voluntary process that employs mediation, facilitation, arbitration, and a broad range of other problem solving techniques to prevent conflict and settle issues.

The ADR Bureau offers a wide variety of services that help agencies fulfill their statutory obligation to offer ADR. Agencies can call on the ADR Bureau to identify resources, develop administrative procedures, create standard forms, and coordinate free mediation services. The ADR Bureau also tracks program services, agency-reported ADR activity, and the state's participation U.S. Equal Employment Opportunity Commission ("EEOC") mediation. In Fiscal Year 2018, the ADR Bureau conducted 25 training and outreach events, reaching over 750 people, and trained 28 ADR Coordinators (with 6 from among the top-25 loss-producing agencies). By focusing on those agencies with histories of high loss in employment-related civil rights claims, the ADR Bureau helps agencies proactively reduce losses and build a foundation for future success.

Training, certification, and outreach are large parts of the ADR Bureau's mission. Most of the mediators in the ADR program are trained state employees who serve as neutral mediators in disputes involving unrelated agencies. Each year, the ADR Bureau offers formal, 40-hour, mediator certification courses to ensure the state has a ready supply of knowledgeable and skilled professionals. In Fiscal Year 2018, the ADR Bureau conducted mediator certification courses in Albuquerque and Farmington and certified 36 new mediators. The ADR Bureau's principal outreach event is its statewide ADR Symposium, a no-cost annual training event for mediators, legal professionals, agency executives, ADR Coordinators, and other participants from around the state. The 2-day event provides continuing education, numerous resources, and valuable opportunities for attendees to network with each other and experienced practitioners.

Each year, as required by Statute, the ADR Bureau reports on the use, costs, and successes of the state's ADR programs. A full report of statewide ADR activity necessarily relies on agency-reported data, which the ADR Bureau collects quarterly. For additional information, please refer to the Alternative Dispute Resolution Bureau's Annual Report for this year.

Loss Prevention and Control Bureau

The Loss Prevention and Control Bureau ("LPCB") fulfills Risk Management's insured entities statutory obligation to comply with NMSA §§ 9-17-5(E), 15-7-3(A)(9), NMAC 1.6.2 and NMAC 1.6.4, the State Loss Prevention and Control Rule ("Rule"). LPCB did an outstanding job in Fiscal Year 2018 developing revisions to the Rule, which went into effect in December 2018.

The Rule provides a more effective outline for LPCB to collaborate with key leadership in covered entities to protect taxpayer dollars, and to safeguard the health and wellbeing of New Mexico citizens by implementing practices that reduce preventable losses within state government.

Recognizing that strategic risks and operational risks are inherent in any business process, LPCB works with agencies to integrate risk management activities into daily operations. Employing a systematic risk assessment and mitigation framework, statistical data analysis, and internal subject matter experts, LPCB helps covered entities identify potential exposures, mitigate known risks, and align risk management with agency goals. This holistic approach to risk management allows organizations the freedom and flexibility to apply industry best practices in unique operational environments and, ultimately, succeed in providing outstanding service.

LPCB specializes in the following:

- Promoting a risk management culture to reduce liability exposure, safeguard state assets, and reduce costs associated with state liability and property losses;
- Establishing safety and loss control systems and programs customized for each entity's operational risks;
- Developing Environment, Health & Safety programs to provide management support and commitment to safety and loss control;
- Maintaining centralized loss history information to identify and analyze confidential metrics regarding entity risk exposures and loss experience;
- Providing insurance coverage programs and system wide multi-line insurance programs to protect the State's human, physical, and financial assets; and
- Implementing the Unemployment Program to provide strategies for managing hearings, claims, and costs.

Finance Bureau

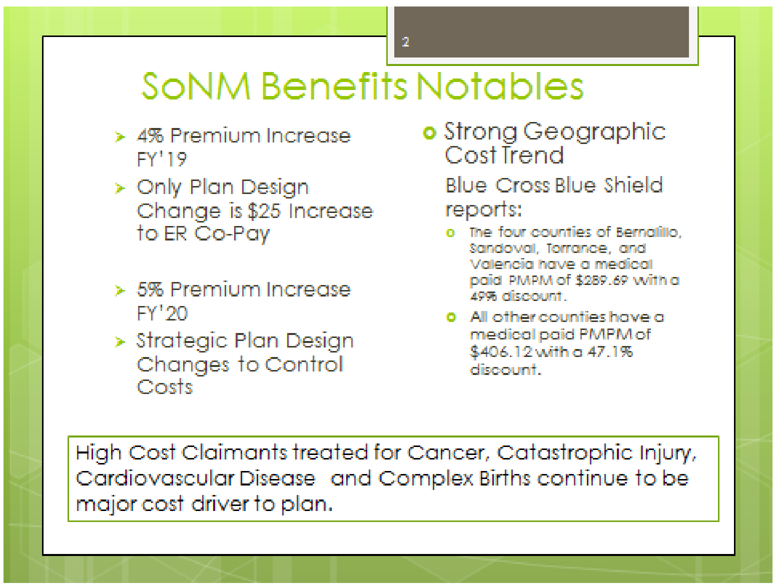
The Finance Bureau supports all of RMD by centralizing the Division's financial functions, providing accountability and ensuring timely processing of financial transactions. The Bureau manages budget preparation, financial reporting, encumbrances, accounts receivable, accounts payable, and contract administration. One year after the Finance Bureau went live with the DFA Cash Remediation initiative, continued operational challenges remained to be worked through. The processing initiative remains a major accomplishment, allowing the Property and Casualty and Workers Compensation Bureau to have improved financial accountability in all transactions.

The Finance Bureau serves one of RMD's key functions – administering and tracking nine risk funds. Fund solvency has been an ongoing concern and continues to be after approximately $30.9 million in sweeps from the Public Liability, Public Property, State Unemployment, and Worker's Compensation funds in Fiscal Year 2017.

Employee Benefits Bureau

Under the Group Benefits Act, RMD is responsible for administering the self-insured group benefits plan offered to state employees and participating local public bodies, *see* NMSA 1978, § 10-7B-6. RMD's Employee Benefits Bureau ("EBB") coordinates and oversees the state's benefits plan.

With approximately 58,000 members enrolled statewide, the State's plan is one of the largest self-insured plans in the state. The group benefits plan offers medical, dental, vision, life, short and long term disability, Flexible Spending Account Program ("FSA"), Employee Assistance Program ("EAP"), and COBRA coverage.



The EBB's most significant accomplishment in the Fiscal Year 2018 was the renegotiation of the Prescription Drug Benefit Management contract that serves each member of the plan with access to prescription drugs through both retail pharmacies and mail order service. There was stiff competition in that marketplace which inured to the benefit of the Plan. While market rates for prescription drugs continue to be volatile, the new contract provides for much more advantageous pricing.

The Plan continues to face challenges managing rising costs of medical services and prescription drugs. EBB is responsible for providing coverage that is compliant with the Affordable Care Act and faces a lot of regulatory uncertainty in the next year given the repeal of the "individual mandate," the portion of the federal tax code which requires individuals to maintain health coverage that meets minimum standards. In addition to the regulatory uncertainty posed by the repeal of the individual mandate, there is a larger concern that as fewer individuals have insurance and an ability to pay for services, providers will increase costs.

Three years ago, RMD took a proactive step towards managing costs and improving members' access to care by opening the Stay Well Health Center in the Joseph M. Montoya building in Santa Fe. All Plan members (aged 2 and up) may access

STAY WELL HEALTH CENTER
Serving the State of New Mexico and Participating Local Public Body Employees Covered under the State Employee's Risk Management Medical Plan

the Health Center for primary care services and health coaching. The services are provided via a contractor who bills the Plan a flat, monthly rate for services and a variable cost for consumables such as vaccines, prescriptions and medical supplies. Services are provided to members at $0 copay.

RMD endeavors to open additional locations in other areas of the State, but faces challenges at present in monitoring consistent staffing and cost effective utilization.

Workers' Compensation Bureau

The Workers' Compensation Bureau ("WCB") fulfills RMD's statutory obligation to administer the Workers' Compensation Retention Fund and effect prompt and fair payment of workers' compensation claims brought by state employees and employees of covered educational entities in accordance with the Workers' Compensation Act, *see* NMSA 1978 §§ 51-1-1 *et seq*., 15-7-6, and 52-1-3. WCB provides thorough and efficient claims administration of workers' compensation claims. WCB contracts with outside case managers, investigators, and attorneys to meet the Workers' Compensation Act's statutory obligations, while also protecting the solvency of the Workers' Compensation Retention Fund. The State is obligated to pay for all reasonable and necessary medical care arising from occupational injuries, and provides an early return to work program for injured workers that helps minimize expenses while enabling workers to regain a sense of normalcy.

Disputed claims are initially litigated through the Workers' Compensation Administration's administrative process. Per statute, attorneys' fees for both sides are presently capped at $22,500.

A summary of key data associated with the top 15 agencies follows in the table below. A quick review of the agencies shows that there are wide disparities in key metrics impacting workers compensation exposure: organizational structure, budgetary capacity, and the nature of the work being accomplished. Each of these metrics impacts how an agency can undertake to prevent and mitigate losses. Implementation of the new Loss Control Rule will serve to engage agency leadership in a meaningful way to examine how individual agency operations can be assessed and improved such that losses can be prevented and mitigated.

Department – Top 15	# of claims	% of claims	Total reserved	% of total reserved	Average cost per claim
UNIVERSITY OF NEW MEXICO	**813**	**15%**	**$2,477,952**	**7.2%**	**$3,048**
DEPARTMENT OF HEALTH	**675**	**13%**	**$5,230,741**	**15.2%**	**$7,749**
CORRECTIONS DEPARTMENT	**547**	**10%**	**$1,999,773**	**5.8%**	**$3,656**
NMSU	**402**	**8%**	**$2,621,013**	**7.6%**	**$6,520**
CYFD	**375**	**7%**	**$3,082,165**	**9.0%**	**$8,219**
DEPARTMENT OF PUBLIC SAFETY	**326**	**6%**	**$3,400,801**	**9.9%**	**$10,432**

DEPARTMENT OF TRANSPORTATION	**310**	**6%**	**$5,374,378**	**15.7%**	**$17,337**
UNMH	**285**	**5%**	**$2,872,435**	**8.4%**	**$10,079**
EMNRD	**124**	**2%**	**$267,294**	**0.8%**	**$2,156**
NEW MEXICO TECH	**117**	**2%**	**$851,885**	**2.5%**	**$7,281**
EASTERN NM UNIVERSITY (MAIN)	**71**	**1%**	**$263,542**	**0.8%**	**$3,712**
GENERAL SERVICES DEPARTMENT	52	**1%**	**$391,166**	**1.1%**	**$7,522**
NM SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED	**49**	**1%**	**$413,352**	**1.2%**	**$8,436**
MINERS' COLFAX MEDICAL CENTER	**38**	**1%**	**$272,088**	**0.8%**	**$7,160**
PUBLIC DEFENDER DEPARTMENT	**33**	**1%**	**$265,928**	**0.8%**	**$8,058**

In Fiscal Year 2018, RMD undertook a comprehensive analysis of the Bureau's operations, and herein maps out suggested strategic plans for operational improvements that can improve fund health. This analytical assessment was based a review of the data obtained for the period of July 1, 2014 through June 30, 2017. The following summarizes the preliminary objective findings for areas that may warrant additional discussion and analysis, as they were found to be outside of accepted norms. The findings suggest that these areas represent a potential annual savings range of $2,184,865 - $4,369,730.

The majority of loss indicators reviewed were better than or within expected norms. Opportunity to manage post loss costs may best be achieved by developing more effective return-to-work programs and developing goals and tracking the specific components of loss costs. The analysis noted several areas where the State of New Mexico is better than or within accepted norms within WC, including:

- Percentage of WC claims with Temporary Total Disability ("TTD")
- Average paid value of indemnity claims with greater than 7 days of TTD
- Catastrophic medical claims
- Proportion of large medical claims
- Percentage of litigated claims
- Ratio of paid expense to total paid

- Ergonomic claims severity
- Average cost per ergonomic claim
- Average cost per slip/fall claim

Metrics which lie outside the accepted norms are as follows:

- Average TTD days per TTD claim
- Claims closure rates
- Claim reporting lag time
- Ratio of paid legal expense to total paid expense
- Claims frequency trend
- Ergonomic claims frequency
- Slip/ fall frequency and severity
- Motor Vehicle accident frequency, severity, and average claim cost

Average TTD days per TTD claim – The average number of TTD days per TTD claim (87 days/claim) is slightly outside of the accepted norms of <80 days/claim for Municipality/Public Sector benchmarks. Reducing the TTD days per claim to the benchmark would result in savings of approximately 7 days per TTD claim.

Through implementation of the new Rule, agency leadership will be urged to work with RMD to develop or perform a formal review of the Transitional Duty/Return-to-Work program. Financial impact will depend upon the scope of the program, but alignment within accepted norms is estimated to result in a savings to the Fund of $298,653 over three years, or $99,551 in annual savings.

Claims Closure Rate – The closure rate for all workers' compensation claims which occurred within the most recent 12 month period is 57.9%, which is outside accepted norms (>70%). Claim costs continue to mount the longer claims remain open. Aggressive claims closure strategies should be developed to quickly bring files to an appropriate closure.

Achieving adequate staffing has been a significant challenge for the Workers Compensation Bureau, and has adversely impacted the Bureau's capacity to aggressively approach claims handling metrics such as claim closure rates. The FY 2018 upward reclassification of Workers Compensation Adjusters should serve to improve retention and recruitment of a skilled claims staff which can then undertake the process of analyzing claims closure performance to better understand where performance can be improved, including establishment of expectations for claim closure performance and tracking to drive improvement with claim service provider.

Claim Reporting Lag Time – Loss information for the last three years shows that 25.6% of all claims were reported within three days of occurrence which is significantly outside of accepted norms (>70%). Late reporting negatively impacts claim injury and post injury management processes. Research shows that late reporting has a significant effect on the overall cost of a claim. Early claims reporting results in less litigation and timely medical care, which accelerates a claimant's return to work and claims closure.

Prompt reporting of claims is beneficial to employees and employers alike in that it may highlight particular safety issues as early as possible, allow for preservation of evidence and for investigation and defense purposes. It further allows for proper direction of medical care and early treatment planning, facilitates early return to work with appropriate restrictions and can avoid potential penalties for late reporting. It permits any raised red flags to be reviewed timely for compensability and avoids inappropriate acceptance of claims.

The gap analysis of the claims reporting process is presently presumed to be related to the disruption of State Agency HR services. Once the Bureau is able to normalize staffing, training, and outreach programs, it can begin to improve the reporting metrics to reduce future claim costs.

Aging Workforce – The aging population presents challenges. The majority of the costs are contained within claims arising from injuries sustained by employees over 45 years of age. Losses by employee age, based on last 36 months of data are as follows:

Employee age group	% claims	% total incurred	Average cost per claim	% of litigated claims	Average paid claims>7 days	Claim frequency with TTD
Less than 45 years old	50.6%	38.9%	$4,309	0.5%	$20,788	10.1%
45 years and older	49.4%	61.1%	$6,944	0.9%	$24,128	12.2%

A targeted 10% reduction in claims for this category can yield a three-year savings of $1,892,820 (undeveloped) or $630,940 in (undeveloped) annual savings.

A comprehensive ergonomics program can address age demographic issues. Most of the strategies to address the aging workforce dynamic need to be addressed on an agency-by-agency basis so that individual agency operations can be appropriately tailored to meet the unique health, safety, ergonomics and wellbeing needs of the workforce considered – the considerations for health care providers working for the Department of Health vary significantly from office staff working for the Economic Development Department. Through implementation of the new Rule, each agency can access RMD's resources to evaluate how the following considerations can improve the agency's risk profile and overall operational efficiency:

- Fitness-for-duty screening, job matching and using Physical Demands Analysis for developing a return-to-work placement program.
- Develop an on-site employee early symptom intervention and one-on-one biomechanics job coaching process.

- Deployment of age adjusted ergonomics risk identification tools and human performance workstation design guidelines.

Overall, implementation of the new Rule is expected to engage agency leadership in a meaningful way to examine how individual Agency operations can be improved to prevent workplace injuries, and mitigate the cost of claims and achieve improvement in the following areas of greatest opportunity:

Property and Casualty & Legal Bureaus

The Property and Casualty ("PAC") and Legal Bureaus effectuate RMD's statutory obligation to manage claims filed against the State of New Mexico and its insured entities, *see* NMSA 1978, § 15-7-2. The PAC Bureau investigates and either resolves or defends tort claims and civil rights actions against the state's insured agencies and public employees. The Public Liability Fund covers specific claims and suits against agencies, including defense costs and indemnity payments resulting from tort and civil rights litigation.

Following national and state trends, the number of liability claims against insured entities rose in Fiscal Year 2018. Property-related claims also increased in frequency over the past year but the severity of these cases has declined.

Economical and efficient control systems for legal expenditures are a key indicator for effective risk management. When disputed liability claims have to be litigated in State or Federal Court, RMD utilizes the services of approximately fifty-one contracted defense firms with attorneys in multiple locations throughout the State. In Fiscal Year 2015, the Risk Management Division collaborated with the General Services Department's Technical Services and Support Bureau in the development and testing of an application that allows contracted law firms to electronically submit monthly fee invoices and regularly submit verified third party invoices for direct payment of associated legal expenses (e.g. expert fees and deposition transcripts). All of the contracted law firms were utilizing the online application for submission of fee and expense invoices during the past year.

While defense costs are volatile and depend greatly on the collective procedural posture of active claims, corollary losses in each major coverage line are trending upward. Although it is possible that more aggressive defense measures can be employed to reduce indemnity claims, those measures must be strategically deployed depending on the merits of each matter and its respective venue. Generally speaking, fewer cases are filed in federal court where the State can aggressively pursue dispositive motions practice. The trial bar makes efforts to assert claims sounding exclusively under state law, which are tried in State District Courts, and which are far less likely to grant dispositive motions. Thus, cases so filed can either proceed to trial, or proceed through costly discovery until the parties can negotiate a more cost-effective resolution out of court. There have recently been record verdicts in State Courts for damage awards around the State which have received front-page press coverage. In most cases where comparative fault is a disputed issue of fact, the chances of getting a complete defense verdict are improbable, and the odds increase for getting an award indicating a very small percentage of liability against a very large verdict have historically driven settlement discussion. As the general public becomes desensitized to large verdicts, the Public Liability Fund faces increasing chances of litigating cases to an award in excess of the statutory cap.

Please see below for internal calculations of cost of defense, indemnity costs, and total cost trends for the period of Fiscal Year 2012 through Fiscal Year 2018.

Cost of Defense Trend[1]		
	FY2012	$11,845,417.16
	FY2013	$14,856,475.10
	FY2014	$11,453,157.79
	FY2015	$12,870,094.06
	FY2016	$9,636,782.03
	FY2017	$12,826,086.29
	FY2018	$10,111,036.23

Indemnity Payment Trend		
	FY2012	$16,365,834.05
	FY2013	$19,999,165.77
	FY2014	$17,142,659.96
	FY2015	$29,893,833.00
	FY2016	$23,036,326.34
	FY2017	$15,847,988.71
	FY2018	$22,131,168.34

Total PLF Cost Trend		
	FY2012	$28,211,251.21
	FY2013	$34,855,640.87
	FY2014	$28,595,817.75
	FY2015	$42,763,927.06
	FY2016	$32,673,108.37
	FY2017	$28,674,075.00
	FY2018	$32,242,204.57

Historically, RMD has employed varied philosophical approaches to both case management and protection of the Public Liability Fund. During years where RMD applies more aggressive defense practice, such as in Fiscal Year 2017, the total cost of settlements may decrease in the aggregate. During years where RMD settles early to avoid downstream defense costs, such as in Fiscal Year 2018, total settlement cost may increase substantially while costs of defense experience a subsequent decrease.

However, this model does not always hold. In Fiscal Year 2015, RMD employed particularly aggressive defense measures to no avail. Neither model appears to have created long-term savings when viewing the total PLF trend[2]. Because RMD employs a variable cost of defense model and additional representative duties are regularly assigned (as with 2018's Senate Bill 668), it is highly unlikely that cost of defense trends will experience an appreciable decrease in the coming years.

Along with liability payments, the PAC Bureau is also responsible for administering claims against the Public Property Reserve Fund, which protects "public buildings of state agencies against loss or damage by fire, windstorm, hail, smoke, explosion, riot or civil commotion" as required by § 13-5-1. Section 13-1-5(B) requires that RMD cover certain claims for agency losses of personal property.

---

[1] Cost of defense, as presently calculated, includes not only attorneys fees, but also attorney travel, expert witnesses, depositions, investigations, demonstratives, and all other costs which may be reasonably attributed to providing defense for covered lawsuits.

[2] It is important to note here that collective procedural posture of active claims or large judgment awarded against the State can artificially inflate or deflate a particular year's costs.

To cover catastrophic property claims, RMD placed a policy referred to as Excess Blanket Property policy to cover structures around the State valued at $ 9,049,244,998. The policy has a $500,000 Self-Insured Retention, which RMD's Public Property Reserve Fund responds to after an agency meets its initial deductible. In Fiscal Year 2019, the premium paid for this commercial coverage was flat at $2,838,000,[3] and was allocated among State agencies based on the appraised value of the agencies' respective real property holdings. The rates for Fiscal Year 2020 are expected to be significantly higher. Global natural disasters and catastrophes over the past several months (hurricanes and fire losses) are expected to cause insurance markets to "harden," thereby increasing premium costs. When reviewing market capacity for rates in the Spring 2018, Zurich refused to quote excess property for the State because of the concern for property losses, specifically due to wild fire.

RMD also secured commercial excess insurance for Boiler and Equipment Breakdowns. The coverage has a $250,000 self-insured retention and covers assets of $8,688,698,900 across the State. The premium paid into the commercial market for this coverage in Fiscal Year 2019 is $157,632.00. Due to losses, RMD was not able to obtain competitive quotes, as the next closest quote was considerably higher.

In light of recurring losses caused by aging infrastructure, the Fiscal Year 2018 Certificate of Coverage was expanded to include mitigation activities that would control the current loss. No agencies submitted claims for mitigation benefit in Fiscal Year 2018, but the Department of Transportation submitted a request for the mitigation benefit in Fiscal Year 2019 in order to construct a retaining/diversion wall to prevent further property damage like that suffered in a flash flood in the Summer 2018. This coverage will also respond to mitigation activity on maintenance related items, such as a leaking roof, windows, drain blockage, fire detection, alarms, etc.

The following language is now included within the Certificate of Coverage:

> In the event of physical damage of covered property as a result of the lack of maintenance, this certificate is extended to mitigate those items shown to have caused the ensuing loss to the structure owned by the Government Entity. This coverage shall only apply when conditions necessitate the immediate repair to roofs, windows, etc. to prevent future losses. Mitigation expenses covered by this extension will be subject to a $20,000.00 annual aggregate limit.

[3] RMD secured 25% rate reduction in Fiscal Year17 with 3 year lock –options for Fiscal Year 2018 were reviewed and the locked rate was the most favorable. The insurance industry jargon for the rate is "three cent rate," referring to the cost per 1,000 of insured value.

Public Property Insured Value

In Fiscal Year 2018, RMD made plans to update the 2015 statewide appraisal across the inventory of all public buildings insured by the Division, in satisfaction of NMSA 1978 § 13-5-1(D) and to obtain an estimated total replacement value, and total insured value of the buildings. The 3,736 page report is available for inspection at RMD by appointment. Updated appraisal data will assist RMD in the goal of achieving fund solvency by improving the precision of premium rates and continuing to secure reinsurance at advantageous rates.

The appraisal details information on each of the 4,676 distinct buildings throughout the State. The total estimated replacement cost for all the buildings in the inventory is just below $8.5 billion. The appraisal for each building includes: the exact location; whether the building is categorized as a *historic* building; the year built; total square footage; estimated contents value; a summary of fire protection systems; and information about whether the building's electrical system has been updated. Summary spreadsheets attached to the report list the estimated costs to replace each building and its contents and the replacement cost, less exclusions. The report summarizes the number of buildings per agency and the number of public buildings per county. Arrangements to review the public building inventory appraisal summary can be made by contacting the Director.

For underwriting purposes, the state included a 3% inflationary adjustment to the appraisal from Fiscal Year 2015. RMD will execute the updated statewide appraisal for building valuation in the next fiscal year.

Statutory Claim Payment Disclosure

Each year, RMD discloses indemnity payments over $1,000.00 issued from the Public Liability Fund in its Annual Report per NMSA §15-7-3 (C). Since this report is a public document, RMD must comply with the confidentiality provisions of NMSA § 15-7-9 when disclosing claims payments data. This statute protects fund solvency while still allowing for transparent reporting of the use of taxpayer dollars.

Under NMSA §15-7-9, information about a claim may be released 180 days after a particular date. RMD adds 180 days to the latest date to measure the applicable disclosure period:

1) The date all statutes of limitation have run on a claim;
2) The date all litigation has completed;
3) The date of settlement; OR
4) The date a claim is closed.

In compiling this disclosure, RMD completed a thorough database search of all claims paid in Fiscal Year 2018. After filtering out payments of less than $1,000.00, claims were filtered out in accordance with NMSA §§ 15-7-9(A)(2)(c) and 15-7-9(A)(2)(d). The following table represents payments that RMD may disclose as of December 31, 2018.

List of Payments

ClaimNumber	Payee	Amount
0901469-000	RACHEL HIGGINS, PR of MARY JANE PAIZ-PIEDRA &	$75,000.00
1201167-000	L.K. CURTIS dba CURTIS & LUCERO LAW FIRM and	$1,000,000.00
1300241-000	LAW OFFICE OF NANCY J. SIMMONS TRUST ACCOUNT	$1,500,000.00
1300490-000	KEELER & KEELER LLP	$31,489.50
1300609-000	SANDERS & WESTBROOK PC	$50,000.00
1300769-001	SANCHEZ,MOWRER & DESIDERIO PC and	$550,000.00
1301252-000	DUHIGG, CRONIN, SPRING & BERLIN PA	$285,000.00
1301264-000	ARNOLDO CARRILLO & CHRISTA OKON, his attorney	$115,000.00
1400310-002	GINA ARCHULETA and CLARK, JONES &	$175,000.00
1400631-000	DAYMON B ELY	$200,000.00
1400631-001	LAW OFFICE OF DAVID M HOULISTON	$200,000.00
1400709-000	DIXON SCHOLL CARRILLOS, PA TRUST	$2,500.00
1400917-000	AZAR LAW OFFICE, PC TRUST ACCOUNT	$15,000.00
1401029-000	THE INJURY AND DISABILITY LAW CENTER LLC	$200,000.00
1401116-001	SCOTT F VOORHEES, PC	$14,000.00
1401353-000	SCOTT & COLLETTE CHANDLER and DOMENICI LAW FIRM, PC	$80,000.00
1401366-000	WILLIAM MONTOYA & DUHIGG,CRONIN,SPRING &	$75,000.00
1401443-000	CARTER LAW OFFICES PC	$40,001.00
1401482-000	KARL ROUGEMONT and THE LAW FIRM OF DUHIGG,	$150,000.00
1401484-000	GILPIN LAW FIRM, LLC & DENZIE BERDINE	$25,000.00
1401485-000	STEVEN K. SANDERS & ASSOCIATES, LLC	$5,500.00
1401498-000	BERENSON & ASSOCIATES AND CRYSTAL ORTIZ	$7,500.00
1401509-000	NEDBALEK, WILLIAM CHRIS	$15,000.00
1500777-000	MARK ESQUIBEL AND HIS ATTORNEY	$13,544.16
1500787-000	SANDERS,BRUIN,COLL & WORLEY, PA and	$5,000.00
1500820-000	CARTER LAW OFFICES PC	$32,500.00
1500820-001	CARTER LAW OFFICES PC FBO	$10,000.00
1501065-000	LAW OFFICE OF CAREY C. BHALLA, LLC	$15,000.00
1501137-000	DUHIGG CRONIN SPRING & BERLIN	$6,000.00
1501178-000	NM PUBLIC SCHOOL INSURANCE AUTHORITY	$5,000.00
1600279-000	THE BENNETT LAW GROUP LLC	$60,000.00
1600321-001	KELLER & KELLER, LLC	$25,000.00
1600321-002	KELLER & KELLER, LLC	$25,000.00
1600501-001	ANA GARCIA C/O MCBRIDE	$27,500.00
1600501-002	EMMA MADERA GARCIA C/O MC BRIDE	$27,500.00
1600535-000	ESTATE OF JUNE JOANNE LEACH and	$126,000.00
1600600-000	MICHAEL DANOFF & ASSOC., PC and	$200,000.00
1600711-000	GLASHEEN, VALLES & INDERMAN LLP	$80,000.00

1600765-001	LEE HUNT LAW, LLC.	$21,315.06
ClaimNumber	Payee	Amount
1600801-000	ORTIZ & ZAMORA ATTORNEYS AT LAW LLC	$24,000.00
1600850-000	MICHAEL SALAZAR and CLARK, JONES & PENNINGTON	$10,000.00
1600868-000	SANCHEZ LAW GROUP LLC ATTORNEYS	$60,000.00
1601230-000	COLLINS & COLLINS, P.C.	$550,000.00
1700107-000	PROGRESSIVE ADVANCED INSURANCE CO	$3,145.30
1700107-000	PROGRESSIVE ADVANCED INSURANCE CO	$3,145.30
1700431-000	RASHEED & ASSOCIATES PC	$55,000.00
1700440-000	Robert Kleinschmidt, PC, IN TRUST for	$775,590.00
1700650-000	EZE'S PAINT BODY AND AUTO REPAIR	$2,116.28
1700956-000	VICTORIA B VALENCIA	$1,149.00