

Unaudited Financial Statements as of June 30, 2024

New Mexico County Reinsurance, Inc.

Christopher C. Bridges, CPA
Senior Vice President – Captives North America
PO Box 4239 | Clinton, IA 52733-4239
480.275.9043 | chris_bridges@artextrisk.com
artextrisk.com

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New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
June 30, 2024

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New Mexico County Reinsurance, Inc. Balance Sheet

		Unaudited June 30, 2024	Unaudited June 30, 2023	Unaudited December 31, 2023
Assets:				
Cash & cash equivalents	<i>Exhibit 1</i>	\$ 1,363,876.83	\$ 1,778,385.00	\$ 1,547,120.69
Investments	<i>Exhibit 2</i>	22,689,614.10	17,853,861.90	18,727,551.04
Accrued interest		109,082.62	72,377.36	84,086.64
Prepaid expenses	<i>Exhibit 3</i>	19,414.28	20,498.26	-
Deferred tax asset		-	119,441.14	-
Total Assets		\$ 24,181,987.83	\$ 19,844,563.66	\$ 20,358,758.37
Liabilities:				
Incurring but not reported	<i>Exhibit 5</i>	\$ 1,856,523.00	\$ 1,669,014.00	\$ 2,512,525.00
Outstanding Loss Reserves		2,715,045.00	-	145,000.00
Total unpaid reserves		4,571,568.00	1,669,014.00	2,657,525.00
Unearned premium reserve		1,873,213.00	1,943,343.00	-
Federal income tax payable		-	219,893.08	-
Total Liabilities		6,444,781.00	3,832,250.08	2,657,525.00
Shareholder's Equity:				
Contributed Capital & Surplus		15,600,000.00	15,600,000.00	15,600,000.00
Retained Earnings		2,137,206.83	412,313.58	2,101,233.37
Total Shareholder's Equity		17,737,206.83	16,012,313.58	17,701,233.37
Total Liabilities and Shareholder's Equity		\$ 24,181,987.83	\$ 19,844,563.66	\$ 20,358,758.37

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New Mexico County Reinsurance, Inc.
Statement of Operations

	<i>Current</i>		<i>Prior</i>	
	<i>Quarter</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>Year</i>
	April 1, 2024 - June 30, 2024	January 1, 2024 - June 30, 2024	January 1, 2023 - June 30, 2023	January 1, 2023 - December 31, 2023
Assumed premium	\$ -	\$ 3,726,064.00	\$ 3,855,000.00	\$ 3,855,000.00
Change in unearned assumed premium	926,425.00	(1,873,213.00)	(1,943,343.00)	-
Net earned premium	926,425.00	1,852,851.00	1,911,657.00	3,855,000.00
Change in outstanding reserves	528,045.00	2,570,045.00	-	145,000.00
Change in IBNR	612,129.00	(656,002.00)	1,423,036.00	2,266,547.00
Total losses incurred	1,140,174.00	1,914,043.00	1,423,036.00	2,411,547.00
Placement fees	-	30,000.00	30,000.00	30,000.00
Underwriting expense	1,140,174.00	1,944,043.00	1,453,036.00	2,441,547.00
Net underwriting profit (loss)	(213,749.00)	(91,192.00)	458,621.00	1,413,453.00
Audit and tax fees	-	-	-	11,500.00
Actuarial fees	4,250.00	11,250.00	8,000.00	8,000.00
Captive management	15,000.00	30,000.00	30,000.00	60,000.00
Legal fee	-	-	49,386.90	26,843.15
License & fees	(18.00)	7,510.00	7,518.00	45,518.00
D&O insurance expense	2,183.14	4,366.28	5408.62	10,906.88
Directors fees	-	200.00	200.00	200.00
Meeting expenses	-	-	-	(164.70)
Bank fees	-	-	25.00	225.00
Miscellaneous Expense	-	-	9.90	84.90
Operating expenses	21,415.14	53,326.28	100,548.42	163,113.23
Investment income	221,663.16	453,468.59	247,080.29	641,712.89
Realized gain (loss)	-	6,241.64	-	3,000.49
Unrealized gain (loss)	(94,782.77)	(259,341.30)	(101,903.77)	212,935.84
Investment expenses	(10,246.85)	(19,877.19)	(14,156.01)	(30,428.05)
Other income (expense)	116,633.54	180,491.74	131,020.51	827,221.17
Income (loss) before taxes	(118,530.60)	35,973.46	489,093.09	2,077,560.94
Current income tax (expense)	-	-	(212,501.76)	-
Deferred tax (expense)/benefit	-	-	117,021.03	-
Net income (loss)	\$ (118,530.60)	\$ 35,973.46	\$ 393,612.36	\$ 2,077,560.94

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New Mexico County Reinsurance, Inc.
Unaudited GAAP Financial Statements
Statement of Cash Flow
June 30, 2024

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Net income/(loss)	\$	35,973.46
Premium received		
Adjustment to reconcile net income (loss) to net cash provided (used) by operating activities:		
Net unrealized (gains) losses on investments		259,341.30
Bond amortization		(14,901.88)
(Decrease) increase in:		
Accrued interest		(24,995.98)
Prepaid expenses		(19,414.28)
Accounts payable & accrued expenses		-
Unearned premium reserve		1,873,213.00
Incurred but not reported		(656,002.00)
Outstanding Loss Reserves		2,570,045.00
Total adjustments		<u>3,742,845.74</u>
Net cash provided (used) by operating activities		4,023,258.62
Cash provided (used) by financing activities		<u>-</u>
Net cash provided (used) by financing activities		<u>-</u>
Cash provided (used) by investing activities		
Purchase of investments		(4,866,274.81)
Proceeds from sale of marketable securities		666,013.97
Realized (gain) loss on sales		(6,241.64)
Net cash provided (used) by investing activities		<u>(4,206,502.48)</u>
Net increase (decrease) in cash & cash equivalents		(183,243.86)
Cash & cash equivalents at beginning of period		<u>1,547,120.69</u>
Cash & cash equivalents at end of period	\$	<u><u>1,363,876.83</u></u>

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New Mexico County Reinsurance, Inc.
Unaudited Cumulative Statement of Operations

	Program Yr. 1 <u>1/1/2022-1/1/2023</u>	Program Yr. 2 <u>1/1/2023-1/1/2024</u>	Program Yr. 3 <u>1/1/2024-1/1/2025</u>	<u>Total</u>
Assumed premium	\$ 333,000.00	\$ 3,855,000.00	\$ 3,726,064.00	\$ 7,914,064.00
Change in unearned assumed premium	-	-	(1,873,213.00)	(1,873,213.00)
Net earned premium	<u>333,000.00</u>	<u>3,855,000.00</u>	<u>1,852,851.00</u>	<u>6,040,851.00</u>
Losses & losses adjustment expenses paid	-	-	-	-
Change in outstanding reserves	160,045.00	2,555,000.00	-	2,715,045.00
Change in IBNR	85,933.00	222,853.00	1,547,737.00	1,856,523.00
Total losses incurred	<u>245,978.00</u>	<u>2,777,853.00</u>	<u>1,547,737.00</u>	<u>4,571,568.00</u>
Placement fees	-	30,000.00	30,000.00	60,000.00
Underwriting expense	<u>245,978.00</u>	<u>2,807,853.00</u>	<u>1,577,737.00</u>	<u>4,631,568.00</u>
Net underwriting profit (loss)	87,022.00	1,047,147.00	275,114.00	1,409,283.00
Audit and tax fees	-	11,500.00	-	11,500.00
Actuarial fees	-	8,000.00	11,250.00	19,250.00
Captive management	60,000.00	60,000.00	30,000.00	150,000.00
Legal fee	75.00	26,843.15	-	26,918.15
Regulatory exam	-	-	-	-
License & fees	6,375.00	45,518.00	7,510.00	59,403.00
D&O insurance expense	4,137.63	10,906.88	4,366.28	19,410.79
Directors fees	-	200.00	200.00	400.00
Meeting expenses	164.70	(164.70)	-	-
Bank fees	175.00	225.00	-	400.00
Miscellaneous Expense	25.00	84.90	-	109.90
Operating expenses	<u>70,952.33</u>	<u>163,113.23</u>	<u>53,326.28</u>	<u>287,391.84</u>
Investment income	8,295.70	641,712.89	453,468.59	1,103,477.18
Realized gain (loss)	-	3,000.49	6,241.64	9,242.13
UnRealized gain (loss)	-	212,935.84	(259,341.30)	(46,405.46)
Investment expenses	(692.94)	(30,428.05)	(19,877.19)	(50,998.18)
Other income (expense)	<u>7,602.76</u>	<u>827,221.17</u>	<u>180,491.74</u>	<u>1,015,315.67</u>
Net income (loss)	<u>\$ 23,672.43</u>	<u>\$ 1,711,254.94</u>	<u>\$ 402,279.46</u>	<u>\$ 2,137,206.83</u>

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New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

Exhibit 1	<u>Cash & cash equivalents</u>	<u>Current Quarter End</u>	<u>Prior Fiscal Year- end</u>	
	Wells Fargo Advisors #2932 Investment Account - cash	\$ 59,837.30	\$ 111,888.75	
	Wells Fargo Advisors #2932 Investment Account - money market	715,331.56	757,537.42	
	Wells Fargo Advisors #1288 Investment Account - cash	15,146.04	-	
	Wells Fargo Advisors #1288 Investment Account - money market	573,561.93	677,694.52	
	Total	<u>\$ 1,363,876.83</u>	<u>\$ 1,547,120.69</u>	
Exhibit 2	<u>Investments</u>	<u>Current Quarter End - Amortized [Original] Cost</u>	<u>Current Quarter End - Market Value</u>	<u>Prior Fiscal Year- end - Market Value</u>
	Wells Fargo Advisors #2932 Investment Account	\$ 22,736,019.56	\$ 22,689,614.10	\$ 18,727,551.04
	Total	<u>\$ 22,736,019.56</u>	<u>\$ 22,689,614.10</u>	<u>\$ 18,727,551.04</u>
Exhibit 3	<u>Prepaid expenses</u>	<u>Current Quarter End</u>	<u>Prior Fiscal Year- end</u>	
	Captive management fees	\$ 15,000.00	\$ -	
	D&O insurance	4,414.28	-	
	Total	<u>\$ 19,414.28</u>	<u>\$ -</u>	

New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

Exhibit 4	Premiums	A	B	C	D	E	F	G
		Policy effective date	Written Prior Fiscal Year Policy Premium	Written Current Fiscal Year Policy Premium	# days earned this year	Premium Earned Current Year-to-date	Current Quarter-End Premium Unearned	Prior Fiscal-Year End Premium Unearned
Grand Total, Policies In Force			\$ 4,188,000.00	\$ 3,726,064.00		\$ 1,852,851.00	\$ 1,873,213.00	\$ -
			<i>Premium written on P&L</i>			<i>Premium earned on P&L</i>	<i>UEPR on balance sheet</i>	<i>UEPR on balance sheet</i>
<u>Assumed Coverage</u>								
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2022	\$ 333,000.00	\$ -	0	\$ -	\$ -	\$ -
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2023	3,375,000.00	-	0	\$ -	\$ -	\$ -
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2023	480,000.00	-	0	\$ -	\$ -	\$ -
A-Cov1	Law Enforcement Liability Reinsurance - All counties	1/1/2024	-	2,824,455.00	182	\$ 1,404,510.00	\$ 1,419,945.00	\$ -
A-Cov2	Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe	1/1/2024	-	367,231.00	182	\$ 182,612.00	\$ 184,619.00	\$ -
A-Cov3	Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services	1/1/2024	-	64,378.00	182	\$ 32,013.00	\$ 32,365.00	\$ -
PACK	Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O	1/1/2024	-	470,000.00	182	\$ 233,716.00	\$ 236,284.00	\$ -
Total			\$ 4,188,000.00	\$ 3,726,064.00		\$ 1,852,851.00	\$ 1,873,213.00	\$ -

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New Mexico County Reinsurance, Inc.
Exhibits
For the Period Ended June 30, 2024

		A	B	C	D	E	F	G	H	I	J	
			(C/A)			(C / 365 * D)		(E - F)			(E - H - I)	
Exhibit 5	Losses and loss reserves											
Coverage Code	Coverage Description	Policy effective date	Full Year Premium	Loss Ratio	Full Year Ultimate	# of days	Ultimate Pro-rata	Prior Year's Pro-rata Ultimate	Current Year-to-Date Provision for Loss	Paid Losses	Inception to Date Case Reserves (OSLR)	IBNR Reserve
Grand Total, Policies in Force			\$ 7,914,064.00	77.5%	\$ 6,136,314.00		\$ 4,571,568.00	\$ 2,657,625.00	\$ 1,914,043.00	\$ -	\$ 2,715,045.00	\$ 1,856,523.00
										<i>Prov for Loss per P&L</i>		
										<i>OSLR on balance sheet</i>		
										<i>IBNR on balance sheet</i>		
Law Enforcement Liability Reinsurance - All Counties												
A-Cov1	10% share of \$3,000,000 in excess of \$2,000,000	1/1/2022	\$ 333,000.00	73.9%	\$ 245,978.00	365	\$ 245,978.00	\$ 245,978.00	\$ -	\$ -	\$ 160,045.00	\$ 85,933.00
A-Cov1	\$2,000,000 Excess of \$2,000,000	1/1/2023	\$ 3,375,000.00	67.5%	2,277,853.00	365	2,277,853.00	2,277,853.00	-	-	2,055,000.00	222,853.00
A-Cov1	\$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 2,824,455.00	82.4%	2,326,847.00	182	1,157,066.00	-	1,157,066.00	-	-	1,157,066.00
Total Assumed Coverage 1		Total	\$ 6,532,455.00	74.3%	\$ 4,850,678.00		\$ 3,680,897.00	\$ 2,523,831.00	\$ 1,157,066.00	\$ -	\$ 2,215,045.00	\$ 1,465,852.00
Law Enforcement Liability Reinsurance - Only Bernalillo, Dona Ana, Sandoval & Sante Fe												
A-Cov2	50% share of \$1,000,000 Excess of \$4,000,000	1/1/2023	\$ 480,000.00	104.2%	500,000.00	365	500,000.00	133,694.00	366,306.00	-	500,000.00	-
A-Cov2	50% share of \$1,000,000 Excess of \$4,000,000	1/1/2024	\$ 367,231.00	77.2%	283,480.00	182	140,965.00	-	140,965.00	-	-	140,965.00
Total Assumed Coverage 2		Total	\$ 847,231.00	92.5%	\$ 783,480.00		\$ 640,965.00	\$ 133,694.00	\$ 507,271.00	\$ -	\$ 500,000.00	\$ 140,965.00
Law Enforcement Liability Reinsurance-Inadequate Healthcare/Mental Services												
A-Cov3	50% share of \$2,000,000 Excess of \$2,000,000	1/1/2024	\$ 64,378.00	152.3%	98,063.00	182	48,764.00	-	48,764.00	-	-	48,764.00
Total Assumed Coverage 3		Total	\$ 64,378.00	152.3%	\$ 98,063.00		\$ 48,764.00	\$ -	\$ 48,764.00	\$ -	\$ -	\$ 48,764.00
Multi-line Liability Reinsurance-General, Auto, Employment Practices, Employee Benefits, Public Officials E&O												
PACK	\$1,000,000 Excess of \$1,000,000	1/1/2024	\$ 470,000.00	86.0%	404,093.00	182	200,942.00	-	200,942.00	-	-	200,942.00
Total Assumed Coverage Package Policy		Total	\$ 470,000.00	86.0%	\$ 404,093.00		\$ 200,942.00	\$ -	\$ 200,942.00	\$ -	\$ -	\$ 200,942.00
Summary by Policy Period			\$ 7,914,064.00	77.5%	\$ 6,136,314.00		\$ 4,571,568.00	\$ 2,657,625.00	\$ 1,914,043.00	\$ -	\$ 2,715,045.00	\$ 1,856,523.00
	Policies Incepting on	1/1/2022	\$ 333,000.00	73.9%	\$ 245,978.00		\$ 245,978.00	\$ 245,978.00	\$ -	\$ -	\$ 160,045.00	\$ 85,933.00
	Policies Incepting on	1/1/2023	\$ 3,855,000.00	72.1%	\$ 2,777,853.00		\$ 2,777,853.00	\$ 2,411,547.00	\$ 366,306.00	\$ -	\$ 2,555,000.00	\$ 222,853.00
	Policies Incepting on	1/1/2024	\$ 3,726,064.00	83.5%	\$ 3,112,483.00		\$ 1,547,737.00	\$ -	\$ 1,547,737.00	\$ -	\$ -	\$ 1,547,737.00

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