

# MILLIMAN CLIENT REPORT

## New Mexico Patient's Compensation Fund

Actuarial Analysis as of December 31, 2020

Prepared for: New Mexico Office of the Superintendent of Insurance

Professional Services Contract: #22-440-5000-00003

State Purchasing Price Agreement: #11-44000-21-00112

September 21, 2021

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## Introduction and Background

The New Mexico Patient's Compensation Fund ("PCF"), which was established by the New Mexico Medical Malpractice Act of 1976 ("MMA"), provides an excess layer of professional liability coverage for its member healthcare providers. The following changes to the Act were made by HB75, signed into law in 2021:

- Additional types of providers (e.g. nurse practitioners) will now qualify to participate in the PCF.
- Beginning 1/1/22, qualifying provider types employed by Hospitals and Outpatient Health Care Facilities ("OHCF") will qualify under the "Hospitals" category and will not be required to purchase individual coverage. However, these individual providers will be rated the same surcharges as independent providers. The additional assessment to cure the deficit attributable to the hospitals (and employed qualifying provider types) will be added to these surcharges.
- Hospital and OHCF eligibility for the PCF ends on 12/31/2026. This includes individual providers employed by the Hospital or OHCF.
- Required underlying coverage limit (i.e., PCF attachment point) increases from \$200K to \$250K.
- For independent providers, the cap on non-medical damages increases from \$600K to \$750K for injuries occurring in 2022, and inflation-adjusted annually thereafter.
- For Hospitals and OHCFs (including employed individual providers), the PCF portion of the non-medical damages for claims is the layer between \$250K and \$750K until 2027 when they become ineligible to participate. The overall cap on non-medical damages for claims against Hospitals and OHCFs become substantially higher than for independent providers beginning in 2022.
- The current PCF deficit should be eliminated by 1/1/2027. Any fund deficit attributable to hospitals and outpatient health care facilities (including employed qualifying provider types) shall be cured by those hospitals and healthcare facilities by 12/31/2026.
- The fund will need to pay for the operation of the advisory board and a third party administrator who will be responsible for all operations, including legal, accounting, claim administration and budgeting.

Throughout this report Physicians and Surgeons are referred to as "P&S" while Hospitals and OHCFs are referred to as "Hospitals".

## Scope of Work

The scope of work follows the “Professional Services Contract” #22-440-5000-00003 and “State Purchasing Price Agreement” #11-44000-21-00112”. The scope includes reviewing the revised MMA statute ((§§ 41-5-1 to -29 NMSA 1978, as amended, or “HB75”)) and developing rates for the following categories:

1. Newly eligible types of providers for which the PCF does not have any prior history/data.
2. Existing types of providers for which the PCF does have prior history/data.
3. Hospitals and OHCF for which the PCF has limited prior history/data.

The newly developed rates shall contemplate the increased underlying PCF attachment and layer specified in the statute. Recommended rates will be provided at various confidence levels (between central estimate and 90th percentile confidence level). HB75 requires surcharges to be based on New Mexico experience to the extent that this data is fully credible. Where consistent with the statutory mandate, assumptions may be based on multi-state data for credibility purposes.

In addition, the scope of work will include the following:

4. Estimate the unpaid claim liability, separately, for “Physicians & Surgeons” and “Hospitals” as of a recent accounting date. Physicians & Surgeons include the employed physicians of Hospitals as the PCF is not able to spit out this exposure.
  - a) Provide the unpaid claim liability estimates at nominal, discounted and 90th percentile risk level bases.
5. Determine the amount of the current fund deficit (i.e., difference between PCF fund balance and unpaid claim liability estimate) that is attributable to past fund participation by hospitals (including employed qualifying provider types).
6. Develop an appropriate annual assessment on hospitals (including employed qualifying provider types) to eliminate their share of the existing Fund deficit, as determined in item 5, by January 1, 2027.
7. Excluding the amount of deficit that will be cured by assessments per item 6, develop an appropriate annual assessment on all other qualified healthcare providers that will allow the remaining deficit to be eliminated by January 1, 2027.
8. Review the Hospital experience rating plan (“ERP”) and recommend changes as necessary.
9. Review the ISO code classification list and recommend appropriate updates.
10. Present the findings to the Advisory Board, testify at the rate hearing and evaluate/respond to any conflicting actuarial analysis offered into evidence at that hearing.

## Disclosures

### **Reserves**

The use of the term “reserves” is common in the insurance industry. All references to the Milliman estimated reserves in this report indicate the Milliman estimated liability for unpaid loss amounts and should not be construed as indicating a value carried on the company financial statements. The amounts carried on the company financial statements are referred to herein as the “carried” or “booked” reserves.

### **Reserve and Rate Provisions**

Our reserve estimates include provisions for loss and future medical payments and does not include any provision for other future expenses. Allocated loss adjustment expenses such as defense counsel and expert witness fees are paid by the primary insurance provider. The indicated rates include the following projected amounts:

- Losses paid by the PCF
- Calendar year loss adjustment expenses
- Calendar year office expenses
- Calendar year cost of “Batch” insurance or a provision for this exposure within the losses
- “On-going” medical payments paid by the PCF
- Offsetting investment income on invested funds held

“On-going” medical payments are attributable to claims that have settled but require the PCF to pay for all future medical care due to the underlying injury. According to the PCF, there are approximately six of these claims and it is possible these claims will settle in the future. These payments are not included in the loss history provided by the PCF and therefore an additional load is added to the rate calculation.

### **Scenarios**

The impact of the key variables for alternative scenarios in the analysis was considered. Alternative development factor or a priori loss ratio assumptions could change the results of this analysis materially, resulting in either greater or lesser estimated reserves depending upon the manner in which the variable is changed.

### **Reinsurance**

The PCF has purchased reinsurance to limit liability for losses. The reinsurance only covers “batch” claims which refer to multiple “related incidents” and was effective September 1, 2017 on a claims-made basis. We are not aware of any incidents that would qualify for this reinsurance at this time and therefore, have not estimated a provision for these contracts. Our results, net of reinsurance, assume that all reinsurance is valid and collectible. An assessment of the potential for uncollectible reinsurance is outside the scope of

our assignment. We have not anticipated any contingent liabilities that could arise if the reinsurers do not meet their obligations to the PCF as reflected in the data and other information provided to us.

### ***Future Investment Return and Financial Condition of the PCF***

In estimating the PCF's discounted loss reserves and surcharge requirements, we used an annual effective interest rate of 3.5%. This is based on the historical returns of the PCF which were provided by the PCF.

Future rates of return are not guaranteed and may exceed or fall below the assumed rate. Also, the actual timing of loss payments is subject to variability. Differences between actual and expected rates of return and timing of payments from those underlying our estimates, may have a material effect on the amount of the discount. Further, our projections assume the existence of valid assets underlying the unpaid claim liabilities and that these assets have scheduled maturities that are appropriate to meet the cash flow needs of the PCF. We have not reviewed the held assets.

The scope of our review was only with respect to the PCF's unpaid claim liabilities and future surcharge estimates. We did not review and are not expressing any opinion as to the overall financial condition of the PCF as of December 31, 2020.

### ***Actuarial Central Estimates***

Our estimates presented in this report can be characterized as actuarial central estimates. Each estimate represents an expected value over a range of reasonably possible outcomes. They do not reflect all conceivable extreme events where the contribution of such events to an expected value is not reliably estimable. The estimates are not defined by a precise statistical measure (i.e., mean, median, mode, etc.), but are selected from multiple indications produced by a variety of generally accepted actuarial methods that are intended to respond to various drivers of ultimate claim liabilities.

### ***Variability***

Actuarial estimates are subject to uncertainty from various sources, including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, economic conditions, etc. It is necessary to project future loss payments while estimating both unpaid losses and future losses. It is certain that actual future loss will not develop exactly as projected and may, in fact, significantly vary from the projections.

Our estimates make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the PCF's historical databases or that are not yet quantifiable, including the potential impact of the COVID-19 pandemic. There is substantial uncertainty regarding the impact of COVID-19 on the level and nature of business activity. Exposures, claim frequency, and claim severity will likely be affected in ways we cannot currently estimate. It is important to recognize that actual losses may emerge significantly higher or lower than the estimates in this analysis.

It is unknown how the COVID-19 pandemic may affect the availability and timeliness of medical treatment (whether or not COVID-19 related). This may affect the amount and timing of future claim payments.

The assumptions included within this report assume the same participation as of the evaluation date. If the participation decreases in the future, the amounts set to eliminate the PCF deficit will be inadequate. If the assessment to eliminate the deficit is recalibrated every year, then a decreasing population could cause a spiral (increasing assessments on a decreasing participation) within the calculation.

**Qualification**

Carl X. Ashenbrenner is a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries (“AAA”) and meets the Qualifications Standards of the AAA to render the actuarial opinion contained herein.

## Limitations on Distribution

Milliman's work is prepared solely for OSI, as custodian of the PCF, and for the PCF advisory board, for purposes of meeting the requirements of Section 41-5-25 NMSA 1978 of the MMA. This work, and the data supporting this work, shall not be disclosed, or relied upon other than as authorized in the MMA.

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Notwithstanding the above, Milliman consents to the following:

- (a) OSI may provide a copy of Milliman's work to its auditor to be used solely for audit purposes. In the event the audit reveals any error or inaccuracy in the data underlying Milliman's work, Milliman requests the Auditor or OSI notify Milliman as soon as possible.
- (b) OSI may provide a copy of Milliman's work to governmental entities, as required by law.

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## Executive Summary

### Unpaid Claim Liabilities

The following table and Summary Exhibits 1 and 2 display our estimated unpaid claim liabilities as of December 31, 2020 for each provider type and on-going medical costs:

#### New Mexico PCF Unpaid Claim Liabilities (\$ M)

Provider Type / On-Going Medical	Actuarial Central Estimate		90% CL	
	Undiscounted	Discounted	Undiscounted	Discounted
Physicians and Surgeons	\$98.6	\$89.9	\$126.2	\$115.1
Hospitals	\$83.6	\$76.2	\$106.9	\$97.5
On-going Medical	\$5.5	\$5.0	\$7.0	\$6.4
<b>Total</b>	<b>\$187.6</b>	<b>\$171.1</b>	<b>\$240.1</b>	<b>\$219.0</b>

The discounted amounts are calculated using an annual investment return assumption of 3.5%. This assumption was calculated based on the previous five historical years average investment gains divided by the "Total PCF Funds" in the PCF financial summary worksheet. This calculation is shown on Exhibit C7.

### PCF Surplus/Deficit

Based on the estimated unpaid claim liabilities in the above table we can calculate the PCF Surplus/(Deficit) as of December 31, 2020. The PCF Fund Balance was provided by the PCF. These amounts are displayed in the following table.

#### New Mexico PCF Unpaid Claim Liabilities (\$ M)

Provider Type	Actuarial Central Estimate		90% CL	
	Undiscounted	Discounted	Undiscounted	Discounted
PCF Fund Balance	\$120.8	\$120.8	\$120.8	\$120.8
Unpaid Claim Liability	\$187.6	\$171.1	\$240.1	\$219.0
PCF Surplus/(Deficit)	\$(66.8)	\$(50.3)	\$(119.4)	\$(98.2)

The estimated deficit on an undiscounted basis shown in the previous actuarial report was \$65.2 million. Therefore, the PCF deficit increased by \$1.6M over the 2020 calendar year. It should be noted this deficit is only calculated as the difference between undiscounted unpaid claim liabilities and the PCF fund balance and does not include other potential expenses or investment income in the future that isn't offset by future PCF surcharges.

### ***PCF Surplus/Deficit by Provider Type***

The scope of our work included an allocation of the PCF deficit between P&S and Hospitals. For this exercise, we calculated the difference between the surcharges and the estimated ultimate losses by accident year since 2006 by provider type. We also allocated the deficit between independent P&S and employed P&S (who are included in the hospitals). This difference is approximately \$6.1 million lower than the overall deficit, and is due to additional PCF expenses as well as timing issues of payments. Therefore, we allocated this additional amount between providers as shown in the following table:

<b>New Mexico PCF Deficit by Provider Type (\$ M)</b>		
<b>Provider Type</b>	<b>Surcharge minus Ultimate Losses</b>	<b>Allocated Deficit</b>
Independent P&S	\$(51.5)	\$(56.6)
Hospitals	\$(5.2)	\$(8.1)
Employed P&S	\$(4.1)	\$(2.1)
Hospitals and Emp P&S	\$(9.3)	\$(10.2)
<b>Total</b>	<b>\$(60.7)</b>	<b>\$(66.8)</b>

### ***PCF Deficit Assessment by Provider Type***

The scope of our work also includes estimating an appropriate annual assessment for each provider type to eliminate their share of the existing deficit by January 1, 2027. For this exercise, we first need to allocate the P&S ultimate losses between independent and employed providers. This information was not provided by the PCF as we understand it does not exist. For this allocation, we are assuming employed providers were charged 50% of the hospital surcharges prior to 2016. We assumed that the independent provider membership remained steady from 2016 through 2020, whereby the only changes in surcharges were due to rate changes. This is shown on Summary Exhibit 5. From this surcharge amount we allocated the estimated unpaid losses, pro-rata, between independent and employed providers. We then added the paid loss to date to these unpaid loss estimates.

In order to calculate the assessment, we calculated the projected "normal" PCF surcharges effective January 1, 2022 as shown on Exhibits A1 and B1. These amounts assume no change in PCF membership. Using these amounts, we calculated an additional four years of "normal" surcharges, using an annual inflation rate of 4%. We then allocated the PCF deficit for each provider type by year based on the overall expected surcharges, and then calculated the additional percentage required to eliminate the fund balance by January 1, 2027, as shown on Summary Exhibit 7. It should be noted that this is based on:

- The estimated ultimate losses as of December 31, 2020. These amounts are likely to change as claims are settled and paid by the PCF and could increase or decrease depending on the actual settlement values. This is normal in most actuarial estimates;
- The projected rate change of 4% used in the future surcharges. The actual future experience will also vary, and this will impact the deficit in future years;
- The additional assessments earning investment income at an annual rate of 3.5%. It is likely the investment returns will vary over the next five years;
- The number of members in the PCF remaining the same as in 2020. If a significant number of members leave the PCF, the additional assessment will not be adequate to cover the current deficit. This could cause a “spiral” of assessments if the assessments are recalibrated each year; and
- The PCF expenses and/or investment returns are similar to the assumptions used in the surcharge calculations. If either expenses or investment returns are higher or lower than the accruals in the surcharges, this will impact the deficit.

### **2022 Rate Change**

The following table displays the overall rate change for each provider type as of January 1, 2022. These amounts do not include the additional assessment to eliminate the PCF deficit. These include an estimated provision for the change in the PCF attachment and limit. The details of these calculation are displayed on Exhibits A2 and B2.

<b>New Mexico PCF</b>				
<b>Estimated Rate Change by Provider Type</b>				
<b>As of January 1, 2022</b>				
<b>Provider Type</b>	<b>Central</b>	<b>70% CL</b>	<b>80% CL</b>	<b>90% CL</b>
P&S	19.7%	28.1%	37.7%	53.3%
Hospitals	3.6%	10.8%	19.1%	32.6%

### ***Impact of Attachment Point and Limit Change***

HB75 changed both the cap and limit the PCF is responsible for, for occurrences on or after January 1, 2022. The current MMA caps the overall non-medical damages to \$600,000 per occurrence. HB75 increases this amount to \$750,000 for P&S and \$4,000,000 for Hospitals. These caps are increased in future years. The PCF is responsible for all medical (past and future) damages after the attachment point is eroded. The following table displays these amounts:

<b>New Mexico PCF</b>		
<b>ATTACHMENT POINTS AND LIMITS FOR NON-MEDICAL DAMAGES</b>		
<b>Limits</b>	<b>Current PCF</b>	<b>HB75 PCF</b>
Attachment	\$200,000	\$250,000
PCF Limit	\$400,000	\$500,000
Overall Limit	\$600,000	\$750,000

Previously the PCF limit and cap for non-medical damages were the same for both P&S and Hospitals. With HB75, the hospital will be responsible for any non-medical damage above the PCF limit of \$500,000 (up to a cap of \$4,000,000 in 2022).

We have estimated the impact of these changes on rates and discuss in a subsequent section.

### ***ISO Class Code Recommendations***

We reviewed the most recent classification plans for two large P&S writers in New Mexico and compared their relativities for each ISO class codes to the PCF rating plan. For the ISO class code relativities that are significantly different we recommended using different class codes. Exhibit E1 and E2 provide our analysis of each ISO class code relative to the two large P&S writers, while Exhibit E3 summarizes only the ISO codes where we are recommending a modification. We also included an offset to the 2022 rate change to account for this change, as shown on Exhibit A1.

### ***Newly Eligible Providers***

Several health care providers are now eligible to participate in the PCF due to the changes made to HB 75. These include certified nurse practitioners, clinical nurse specialists and certified nurse-midwives. For these newly eligible providers we reviewed New Mexico rate filings and selected appropriate rating relativities to be included in the class plan, as shown on Exhibit G1. It is our understanding based on conversations with the PCF that the newly eligible providers are not required to pay any assessment for the current PCF deficit.

### ***Hospital Experience Rating Review***

We reviewed the recently adopted hospital experience rating methodology and would recommend terminating it for several reasons. A detailed discussion of our recommendation is included in a separate section.

## Change from Last Year

A comparison of our current estimated ultimate loss to the prior<sup>1</sup> estimated ultimate loss as of December 31, 2019 is shown on Summary Exhibit 8 and in the following table:

<b>New Mexico PCF</b>			
<b>Change in Milliman's Estimated Ultimate Loss to Prior Actuarial Report</b>			
<b>From December 31, 2019 to December 31, 2020</b>			
<b>(\$000's)</b>			
<b>Accident Year</b>	<b>P&amp;S</b>	<b>Hospitals</b>	<b>Difference</b>
2014 and Prior	\$(1.0)	\$2.4	\$1.4
2015	\$(3.3)	\$0.2	\$(3.1)
2016	\$(0.8)	\$(2.9)	\$(3.6)
2017	\$0.3	\$(2.7)	\$(2.4)
2018	\$(0.3)	\$2.1	\$1.8
2019	\$(1.2)	\$1.4	\$0.3
<b>Total</b>	<b>\$(6.3)</b>	<b>\$0.6</b>	<b>\$(5.7)</b>

As can be seen in the above table, the estimated ultimate loss decreased by \$5.7 million since last year-end. This decrease was primarily due to favorable experience in the 2015 through 2017 accident years. These amounts do not include the batch claims (which are discussed in more detail in the following section), which were paid prior to December 31, 2019 and therefore had no impact on the 2020 calendar year change. Detailed calculations are provided on Summary Exhibit 8.

<sup>1</sup> "New Mexico Patient's Compensation Fund – 2019 Actuarial Analysis"; Merlinos & Associates, Inc; November 2020

## Discussion of Reserve Analysis

We have estimated ultimate loss for P&S and Hospitals separately using standard actuarial methods and using an accounting date as of December 31, 2020. The claim data was provided as of July 27, 2021, and we did not use the provided 2021 calendar year data directly in our analysis. However, we reviewed this additional information while making our selections. Our analysis included development of ultimate closed-with-payment (“CWP”) claims for each segment. Claims counts are highly predictive of loss payments and we believe their development and use in an actuarial analysis is particularly important for a high severity / low frequency line of business such as Medical Professional Liability (“MPL”) coverage. In developing our indicated ultimate loss estimate, we rely in part on our indicated projections of ultimate CWP claim counts.

For the methods below that rely on development factors, it should be noted that the selected factors were derived using combined P&S and Hospital data. This approach was taken to maintain credibility within the development triangles, as well as remain consistent with the prior actuary.

It should also be noted that we have removed all batch claims from both the triangles and the development methods. The batch claims were two separate groupings of large claims, where batch #1 occurred in the 2006 to 2009 accident years, while batch #2 occurred between the 2005 and 2010 accident years. These batch claims have not been factored into our reserve analysis due to the reinsurance purchased to cover this potential exposure. A summary of the batch claims can be found on Summary Exhibit 1.

The following methods are used in developing ultimate loss, and are explained below using P&S exhibits as a guide:

- Paid development method;
- Paid Generalized Cape Cod (“GCC”) method;
- Paid Bornhuetter-Ferguson (“B-F”) method;
- Frequency-Severity method; and
- Loss Ratio method.

Exhibit H1 presents our estimates of ultimate loss by accident year and derives the associated unpaid loss.

Exhibit H2 summarizes the various projection methods and displays our selection of ultimate loss and by accident year.

The paid development method uses historical relationships between loss payments at given months of development for each accident year as a predictor of future development patterns. This method assumes that historical payment patterns are consistent from year to year. Should there be changes in the way claims are settled, the historical patterns would lose some predictive accuracy without adjustments first being made to the historical data. The paid development indications are displayed on Exhibit H3.

Exhibit H4 presents the derivation of ultimate loss by a GCC method, based on paid development patterns. The GCC method provides a formula to determine the apriori estimate of ultimate loss that is then used to calculate the indicated ultimate loss. Under the GCC method, the apriori expected loss used for each accident year is the weighted average of the trended and exposure adjusted development method ultimate where the average is taken over all available years. The GCC method uses weights to calculate the weighted average. The weights have the following properties:

- They are positively proportional to the exposure in any year. In our application of the GCC method, the exposure used is earned surcharges as an approximation for the volume of exposure. Thus, the higher surcharges a given accident year has, the more weight that year is given;
- They are inversely proportional to the magnitude of the development factor applicable for a year. That is, the larger the development factor is for a given year, the less weight that year receives. This has the effect of giving more weight to older, more mature accident years, and less weight to younger, less mature years; and
- They are inversely proportional to the length of time between years, based on the decay ratio. For example, when determining the apriori ultimate losses for accident year 2015, more weight is given to the years closest to 2015.

Once we have the apriori expected loss, Column (9), we calculate the expected unpaid loss plus the actual paid loss to estimate the ultimate for a given accident year.

Exhibit H5 presents the derivation of ultimate loss based on a paid B-F method. The paid B-F method estimates ultimate loss based on paid loss to date and an estimate of expected loss yet to be paid. The loss expected to be paid is calculated from our apriori ultimate loss, based on our selected frequency-severity indication, and the percentage of loss unpaid.

Exhibits H6 and H7 present the derivation of ultimate loss based on a frequency-severity method. Exhibit H6 derives an ultimate CWP severity for each accident year, and trends that severity forward to future accident years. A selected severity based on historical indications is then selected for each accident year. Exhibit H7 multiplies the selected severities by the indicated ultimate CWP claim counts to derive an indication of ultimate loss.

Exhibits H8 and H9 present the derivation of ultimate loss based on a loss ratio method. Exhibit H8 derives an ultimate loss ratio for each accident year, and trends that loss ratio forward to future accident years. A selected loss ratio based on historical indications is then selected for each accident year. Exhibit H9 multiplies the selected loss ratio by the on-level surcharges to derive an indication of ultimate loss.

The following methods are used in developing CWP claim counts, and are also explained below using P&S exhibits as a guide:

- CWP chain ladder development;
- GCC method;
- BF method; and
- Ultimate frequency (relative to on-level surcharges).

Exhibit I1 presents our estimates of ultimate claim counts by accident year and derives the associated claims yet to CWP.

Exhibit I2 summarizes the various projection methods and displays our selection of ultimate claim counts by accident year.

The CWP claim development method projects CWP claim counts to their ultimate value, based on historical development patterns. Changes in claim closure patterns can affect the accuracy of this method. The CWP claim count development indications are displayed on Exhibit I3.

The GCC method relies on similar methodology as the loss method to develop indicated ultimate CWP counts. The indications are displayed on Exhibit I4.

The claim count B-F method is similar to the loss B-F method, except it uses CWP claim counts in lieu of paid loss and an estimate of the percentage of ultimate claims unreported in lieu of the percent of ultimate loss unreported. Exhibit I5 displays the paid B-F method.

Exhibits I6 and I7 display the ultimate frequency method. Exhibit I6 derives an ultimate CWP frequency for each accident year, and then trends the frequency forward to future accident years. A selected frequency based on historical indications is then selected for each accident year. Exhibit I7 multiplies the selected frequencies by the on-level surcharges to derive an indication of ultimate CWP counts.

Analogous exhibits for Hospitals can be found in Exhibits J and K.

As stated above, the development factors utilized in the methods were derived using combined P&S and Hospitals data. The loss and count triangles, along with the selected development factors, can be found on Exhibits L1 and L2.



## Discussion of Rating Analysis

### **Methodology**

The overall rate change for P&S is shown on Exhibit A1. The projected loss ratio at current rates, line (1), is calculated on Exhibit A3. This includes an amount for both unallocated loss adjustment expenses (“ULAE”) as shown on Exhibit C3 and on-going medical expenses which are displayed on Exhibit C6. The projected loss ratio is the product of the projected severity and projected frequency, shown on Exhibit A5 and Exhibit A6, respectively. These amounts have been trended to the midpoint of the annual rate change period which is July 1, 2022. A comparison to the trended on-level loss ratios is shown on Exhibit A4.

The projected loss ratio is discounted to reflect anticipated investment income and based on a projected payout pattern shown on Exhibit C1. The adjustment for changes in the attachment point and limit is shown on line (4). This amount is multiplied to the projected discounted loss ratio for 2022. This loss ratio is multiplied by the current assessment level to calculate the projected discounted losses for 2022. This amount is further loaded for the following items:

- Office expenses (displayed on Exhibit C4);
- Batch reinsurance costs and/or a load for potential batch claims (displayed on Exhibit C5); and
- Adjustment to reflect the ISO class plan changes (displayed on Exhibit E2).

The projected total amount is then compared to the current rate level and an overall change is calculated. The overall rate change is shown for different confidence levels on Exhibit A2.

The rate change for Hospitals follows the same approach and is shown on Exhibits B1 through B6. We included an offset for the elimination of the ERP for hospitals (derived on Exhibit F1). For hospitals, we also needed to factor in the rate change in 2021 since the surcharges were not restated at current rate levels.

We also included summaries of base rates by class for each provider type, and a separate column displays the additional assessment by class. For P&S, this summary is provided for Independent P&S and Employed P&S on Exhibit A7 and A8, respectively. The summary for Hospitals is provided on Exhibit B7.

### **Assumptions**

The following assumptions were used in the proposed rate change and are shown on Exhibit C1-C7. These assumptions were derived using the historical averages. If differences are anticipated in the future, these should be adjusted to the forecasted amount during 2022.

The discount factor calculation is shown on Exhibit C1. This is based off the projected payout of losses displayed on Exhibit C2. The selected investment income ratio is shown on Exhibit C7 and is based off the previous five-year net investment income compare to the total PCF funds.

The loads for ULAE and office expenses are shown on Exhibit C3 and Exhibit C4, respectively. It is our understanding the PCF is planning to hire an administrator and therefore the office expenses should be greater in 2022 compared to prior years. We attempted to account for this by reviewing the fixed expense loads of a MPL insurer from New Mexico as provided in a rate filing. Once the administrator is hired, the actual costs should be considered in future rate reviews.

Beginning in 2017, the PCF purchased reinsurance for batch claims. It is unknown at this time whether the PCF will continue to purchase this reinsurance into 2022. However, the batch losses were excluded from the rating assumptions. As such, either the cost of the reinsurance or the expected value of batch claims should be included in the rate calculation. Exhibit C5 displays the cost of the reinsurance and the ratio of batch losses to projected ultimate losses for accident years 2000 through 2020. Based on these two calculations, a load for batch claims is selected.

Exhibit C6 displays the calculation for the on-going medical payments. This amount is not included elsewhere in the rate calculation.

## Discussion of PCF Attachment Point and Limit Change

Exhibit D1 summarizes the estimated impact to rates due to the change in the PCF attachment point and limit, as provided by HB75.

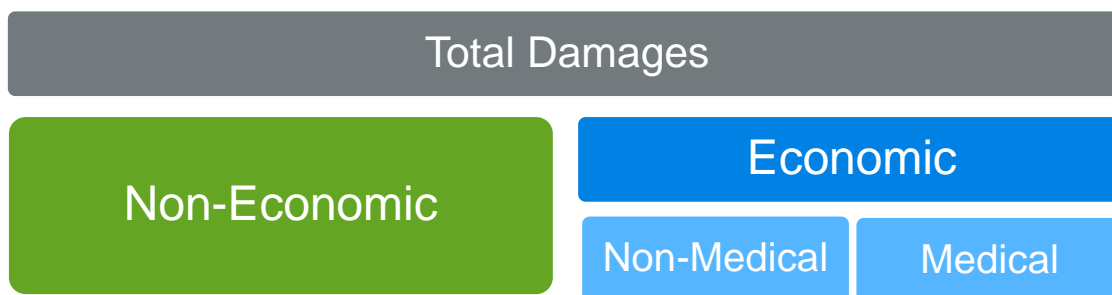
### **Damages in MPL Cases**

Damages awarded to a patient injured from a medical event can be separated into economic and non-economic components. Economic damages compensate the injured party for the financial impact of the injury. These damages are typically quantifiable and can be separated into medical and non-medical losses. Non-medical economic losses include items such as lost wages.

Non-economic damages are more difficult to quantify as there are no specific monetary amounts from which to calculate. Non-economic damages include items such as pain and suffering, loss of consortium, etc. The sum of the economic and non-economic components is the total amount awarded to the injured party.

In regards to the damages that are subject to the attachment point and limit, HB75 states “*Except for punitive damages and past and future medical care and related benefits...*”. It is our understanding that punitive damages are not paid by the PCF and therefore we have excluded consideration of these damages in this analysis. Therefore, our analysis considers two categories of damages: medical losses and non-medical losses (including the non-medical portion of economic damages and all non-economic damages).

### **Components of Total Damages in a MPL Case**



### **HB 75 Attachment Point and Limit Changes**

As provided by HB75, the attachment point and limit the PCF provides is changing effective January 1, 2022. The attachment point is increasing from \$200,000 to \$250,000 per occurrence while the limit is increasing from \$400,000 to \$500,000. The limit does not apply to medical damages; hence the PCF will pay for all medical damages as long as the combined amounts exceed the attachment point. HB 75 also increased the cap for non-medical damages to \$750,000 from \$600,000 for P&S. The cap increased from \$600,000 to \$4 million for hospitals, although the PCF is not responsible for any non-medical damages above the PCF limit of \$500,000.

### **Simulation Discussion**

We modeled the changes to the PCF by using a Monte-Carlo simulation model. This model calculated the difference between the current PCF attachment and limit and the HB75 attachment and limit for 2022. The difference between the loss costs was calculated as an adjustment to the rates, which were discussed in a previous section. The simulation model uses many assumptions. The assumptions were made using New Mexico specific data, as required by the MMA, except for certain assumptions that required additional data. Professional judgement was also incorporated into these assumptions. These assumptions are summarized on Exhibit D2 and further described below:

1. **Average Severity per Occurrence Paid by the PCF:** This amount was derived in the rating analysis for each provider type. The model simulates claim-level results, so the average severity per occurrence is transformed to an average unlimited severity per claim on Exhibit D3.
2. **Hospital Claims as Percent of All Claims:** Exhibit D4
3. **Number of Claims per Occurrence:** This represents the number of PCF insureds that are named in the lawsuit or case. This assumption was calculated for each provider type, shown on Exhibit D5.
4. **Medical Loss as Percent of Total Loss:** This assumption is used to derive an estimated medical and non-medical severity per claim. The calculation of this assumption is shown on Exhibit D6 and relies on PCF claims data as well as assumptions from a prior Milliman analysis, which is publicly available on the New Mexico PCF website<sup>2</sup>. Because of the structure of the PCF, all occurrences with payments excess of the \$400,000 limit were assumed to be medical damages.
5. **Loss Distribution:** Since the non-medical severity amounts have been capped by the \$600,000 limit, we need to adjust this amount to an “unlimited” severity using a fitted distribution. We selected a lognormal distribution which, as shown on Exhibit D7, is the best fit. Lognormal distributions are typically used to model MPL claims.
6. **Coefficient of Variation:** For this model, we simulated the medical and non-medical damages separately for each claim. We fit the historical PCF data to a lognormal distribution on Exhibit D8 and then selected a coefficient of variation (“CV”) for each claim type. With this CV, we then calculated the “unlimited” per claim severity to be used in our simulation model as shown on Exhibit D3 for non-medical damages. Since the medical damages are not capped no adjustment is needed. We then ran several simulations using various CV assumptions and compared the resulting CV to the historical PCF data CV and selected the CV that best fit the underlying PCF data.

We ran 80,000 separate occurrences and calculated the PCF payout for both the current and HB75 attachment points and limits. The trial results were recorded separately for both P&S and hospitals. The average severity and frequency under the current attachment point and limit and the HB75 attachment point and limit are calculated across all trials. The change between these scenarios, calculated on Exhibit D1, is the resulting adjustment used in the rate development analysis discussed previously.

We performed scenario testing by running simulations using different CV assumptions for the claims. We also tested the sensitivity of the medical loss as percent of total loss by running simulations using various selected percentages.

<sup>2</sup> <https://pcf.osi.state.nm.us/wp-content/uploads/2020/11/Milliman-TDC-PCF-Cap-Analysis-Report-.pdf>

The following table displays the differences between claim CV assumptions. The table shows that the differences due to CV assumptions (and resulting rate change adjustments) are modest in our model.

**New Mexico PCF  
Adjustments using Alternative CV Assumptions**

Input Claim CV	P&S Adjustment	Hospital Adjustment	Difference from CV 1.0	
			P&S	Hospital
0.75	7.0%	1.4%	-0.9%	-1.7%
1.00	8.0%	3.2%	0.0%	0.0%
1.25	8.7%	4.4%	0.6%	1.2%
1.50	9.1%	5.3%	1.0%	2.0%
2.00	9.7%	6.4%	1.5%	3.1%
4.00	10.8%	8.2%	2.5%	4.9%

We also compared the difference between medical damage percentages assumptions as shown in the following table. It is important to understand that we are only measuring the difference between the current and HB75 attachment point and limit. If the percentage of medical damages would increase in future claims, the overall cost to the PCF would increase since the medical is unlimited.

**New Mexico PCF  
Adjustments using Alternative Medical Damage Percentages**

Medical Percentage	P&S Adjustment	Hospital Adjustment	Difference from 35%	
			P&S	Hospital
0.35	8.0%	3.2%	0.0%	0.0%
0.40	5.2%	0.8%	-2.7%	-2.3%
0.50	0.7%	-2.9%	-6.7%	-5.9%

## Discussion of Hospital Experience Rating Methodology

A hospital rating plan<sup>3</sup> was established for the PCF and was implemented in 2020. Included in this rating plan was an adjustment to the manual rates based on each hospital's own experience. This is referred to as an Experience Rating Plan ("ERP") and is commonly used within the rating structures of many casualty exposures<sup>4</sup>. In a typical ERP, adjustments are made to lower the impact of large volatile claims. We reviewed the hospital experience rating plan of UMIA Insurance, Inc. which was filed<sup>5</sup> in the state of New Mexico. This plan uses the last five years of incurred loss history, excluding the most recent year. The UMIA ERP caps losses at \$350,000 "to reduce the impact of a single large loss on the final experience modification."

The PCF Hospital ERP uses the number of claims which exceed the \$200,000 attachment in the most recent five accident year history, excluding the most recent year. The PCF ERP does not use the incurred loss amounts, only the frequency, to adjust the manual premium.

We reviewed the impact the ERP had for the 2020 year. We were provided the experience plan calculation for each hospital insured by the PCF. Hospitals were eligible for the ERP if the manual surcharge was greater than \$1.5 million. It was unclear how this amount was selected when the ERP was designed. There was a total of 15 hospitals within the PCF during 2020. Of these, 5 qualified for ERP because their manual surcharge was greater than \$1.5 million. These eligible hospitals accounted for 81% of the manual surcharge overall. We then calculated the difference between the manual surcharge and the adjusted surcharge. The adjusted surcharge was 12% lower than the manual surcharge, as displayed on Exhibit F1. None of the hospitals received a debit from the ERP. All else equal, the overall premium level should be increased by this amount to offset for the reduced premium level.

The PCF ERP calculates the experience modification using reported claims above \$200,000. For each hospital it compares the actual number of claims to the expected and calculates the experience mod using these amounts. We summarized these amounts for each hospital on Exhibit F2. The hospitals are only required to provide claim counts if they are eligible for the ERP. The number of claims reported by the hospitals was 56% of the expected number of claims compared to 81% of the manual premium. Since we have a limited amount of data it is difficult to test whether the hospitals not eligible for ERP have worse experience than eligible hospitals.

One issue with using hospital loss experience is employed physician claims. For many MPL claims that occurred within a hospital both a physician(s) and the hospital are named as a defendant. According to the PCF, there is usually little attempt to split the loss between providers when both are covered under the same insurance scheme. The PCF placed a data call for the hospital PCF members. However, it is not clear how the physician claims were accounted for in the data, and it is possible that the data was provided differently between hospitals.

<sup>3</sup> "New Mexico PCF Hospital & Outpatient Health Care Facility Rating Plan"; Pinnacle Actuarial Resources, Inc. – October 2019

<sup>4</sup> [https://www.ncci.com/Articles/Documents/UW\\_ABC\\_Exp\\_Rating.pdf](https://www.ncci.com/Articles/Documents/UW_ABC_Exp_Rating.pdf)

<sup>5</sup> SERFF Tracking #: PERR-131385463

After reviewing the ERP and the resulting discounts provided by the PCF we would recommend discontinuing the ERP for 2022. These are the major reasons for this recommendation:

1. ERPs are usually designed for “ground-up” rating plans and split the losses between primary and excess to mitigate the impact of large claims, which are less predictive.
2. There is an incentive for the ERP eligible hospitals to decrease the number of reported claims by either assigning the claim to an employed physician or setting case reserves lower than the PCF attachment point.
3. Due to the reporting pattern of claims, the number of claims is both immature and volatile for the previous five years.
4. The resulting ERP discount should be added back to the overall premium level. This is difficult to project and set correctly in the rates.
5. Only 5 of the hospitals qualified for the ERP and it is unclear how the \$1.5 manual premium threshold was set.
6. The available data to calculate the ERP parameters are volatile and hospitals will be ineligible for the PCF beginning January 1, 2027.
7. The ERP creates an additional burden to the administration of the PCF.

## Confidence Levels of Rates and Reserves

The scope of our analysis included estimating confidence levels for the future rate requirements and reserves. The confidence level factors were selected from a simulation model that simulated the payout of the reserves. This simulation was a separate model than the one used to estimate the change in loss costs between the current and HB75 PCF attachment points and limits. The confidence level represents the overall reserve base estimated as of December 31, 2021.

The range of values displayed in the exhibits (in particular the 90th percentile) does not represent the highest possible values of the discounted loss liabilities. Potential variation above this value exists, both due to uncertainty with respect to the amount, as well as timing of future payments.



## Reliance on Data

The data used in our analysis was valued as of December 31, 2020 with additional information provided through August 31, 2021. Our actuarial analyses relied upon data and related information provided by the PCF, OSI, and other publicly available information. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. In that event, the results of our analysis may not be suitable for the intended purpose.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

In performing this evaluation, we have assumed that the PCF (a) used their best efforts to supply accurate and complete data, and (b) did not knowingly provide any inaccurate data.

We note there is a difference between the financial statements and the paid claims provided by the PCF. According to the OSI, this can be attributed to differences between when settlements are recorded in the loss run and when the actual payments are made from the fund.

We were provided the following files from the PCF that were used in our analysis:

1. **PCF Claim Settlements** – This file included PCF paid claims that settled starting on or around 2011. This file excluded the Batch claims and any medical payments. It is our understanding this file was different than the previous file used for the prior actuarial report. This latest file allocated hospital claims 50/50 between the hospital and P&S if both parties were named as a defendant in the case. Therefore, we recast the 12/31/19 data using this latest file. Since the file did not include all the historical claims, we needed to add these back. From this data we added the incremental payments for calendar year 2020. We also show the calendar year 2021 through July 27, 2021. These loss amounts were used in the projection files to calculate the ultimate losses. This is displayed on Summary Exhibit 9.
2. **Summary of PCF Surcharges and Losses by Hosp vs Phys** - This file contained the calendar surcharges by year. Using this file, we calculated the “on-level” surcharges using historical rate changes. This was used in both the ultimate loss projection as well as the rate change indications.
3. **PCF Participation Stats 2019-2021** - This file contained detailed information for each member of the PCF including ISO Code and rating class. We utilized this file in the ISO Class Code analysis.
4. **NM PCF Financial Summary** – This file contained the balance sheet of the PCF for the last seven years. We used this file to calculate the rating assumptions and the PCF fund balance. This file also contained the historical rate changes.
5. **Hospital Experience Plan Rating Files** – These files contained each hospital's experience rating plan for 2020. We utilized these files to evaluate the hospital experience rating plan.
6. **Hospital Data Call Combined** - This file contained the historical claims for each hospital in the PCF. This file was of limited value because the claims included both hospital and employed physician claims and our analysis was split.

## Closing

We appreciate the opportunity to be of service to The New Mexico Patient's Compensation Fund and the New Mexico Office of Superintendent of Insurance. If you have any comments or questions, please let us know.

Sincerely,



Carl X. Ashenbrenner, FCAS, MAAA  
Principal and Consulting Actuary

CXA/sbs

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**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Summary of Loss**

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			(1) - (2)			(4) - (5)			(7) - (8)	(3) + (6) + (9)
	Physicians & Surgeons			Hospitals			Batch Claims			Combined Unpaid
	Selected Ultimate	Paid @ 12/31/20	Unpaid	Selected Ultimate	Paid @ 12/31/20	Unpaid	Selected Ultimate	Paid @ 12/31/20	Unpaid	
Prior	NA	NA	0	NA	NA	0	NA	NA	0	0
2006	6,328,725	6,328,725	0	0	0	0	1,811,904	1,811,904	0	0
2007	13,190,829	13,164,500	26,329	0	0	0	5,881,469	5,881,469	0	26,329
2008	11,732,218	11,662,152	70,066	0	0	0	7,736,024	7,736,024	0	70,066
2009	8,080,562	7,992,342	88,220	2,097,904	2,075,000	22,904	3,825,362	3,825,362	0	111,124
2010	16,573,610	16,262,567	311,043	1,493,020	1,465,000	28,020	1,642,339	1,642,339	0	339,064
2011	20,495,740	19,911,969	583,771	1,971,143	1,915,000	56,143	0	0	0	639,915
2012	10,221,686	9,734,408	487,278	2,167,872	2,075,000	92,872	0	0	0	580,149
2013	8,605,723	7,962,544	643,179	1,646,106	1,544,693	101,413	0	0	0	744,592
2014	15,747,095	14,364,565	1,382,530	6,895,231	6,244,130	651,101	0	0	0	2,033,631
2015	6,656,137	4,027,500	2,628,637	1,999,712	1,437,868	561,844	0	0	0	3,190,481
2016	13,987,152	5,840,000	8,147,152	4,616,582	2,010,000	2,606,582	0	0	0	10,753,734
2017	26,821,644	9,950,000	16,871,644	14,283,213	2,497,184	11,786,029	0	0	0	28,657,673
2018	25,449,620	2,721,023	22,728,597	23,342,004	2,372,500	20,969,504	0	0	0	43,698,101
2019	24,303,532	720,000	23,583,532	22,696,570	550,000	22,146,570	0	0	0	45,730,101
2020 <sup>1</sup>	21,022,111	0	21,022,111	24,828,117	300,000	24,528,117	0	0	0	45,550,228
<b>Total</b>	<b>229,216,385</b>	<b>130,642,295</b>	<b>98,574,090</b>	<b>108,037,471</b>	<b>24,486,374</b>	<b>83,551,097</b>	<b>20,897,098</b>	<b>20,897,098</b>	<b>0</b>	<b>182,125,187</b>

<sup>1</sup> Reflects a full year of earned exposure

(11) On-Going Medical Payments Percentage	3.0%
(12) On-Going Medical Payments Unpaid Amounts; [ (10) total x (11) ]	5,463,756
(13) Total Unpaid (Including On-Going Medical Payments provision); [ (10) total + (12) ]	187,588,942
(14) Estimated 12/31/20 Fund Balance	120,750,188
(15) Fund Deficit; [ (14) - (13) ]	(66,838,754)

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Confidence Level of Reserves

**Summary of Loss**

Accident Year	(1)	(2)	(3) (1) x (2)	(4)		(6)		(8)	(9)
	Combined Unpaid	Discount Factor at 3.5%	Discounted Combined Unpaid	70% Confidence Level		80% Confidence Level		90% Confidence Level	
				Indicated Factor	Discounted Unpaid	Indicated Factor	Discounted Unpaid	Indicated Factor	Discounted Unpaid
Prior	NA	NA	0	1.070	0	1.150	0	1.280	0
2006	0	1.000	0	1.070	0	1.150	0	1.280	0
2007	26,329	1.000	26,329	1.070	28,172	1.150	30,278	1.280	33,701
2008	70,066	1.000	70,066	1.070	74,971	1.150	80,576	1.280	89,685
2009	111,124	1.000	111,124	1.070	118,902	1.150	127,792	1.280	142,238
2010	339,064	0.983	333,281	1.070	356,611	1.150	383,273	1.280	426,600
2011	639,915	0.966	618,366	1.070	661,652	1.150	711,121	1.280	791,509
2012	580,149	0.958	555,955	1.070	594,872	1.150	639,349	1.280	711,623
2013	744,592	0.945	703,572	1.070	752,822	1.150	809,108	1.280	900,572
2014	2,033,631	0.941	1,913,549	1.070	2,047,498	1.150	2,200,582	1.280	2,449,343
2015	3,190,481	0.968	3,088,727	1.070	3,304,937	1.150	3,552,035	1.280	3,953,570
2016	10,753,734	0.961	10,333,799	1.070	11,057,165	1.150	11,883,869	1.280	13,227,263
2017	28,657,673	0.943	27,010,429	1.070	28,901,159	1.150	31,061,993	1.280	34,573,349
2018	43,698,101	0.924	40,363,461	1.070	43,188,904	1.150	46,417,980	1.280	51,665,230
2019	45,730,101	0.901	41,204,094	1.070	44,088,380	1.150	47,384,708	1.280	52,741,240
2020 <sup>1</sup>	45,550,228	0.873	39,766,028	1.070	42,549,649	1.150	45,730,932	1.280	50,900,515
<b>Total</b>	<b>182,125,187</b>	<b>0.912</b>	<b>166,098,780</b>		<b>177,725,694</b>		<b>191,013,597</b>		<b>212,606,438</b>

<sup>1</sup> Reflects a full year of earned exposure

(10) On-Going Medical Payments Percentage	3.0%			
(11) On-Going MedPay Unpaid; [ Total by C.I. x (10) ]	4,982,963	5,331,771	5,730,408	6,378,193
(12) Total Unpaid (Incl MedPay); [ Total by C.I. + (11) ]	171,081,743	183,057,465	196,744,005	218,984,631
(13) Estimated 12/31/20 Fund Balance	120,750,188			
(14) Fund Deficit; [ (13) - (12) ]	(50,331,555)	(62,307,277)	(75,993,817)	(98,234,443)

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Derivation of Discount Factor**

	(1)	(2) (1) - (1) prior	(3)	(4)	(5)	(6)
Age in Months	Selected Cumulative Payment Pattern	Incremental Payment Pattern	Wtd Avg Discount Factor	Accident Year	Current MOD	Discount Factor @ 12/31/20
0	0.0%	0.0%	0.844	2020	12	0.873
12	0.1%	0.1%	0.873	2019	24	0.901
24	2.3%	2.2%	0.901	2018	36	0.924
36	11.5%	9.3%	0.924	2017	48	0.943
48	27.5%	16.0%	0.943	2016	60	0.961
60	46.2%	18.7%	0.961	2015	72	0.968
72	75.1%	28.9%	0.968	2014	84	0.941
84	95.0%	19.9%	0.941	2013	96	0.945
96	97.0%	2.0%	0.945	2012	108	0.958
108	98.0%	1.0%	0.958	2011	120	0.966
120	99.0%	1.0%	0.966	2010	132	0.983
132	99.5%	0.5%	0.983	2009	144	1.000
144	100.0%	0.5%	1.000	2008	156	1.000
156	100.0%	0.0%	1.000	2007	168	1.000
168	100.0%	0.0%	1.000	2006	180	1.000
180	100.0%	0.0%	1.000			

(3) Based on 3.50% assumed yield (derived on Exhibit C7) and selected payment pattern from column (2), assuming mid-year payments

(6) Linearly interpolated from column (3)

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Comparison between PCF Fund Deficit by Calendar Year and Accident Year Deficit**

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Physicians & Surgeons (Including Batch Claims)	PCF	(2) - (1) + (3) prior	Selected	Hospitals	(5) - (4) + (6) prior	(3) + (6)	Provided by PCF
	Selected Ultimate	Surcharge	Cumulative Deficit	Ultimate	Surcharge	Cumulative Deficit	Cumulative Deficit	Calendar Year Fund Deficit
Prior	NA	NA	0	NA	NA	0	0	
2006	8,140,629	9,067,465	926,836	0	0	0	926,836	
2007	19,072,298	8,810,595	(9,334,867)	0	0	0	(9,334,867)	(1,600,000)
2008	19,468,242	9,696,249	(19,106,860)	0	0	0	(19,106,860)	
2009	11,905,924	11,113,554	(19,899,230)	2,097,904	1,130,000	(967,904)	(20,867,134)	2,000,000
2010	18,215,949	11,293,496	(26,821,683)	1,493,020	1,130,000	(1,330,924)	(28,152,607)	
2011	20,495,740	10,798,897	(36,518,527)	1,971,143	1,175,200	(2,126,867)	(38,645,394)	(1,100,000)
2012	10,221,686	10,498,870	(36,241,342)	2,167,872	1,099,542	(3,195,197)	(39,436,539)	
2013	8,605,723	10,330,574	(34,516,491)	1,646,106	1,250,000	(3,591,302)	(38,107,794)	(5,300,000)
2014	15,747,095	10,838,627	(39,424,959)	6,895,231	1,350,000	(9,136,533)	(48,561,492)	
2015	6,656,137	10,536,745	(35,544,351)	1,999,712	1,350,000	(9,786,245)	(45,330,596)	(39,900,000)
2016	13,987,152	11,706,286	(37,825,217)	4,616,582	9,476,474	(4,926,353)	(42,751,570)	
2017	26,821,644	19,718,779	(44,928,082)	14,283,213	18,644,316	(565,249)	(45,493,332)	(36,600,000)
2018	25,449,620	21,435,425	(48,942,278)	23,342,004	21,596,277	(2,310,976)	(51,253,254)	(44,400,000)
2019	24,303,532	20,518,662	(52,727,148)	22,696,570	21,523,811	(3,483,735)	(56,210,882)	(65,200,000)
2020	21,022,111	18,198,537	(55,550,722)	24,828,117	23,123,811	(5,188,040)	(60,738,762)	
<b>Total</b>	<b>250,113,483</b>	<b>194,562,762</b>	<b>(55,550,722)</b>	<b>108,037,471</b>	<b>102,849,431</b>	<b>(5,188,040)</b>	<b>(60,738,762)</b>	

Note: Differences between accident year and calendar year deficits are due to reestimation of ultimate losses as well as other PCF expense and investment items

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Allocation of P&S between Independent Providers and Employed**

	(1)	(2)	(3)	(4)	(5)	(6) [(1) - (3) - (4)] x [(5) / (2)]	(7) (3) + (6)	(8) (2) - (5)	(9) (1) - (7)
	Physicians & Surgeons (Including Batch Claims)				Estimated Independent Provider P&S			Estimated Employed P&S	
Accident Year	Selected Ultimate	PCF Surcharge	Independent Paid Loss	Employed Paid Loss	PCF Surcharge	Allocated Unpaid Loss	Selected Ultimate	PCF Surcharge	Selected Ultimate
Prior	NA	NA	0	0	NA	0	NA	NA	0
2006	8,140,629	9,067,465	6,328,725	0	9,067,465	1,811,904	8,140,629	0	0
2007	19,072,298	8,810,595	13,164,500	0	8,810,595	5,907,798	19,072,298	0	0
2008	19,468,242	9,696,249	11,662,152	0	9,696,249	7,806,090	19,468,242	0	0
2009	11,905,924	11,113,554	7,992,342	0	10,548,554	3,714,620	11,706,962	565,000	198,962
2010	18,215,949	11,293,496	16,122,567	140,000	10,728,496	1,855,657	17,978,224	565,000	237,725
2011	20,495,740	10,798,897	19,279,469	632,500	10,211,297	552,007	19,831,475	587,600	664,265
2012	10,221,686	10,498,870	8,334,408	1,400,000	9,949,099	461,761	8,796,169	549,771	1,425,516
2013	8,605,723	10,330,574	6,900,000	1,062,545	9,705,574	604,266	7,504,266	625,000	1,101,457
2014	15,747,095	10,838,627	13,920,435	444,130	10,163,627	1,296,430	15,216,865	675,000	530,230
2015	6,656,137	10,536,745	3,815,000	212,500	9,861,745	2,460,242	6,275,243	675,000	380,894
2016	13,987,152	11,706,286	5,165,000	675,000	9,889,584	6,882,793	12,047,793	1,816,702	1,939,359
2017	26,821,644	19,718,779	8,900,000	1,050,000	10,512,783	8,994,874	17,894,874	9,205,996	8,926,770
2018	25,449,620	21,435,425	1,668,523	1,052,500	11,393,122	12,080,455	13,748,978	10,042,303	11,700,643
2019	24,303,532	20,518,662	720,000	0	11,658,519	13,399,951	14,119,951	8,860,143	10,183,581
2020 <sup>1</sup>	21,022,111	18,198,537	0	0	12,059,845	13,930,977	13,930,977	6,138,692	7,091,134
<b>Total</b>	<b>250,113,483</b>	<b>194,562,762</b>	<b>123,973,121</b>	<b>6,669,175</b>	<b>154,256,554</b>	<b>81,759,825</b>	<b>205,732,946</b>	<b>40,306,208</b>	<b>44,380,538</b>

<sup>1</sup> Reflects a full year of earned exposure

(3), (4) Provided by the PCF

(5) Estimated Surcharge Premium for 2009-2015 estimated as 50% of Hospital surcharge

Estimated Surcharge Premium for 2016-2020 uses 2015 as a base (all independent P&S) and is adjusted for future rate changes

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Derivation of Existing Fund Deficit % By Healthcare Provider Based on Surcharge Deficit**

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			(2) - (1)			(5) - (4)	(1) + (4)	(2) + (5)	(8) - (7)	(6) / (9)
	Independent Physicians & Surgeons			Hospitals plus Employed P&S			Total			Hospital % of Deficit
	Selected Ultimate	PCF Surcharge	Deficit	Selected Ultimate	PCF Surcharge	Deficit	Selected Ultimate	PCF Surcharge	Deficit	
Prior	NA	NA	0	NA	NA	0	NA	NA	0	NA
2006	8,140,629	9,067,465	926,836	0	0	0	8,140,629	9,067,465	926,836	0.0%
2007	19,072,298	8,810,595	(10,261,703)	0	0	0	19,072,298	8,810,595	(10,261,703)	0.0%
2008	19,468,242	9,696,249	(9,771,993)	0	0	0	19,468,242	9,696,249	(9,771,993)	0.0%
2009	11,706,962	10,548,554	(1,158,408)	2,296,866	1,695,000	(601,866)	14,003,828	12,243,554	(1,760,274)	34.2%
2010	17,978,224	10,728,496	(7,249,728)	1,730,745	1,695,000	(35,745)	19,708,970	12,423,496	(7,285,474)	0.5%
2011	19,831,475	10,211,297	(9,620,178)	2,635,408	1,762,800	(872,608)	22,466,883	11,974,097	(10,492,786)	8.3%
2012	8,796,169	9,949,099	1,152,930	3,593,388	1,649,313	(1,944,075)	12,389,557	11,598,412	(791,145)	245.7%
2013	7,504,266	9,705,574	2,201,307	2,747,562	1,875,000	(872,562)	10,251,829	11,580,574	1,328,745	-65.7%
2014	15,216,865	10,163,627	(5,053,237)	7,425,461	2,025,000	(5,400,461)	22,642,326	12,188,627	(10,453,698)	51.7%
2015	6,275,243	9,861,745	3,586,503	2,380,606	2,025,000	(355,606)	8,655,849	11,886,745	3,230,897	-11.0%
2016	12,047,793	9,889,584	(2,158,209)	6,555,941	11,293,176	4,737,235	18,603,734	21,182,760	2,579,026	183.7%
2017	17,894,874	10,512,783	(7,382,091)	23,209,982	27,850,312	4,640,329	41,104,857	38,363,095	(2,741,762)	-169.2%
2018	13,748,978	11,393,122	(2,355,856)	35,042,647	31,638,580	(3,404,066)	48,791,624	43,031,702	(5,759,922)	59.1%
2019	14,119,951	11,658,519	(2,461,432)	32,880,151	30,383,954	(2,496,197)	47,000,101	42,042,473	(4,957,628)	50.4%
2020 <sup>1</sup>	13,930,977	12,059,845	(1,871,132)	31,919,251	29,262,503	(2,656,748)	45,850,228	41,322,348	(4,527,880)	58.7%
Total	205,732,946	154,256,554	(51,476,392)	152,418,009	143,155,639	(9,262,370)	358,150,954	297,412,193	(60,738,762)	15.2%

<sup>1</sup> Reflects a full year of earned exposure

Select 15.2%



**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Additional Annual Assessment to Eliminate Fund Deficit**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fund Deficit	(66,838,754)							SUM [ (1):(7) ]
Provider Type	As Of							
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	Total
<b>Hospital</b>								
Selected % of Fund Deficit	15.2%							
Allocated Fund Deficit	(8,054,386)							
Allocated Assessment Per Year			1,598,871	1,606,865	1,610,877	1,614,899	1,622,974	8,054,487
Discounted Assessment			1,369,562	1,424,584	1,478,126	1,533,681	1,595,296	7,401,250
Surcharge	23,123,811		28,355,926	29,490,164	30,669,770	31,896,561	33,172,423	
Assessment as % of Surcharge			4.8%	4.8%	4.8%	4.8%	4.8%	
<b>Employed Physicians &amp; Surgeons</b>								
Allocated Fund Deficit	(2,138,203)							
Allocated Assessment Per Year			424,453	426,575	427,641	428,708	430,852	2,138,230
Discounted Assessment			363,579	378,185	392,399	407,147	423,504	1,964,814
Surcharge	6,138,692		7,350,113	7,644,117	7,949,882	8,267,877	8,598,592	
Assessment as % of Surcharge			4.9%	4.9%	4.9%	4.9%	4.9%	
<b>Independent Physicians &amp; Surgeons</b>								
Allocated Fund Deficit	(56,646,165)							
Allocated Assessment Per Year			11,244,792	11,301,016	11,329,233	11,357,521	11,414,308	56,646,869
Discounted Assessment			9,632,075	10,019,043	10,395,602	10,786,313	11,219,653	52,052,686
Surcharge	12,059,845		17,969,714	18,688,503	19,436,043	20,213,484	21,022,024	
Assessment as % of Surcharge			53.6%	53.6%	53.5%	53.4%	53.4%	
<b>Total</b>								
Discounted Assessment			11,365,215	11,821,813	12,266,127	12,727,141	13,238,454	61,418,750
Investment Earned on Assessments to 12/31/2026			1,902,900	1,512,643	1,101,624	673,988	229,681	5,420,835
Surcharge	41,322,348		53,675,753	55,822,783	58,055,695	60,377,922	62,793,039	
Assessment as % of Surcharge			21.2%	21.2%	21.1%	21.1%	21.1%	

Total Assessments Plus Investment Income: 66,839,585

Note: Investment Returns utilize assumed yield of 3.50%  
 Methodology assumes no change to fund deficit in the prospective periods and the indicated rate changes are taken  
 Prospective Period Surcharges trended at 4.00%

**New Mexico Patient's Compensation Fund**  
**Medical Professional Liability**  
**Occurrence Coverage Evaluated as of December 31, 2020**  
**PCF Loss**  
**Actuarial Central Estimate**

**Change in Estimated Ultimate Loss**

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			(1) - (2)			(4) - (5)	(1) + (4)	(2) + (5)	(7) - (8)
	Physicians & Surgeons (Excluding Batch Claims)			Hospitals			Combined (Excluding Batch Claims)		
	12/31/2020	12/31/2019		12/31/2020	12/31/2019		12/31/2020	12/31/2019	
	Selected Ultimate	Selected Ultimate	Change in Estimates	Selected Ultimate	Selected Ultimate	Change in Estimates	Selected Ultimate	Selected Ultimate	Change in Estimates
Prior	NA	NA		NA	NA		NA	NA	0
2006	6,328,725	6,328,725	0	0	NA	NA	6,328,725	6,328,725	0
2007	13,190,829	13,268,531	(77,702)	0	NA	NA	13,190,829	13,268,531	(77,702)
2008	11,732,218	11,788,976	(56,758)	0	NA	NA	11,732,218	11,788,976	(56,758)
2009	8,080,562	8,174,638	(94,076)	2,097,904	2,090,000	7,904	10,178,466	10,264,638	(86,172)
2010	16,573,610	16,257,661	315,949	1,493,020	1,550,000	(56,980)	18,066,631	17,807,661	258,970
2011	20,495,740	19,500,000	995,740	1,971,143	2,075,000	(103,857)	22,466,883	21,575,000	891,883
2012	10,221,686	11,250,000	(1,028,314)	2,167,872	1,000,000	1,167,872	12,389,557	12,250,000	139,557
2013	8,605,723	9,300,000	(694,277)	1,646,106	1,025,000	621,106	10,251,829	10,325,000	(73,171)
2014	15,747,095	16,100,000	(352,905)	6,895,231	6,100,000	795,231	22,642,326	22,200,000	442,326
2015	6,656,137	10,000,000	(3,343,863)	1,999,712	1,800,000	199,712	8,655,849	11,800,000	(3,144,151)
2016	13,987,152	14,750,000	(762,848)	4,616,582	7,500,000	(2,883,418)	18,603,734	22,250,000	(3,646,266)
2017	26,821,644	26,500,000	321,644	14,283,213	17,000,000	(2,716,787)	41,104,857	43,500,000	(2,395,143)
2018	25,449,620	25,750,000	(300,380)	23,342,004	21,250,000	2,092,004	48,791,624	47,000,000	1,791,624
2019	24,303,532	25,500,000	(1,196,468)	22,696,570	21,250,000	1,446,570	47,000,101	46,750,000	250,101
<b>Total</b>	<b>208,194,274</b>	<b>214,468,531</b>	<b>(6,274,257)</b>	<b>83,209,355</b>	<b>82,640,000</b>	<b>569,355</b>	<b>291,403,628</b>	<b>297,108,531</b>	<b>(5,704,903)</b>

**New Mexico Patient's Compensation Fund**  
Reconciliation of Paid Loss Data

AY	Prior Actuary 12/31/19		Data as of 12/31/19		Difference in Data		ReCast as of 12/31/19	
	P&S x Batch	Hospitals	P&S x Batch	Hospitals	P&S x Batch	Hospitals	P&S x Batch	Hospitals
2000	6,560,000	-	-	-	-	-	6,560,000	-
2001	9,261,652	-	-	-	-	-	9,261,652	-
2002	9,309,500	-	-	-	-	-	9,309,500	-
2003	6,596,189	-	-	-	-	-	6,596,189	-
2004	5,482,500	-	-	-	-	-	5,482,500	-
2005	8,791,254	-	1,050,000	-	-	-	8,791,254	-
2006	6,328,725	-	950,000	-	-	-	6,328,725	-
2007	13,164,500	-	5,277,500	-	-	-	13,164,500	-
2008	11,662,152	-	6,897,500	-	-	-	11,662,152	-
2009	7,992,342	2,075,000	5,123,775	2,075,000	-	-	7,992,342	2,075,000
2010	16,067,567	1,535,000	15,412,567	1,465,000	70,000	(70,000)	16,137,567	1,465,000
2011	18,932,165	2,041,563	19,058,728	1,915,000	126,563	(126,563)	19,058,728	1,915,000
2012	10,824,408	955,000	9,654,408	2,075,000	(1,120,000)	1,120,000	9,704,408	2,075,000
2013	8,571,321	935,916	7,962,545	1,544,693	(608,777)	608,777	7,962,544	1,544,693
2014	13,391,619	888,826	13,036,315	1,244,130	(355,304)	355,304	13,036,315	1,244,130
2015	3,240,000	1,162,868	3,165,000	1,237,868	(75,000)	75,000	3,165,000	1,237,868
2016	3,705,000	1,125,000	3,705,000	1,125,000	-	-	3,705,000	1,125,000
2017	2,137,500	1,877,500	1,900,000	2,115,000	(237,500)	237,500	1,900,000	2,115,000
2018	-	650,000	-	650,000	-	-	-	650,000
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
<b>Total</b>	<b>162,018,394</b>	<b>13,246,673</b>	<b>93,193,338</b>	<b>15,446,690</b>	<b>(2,200,017)</b>	<b>2,200,017</b>	<b>159,818,377</b>	<b>15,446,690</b>
AY	2020 CY Incremental		ReCast as of 12/31/20		2021 CY as of 7/27/21		ReCast as of 7/27/21	
	P&S x Batch	Hospitals	P&S x Batch	Hospitals	P&S x Batch	Hospitals	P&S x Batch	Hospitals
2000	-	-	6,560,000	-	-	-	6,560,000	-
2001	-	-	9,261,652	-	-	-	9,261,652	-
2002	-	-	9,309,500	-	-	-	9,309,500	-
2003	-	-	6,596,189	-	-	-	6,596,189	-
2004	-	-	5,482,500	-	-	-	5,482,500	-
2005	-	-	8,791,254	-	-	-	8,791,254	-
2006	-	-	6,328,725	-	-	-	6,328,725	-
2007	-	-	13,164,500	-	-	-	13,164,500	-
2008	-	-	11,662,152	-	-	-	11,662,152	-
2009	-	-	7,992,342	2,075,000	-	-	7,992,342	2,075,000
2010	125,000	-	16,262,567	1,465,000	-	-	16,262,567	1,465,000
2011	853,241	-	19,911,969	1,915,000	-	-	19,911,969	1,915,000
2012	30,000	-	9,734,408	2,075,000	-	-	9,734,408	2,075,000
2013	-	-	7,962,544	1,544,693	-	-	7,962,544	1,544,693
2014	1,328,250	5,000,000	14,364,565	6,244,130	-	-	14,364,565	6,244,130
2015	862,500	200,000	4,027,500	1,437,868	1,200,000	-	5,227,500	1,437,868
2016	2,135,000	885,000	5,840,000	2,010,000	2,350,000	315,000	8,190,000	2,325,000
2017	8,050,000	382,184	9,950,000	2,497,184	5,010,000	-	14,960,000	2,497,184
2018	2,721,023	1,722,500	2,721,023	2,372,500	1,669,748	4,947,248	4,390,770	7,319,748
2019	720,000	550,000	720,000	550,000	141,250	241,250	861,250	791,250
2020	-	300,000	-	300,000	-	-	-	300,000
<b>Total</b>	<b>16,825,014</b>	<b>9,039,684</b>	<b>176,643,390</b>	<b>24,486,374</b>	<b>10,370,998</b>	<b>5,503,498</b>	<b>187,014,388</b>	<b>29,989,872</b>

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Derivation of Indicated Surcharge Level Change, Effective January 1, 2022**

(1)	Projected Loss Ratio	116.2%
(2)	Discount Factor to Reflect Anticipated Investment Income	84.4%
(3)	Discounted Projected Loss Ratio	98.1%
(4)	Indicated Increased Limits Factor to reflect change in PCF limits	1.080
(5)	Projected 2022 Surcharges at Current Fee Level	21,146,700
(6)	Projected 2022 Discounted Losses	22,401,994
(7)	Load for Office Expenses	5.0%
(8)	Load for Batch Claim Reinsurance	5.0%
(9)	Adjustment to reflect ISO Class Plan Recommendations	1.018
(10)	Projected 2022 Income Requirements	25,319,827
<b>(11) Indicated Surcharge Level Change on January 1, 2022</b>		<b>19.7%</b>

Notes:

- |                                      |  |
|--------------------------------------|--|
| (1) From Exhibit A3                  | (7) From Exhibit C4                    |
| (2) From Exhibit C1                  | (8) From Exhibit C5                    |
| (3) (1) x (2)                        | (9) From Exhibit E3                    |
| (4) From Exhibit D1                  | (10) [ (6) x (9) ] / [ 1 - (7) - (8) ] |
| (5) Based on current surcharge level | (11) (10) / (5) - 1                    |
| (6) (3) x (4) x (5)                  |  |

**New Mexico Patient's Compensation Fund**  
**Physicians & Surgeons**  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Confidence Level of Surcharge Change

**Confidence Level of Indicated Surcharge Level Changes, Effective January 1, 2022**

	Central	70% CL	80% CL	90% CL
(1) Confidence Level Factor	1.000	1.070	1.150	1.280
(2) Discounted Projected Loss Ratio -- Based on Actuarial Central Estimate	98.1%	98.1%	98.1%	98.1%
(3) Indicated Increased Limits Factor to reflect change in PCF limits	1.080	1.080	1.080	1.080
(4) Projected 2022 Surcharges at Current Fee Level	21,146,700	21,146,700	21,146,700	21,146,700
(5) Projected 2022 Discounted Losses	22,401,994	23,970,134	25,762,294	28,674,553
(6) Load for Office Expenses	5.0%	5.0%	5.0%	5.0%
(7) Load for Batch Claim Reinsurance	5.0%	5.0%	5.0%	5.0%
(8) Adjustment to reflect ISO Class Plan Recommendations	1.018	1.018	1.018	1.018
(9) Projected 2022 Income Requirements	25,319,827	27,092,214	29,117,801	32,409,378
<b>(10) Indicated Surcharge Level Change on January 1, 2022</b>	<b>19.7%</b>	<b>28.1%</b>	<b>37.7%</b>	<b>53.3%</b>

Notes:

- |  |  |
|--|--|
| (1) Derived from simulation modeling       | (6) From Exhibit C4                      |
| (2) From Exhibit A1                        | (7) From Exhibit C5                      |
| (3) From Exhibit D1                        | (8) From Exhibit E3                      |
| (4) Based on current surcharge level       | (9) $[(5) \times (8)] / [1 - (6) - (7)]$ |
| (5) $(1) \times (2) \times (3) \times (4)$ | (10) $(9) / (4) - 1$                     |

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Derivation of Loss Ratio, Effective January 1, 2022**

(1)	Projected Loss Severity	746,300
(2)	Projected Ultimate CWP Frequency	0.15%
(3)	Projected On-Level Loss Ratio	109.8%
(4)	Load for ULAE	2.75%
(5)	Load for Medical Payments	3.00%
(6)	Projected Loss Ratio	116.2%

Notes:

- |                                      |   |
|--------------------------------------|---|
| (1) From Exhibit A5                  | (4) From Exhibit C3                           |
| (2) From Exhibit A6                  | (5) From Exhibit C6                           |
| (3) $\{ [(1) \times (2)] \} / 1,000$ | (6) $[(3) \times [1 + (4)]] \times [1 + (5)]$ |

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Loss Ratio**

	(1)	(2)	(3) (2) / (1)	(4)
Accident Year	Full Year Surcharges at CRL	Ultimate Loss	Ultimate Loss Ratio	Ultimate Loss Ratio Trended to 1/1/2022 <sup>2</sup>
2006	15,441,893	6,328,725	41.0%	76.8%
2007	14,828,231	13,190,829	89.0%	160.2%
2008	15,242,503	11,732,218	77.0%	133.3%
2009	17,192,668	8,080,562	47.0%	78.3%
2010	16,352,982	16,573,610	101.3%	162.3%
2011	15,345,233	20,495,740	133.6%	205.6%
2012	14,918,894	10,221,686	68.5%	101.4%
2013	14,679,745	8,605,723	58.6%	83.4%
2014	15,401,689	15,747,095	102.2%	139.9%
2015	14,972,715	6,656,137	44.5%	58.5%
2016	16,587,807	13,987,152	84.3%	106.7%
2017	26,285,132	26,821,644	102.0%	124.1%
2018	26,365,573	25,449,620	96.5%	112.9%
2019	24,663,432	24,303,532	98.5%	110.8%
2020 <sup>1</sup>	21,146,700	21,022,111	99.4%	107.5%
			WA	117.0%
			WA L7	110.4%
			WA L5	113.2%
			WA L3	110.6%
			Select	109.8%

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 4.0% per annum

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Loss Severity**

Accident Year	(1)  Ultimate CWP Claims	(2)  Ultimate Loss	(3)  (2) / (1)  Ultimate Loss Severity	(4)  Ultimate Loss Severity Trended to 1/1/2022 <sup>2</sup>
2006	17	6,328,725	372,278	697,344
2007	31	13,190,829	425,511	766,423
2008	35	11,732,218	335,206	580,500
2009	21	8,080,562	384,789	640,753
2010	39	16,573,610	424,964	680,455
2011	33	20,495,740	621,083	956,257
2012	23	10,221,686	444,421	657,887
2013	18	8,605,723	478,096	680,534
2014	27	15,747,095	583,226	798,270
2015	12	6,656,137	554,678	730,017
2016	27	13,987,152	518,043	655,524
2017	37	26,821,644	724,909	882,034
2018	39	25,449,620	652,554	763,478
2019	37	24,303,532	656,852	738,969
2020 <sup>1</sup>	31	21,022,111	678,133	733,508
			WA	738,564
			WA L7	764,305
			WA L5	761,349
			WA L3	746,320
			Select	746,300

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 4.0% per annum



**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**CWP Frequency**

(1)	(2)	(3) (2) / (1)	(4)
Accident Year	(\$000) Surcharges at CRL	Ultimate CWP Claims	Ultimate CWP Frequency Trended to 1/1/2022 <sup>2</sup>
2006	15,442	17	0.11%
2007	14,828	31	0.21%
2008	15,243	35	0.23%
2009	17,193	21	0.12%
2010	16,353	39	0.24%
2011	15,345	33	0.22%
2012	14,919	23	0.15%
2013	14,680	18	0.12%
2014	15,402	27	0.18%
2015	14,973	12	0.08%
2016	16,588	27	0.16%
2017	26,285	37	0.14%
2018	26,366	39	0.15%
2019	24,663	37	0.15%
2020 <sup>1</sup>	21,147	31	0.15%
			WA
			0.16%
			WA L7
			0.14%
			WA L5
			0.15%
			WA L3
			0.15%
			Select
			0.15%

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 0.0% per annum

**New Mexico Patient's Compensation Fund**  
 Independent Physicians & Surgeons  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Summary of Rates ("Surcharges") by Class**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class	2020 Estimated Counts <sup>1</sup>	Class Relativity	2020 PCF Rates	2021 PCF Rates	2022 PCF Rates	2022 Fund Deficit Assessment <sup>2</sup>
1	466	1.000	3,208	3,507	4,199	2,251
2	503	1.334	4,278	4,676	5,599	3,001
3	140	1.600	5,133	5,611	6,718	3,601
4A	98	2.000	6,417	7,014	8,398	4,502
4	126	2.400	7,700	8,416	10,077	5,401
5A	375	2.267	7,272	7,949	9,518	5,102
5	8	2.934	9,411	10,287	12,317	6,602
6	45	3.467	11,123	12,157	14,556	7,802
7A	20	4.001	12,834	14,027	16,795	9,002
7	59	4.667	14,973	16,365	19,594	10,503
8	36	6.334	20,320	22,210	26,593	14,254
9	187	7.668	24,598	26,886	32,192	17,255
10	112	8.668	27,806	30,392	36,390	19,505
99	0	0.800	2,567	2,805	3,359	1,800
CRNA	99	0.333	1,069	1,169	1,400	750
PA-1	240	0.453	1,454	1,590	1,904	1,020
PA-2	31	0.600	1,925	2,104	2,519	1,350
PA-3	83	0.720	2,310	2,525	3,023	1,621
CN		0.200			840	
Entity	2020 Estimated Counts		Percentage of PCF Surcharge			
51	471		10%	10%	10%	10%
52	5		10%	10%	10%	10%
53	1		10%	10%	10%	10%

<sup>1</sup> Provided by the PCF, calculated as premium by class divided by class rate

<sup>2</sup> Based on projected additional assesment as % of surcharge ratio of 53.6%

**New Mexico Patient's Compensation Fund**  
 Employed Physicians & Surgeons  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Summary of Rates ("Surcharges") by Class**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class	2020 Estimated Counts <sup>1</sup>	Class Relativity	2020 PCF Rates	2021 PCF Rates	2022 PCF Rates	2022 Fund Deficit Assessment <sup>2</sup>
1	466	1.000	3,208	3,507	4,199	208
2	503	1.334	4,278	4,676	5,599	277
3	140	1.600	5,133	5,611	6,718	332
4A	98	2.000	6,417	7,014	8,398	415
4	126	2.400	7,700	8,416	10,077	498
5A	375	2.267	7,272	7,949	9,518	471
5	8	2.934	9,411	10,287	12,317	609
6	45	3.467	11,123	12,157	14,556	720
7A	20	4.001	12,834	14,027	16,795	831
7	59	4.667	14,973	16,365	19,594	969
8	36	6.334	20,320	22,210	26,593	1,315
9	187	7.668	24,598	26,886	32,192	1,592
10	112	8.668	27,806	30,392	36,390	1,800
99	0	0.800	2,567	2,805	3,359	166
CRNA	99	0.333	1,069	1,169	1,400	69
PA-1	240	0.453	1,454	1,590	1,904	94
PA-2	31	0.600	1,925	2,104	2,519	125
PA-3	83	0.720	2,310	2,525	3,023	150
CN		0.200			840	
Entity	2020 Estimated Counts		Percentage of PCF Surcharge			
51	471		10%	10%	10%	10%
52	5		10%	10%	10%	10%
53	1		10%	10%	10%	10%

<sup>1</sup> Provided by the PCF, calculated as premium by class divided by class rate

<sup>2</sup> Based on projected additional assesment as % of surcharge ratio of 4.9%

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Derivation of Indicated Surcharge Level Change, Effective January 1, 2022**

(1)	Projected Loss Ratio	126.8%
(2)	Discount Factor to Reflect Anticipated Investment Income	84.4%
(3)	Rate Change from 2020 to 2021	103.8%
(4)	Discounted Projected Loss Ratio	103.0%
(5)	Indicated Increased Limits Factor to reflect change in PCF limits	1.032
(6)	Projected 2022 Surcharges at 2021 Fee Level	24,007,800
(7)	Projected 2022 Discounted Losses	25,528,348
(8)	Load for Office Expenses	5.0%
(9)	Load for Batch Claim Reinsurance	5.0%
(10)	Projected 2022 Income Requirements	28,355,926
<b>(11)</b>	<b>Indicated Surcharge Change from 2021 on January 1, 2022 Prior to ERP Adjustment</b>	<b>18.1%</b>
(12)	Experience Rating Plan Removal Factor	(12.3)%
<b>(13)</b>	<b>Indicated Surcharge Level Change from 2021 on January 1, 2022</b>	<b>3.6%</b>

Notes:

- |                                      |   |
|--------------------------------------|---|
| (1) From Exhibit B3                  | (8) From Exhibit C4                         |
| (2) From Exhibit C1                  | (9) From Exhibit C5                         |
| (4) Provided by PCF                  | (10) $(7) / [ 1 - (8) - (9) ]$              |
| (4) $[(1) \times (2)] / (3)$         | (11) $(10) / (6) - 1$                       |
| (5) From Exhibit D1                  | (12) From Exhibit F1                        |
| (6) Based on current surcharge level | (13) $[ 1 + (11) ] \times [ 1 + (12) ] - 1$ |
| (7) $(4) \times (5) \times (6)$      |   |

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Confidence Level of Surcharge Change

**Confidence Level of Indicated Surcharge Level Changes, Effective January 1, 2022**

	Central	70% CL	80% CL	90% CL
(1) Confidence Level Factor	1.000	1.070	1.150	1.280
(2) Discounted Projected Loss Ratio -- Based on Actuarial Central Estimate	103.0%	103.0%	103.0%	103.0%
(3) Indicated Increased Limits Factor to reflect change in PCF limits	1.032	1.032	1.032	1.032
(4) Projected 2022 Surcharges at 2021 Fee Level	24,007,800	24,007,800	24,007,800	24,007,800
(5) Projected 2022 Discounted Losses	25,528,348	27,315,333	29,357,600	32,676,286
(6) Load for Office Expenses	5.0%	5.0%	5.0%	5.0%
(7) Load for Batch Claim Reinsurance	5.0%	5.0%	5.0%	5.0%
(8) Projected 2022 Income Requirements	28,355,926	30,340,841	32,609,315	36,295,586
<b>(9) Indicated Surcharge Level Change on January 1, 2022</b>	<b>18.1%</b>	<b>26.4%</b>	<b>35.8%</b>	<b>51.2%</b>
(10) Experience Rating Plan Removal Factor	-12.3%	-12.3%	-12.3%	-12.3%
<b>(11) Indicated Rate Level Change on January 1, 2022</b>	<b>3.6%</b>	<b>10.8%</b>	<b>19.1%</b>	<b>32.6%</b>

## Notes:

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| (1) Derived from simulation modeling | (7) From Exhibit C5                  |
| (2) From Exhibit B1                  | (8) (5) / [ 1 - (6) - (7) ]          |
| (3) From Exhibit D1                  | (9) (8) / (4) - 1                    |
| (4) Based on current surcharge level | (10) From Exhibit F1                 |
| (5) (1) x (2) x (3) x (4)            | (11) [ 1 + (10) ] x [ 1 + (11) ] - 1 |
| (6) From Exhibit C4                  |                                      |

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Derivation of Loss Ratio, Effective January 1, 2022**

(1)	Projected Loss Severity	545,900
(2)	Projected Ultimate CWP Frequency	0.22%
(3)	Projected On-Level Loss Ratio	119.8%
(4)	Load for ULAE	2.75%
(5)	Load for Medical Payments	3.00%
(6)	Projected Loss Ratio	126.8%

Notes:

- |                                      |   |
|--------------------------------------|---|
| (1) From Exhibit B5                  | (4) From Exhibit C3                           |
| (2) From Exhibit B6                  | (5) From Exhibit C6                           |
| (3) $\{ [(1) \times (2)] \} / 1,000$ | (6) $[(3) \times [1 + (4)]] \times [1 + (5)]$ |

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Loss Ratio**

	(1)	(2)	(3) (2) / (1)	(4)
Accident Year	Surcharges	Ultimate Loss	Ultimate Loss Ratio	Ultimate Loss Ratio Trended to 1/1/2022 <sup>2</sup>
2006	0	0	NA	NA
2007	0	0	NA	NA
2008	0	0	NA	NA
2009	1,130,000	2,097,904	185.7%	309.1%
2010	1,130,000	1,493,020	132.1%	211.5%
2011	1,175,200	1,971,143	167.7%	258.2%
2012	1,099,542	2,167,872	197.2%	291.9%
2013	1,250,000	1,646,106	131.7%	187.4%
2014	1,350,000	6,895,231	510.8%	699.0%
2015	1,350,000	1,999,712	148.1%	194.9%
2016	9,476,474	4,616,582	48.7%	61.6%
2017	18,644,316	14,283,213	76.6%	93.2%
2018	21,596,277	23,342,004	108.1%	126.4%
2019	21,523,811	22,696,570	105.4%	118.6%
2020 <sup>1</sup>	23,123,811	24,828,117	107.4%	116.1%
			WA	125.9%
			WA L7	118.5%
			WA L5	109.1%
			WA L3	120.3%
			Select	119.8%

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 4.0% per annum

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Loss Severity**

Accident Year	(1)  Ultimate CWP Claims	(2)  Ultimate Loss	(3) (2) / (1)  Ultimate Loss Severity	(4)  Ultimate Loss Severity Trended to 1/1/2022 <sup>2</sup>
2006	0	0	NA	NA
2007	0	0	NA	NA
2008	0	0	NA	NA
2009	3	2,097,904	699,301	1,164,482
2010	6	1,493,020	248,837	398,438
2011	10	1,971,143	197,114	303,489
2012	4	2,167,872	541,968	802,288
2013	5	1,646,106	329,221	468,622
2014	4	6,895,231	1,723,808	2,359,403
2015	6	1,999,712	333,285	438,640
2016	16	4,616,582	288,536	365,110
2017	45	14,283,213	317,405	386,202
2018	51	23,342,004	457,686	535,486
2019	45	22,696,570	504,368	567,422
2020 <sup>1</sup>	50	24,828,117	496,562	537,111
			WA	528,412
			WA L7	529,906
			WA L5	497,199
			WA L3	545,886
			Select	545,900

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 4.0% per annum



**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**CWP Frequency**

(1)	(2)	(3) (2) / (1)	(4)
Accident Year	(\$000s) Surcharges	Ultimate CWP Claims	Ultimate CWP Frequency Trended to 1/1/2022 <sup>2</sup>
2006	0	0	NA
2007	0	0	NA
2008	0	0	NA
2009	1,130	3	0.27%
2010	1,130	6	0.53%
2011	1,175	10	0.85%
2012	1,100	4	0.36%
2013	1,250	5	0.40%
2014	1,350	4	0.30%
2015	1,350	6	0.44%
2016	9,476	16	0.17%
2017	18,644	45	0.24%
2018	21,596	51	0.24%
2019	21,524	45	0.21%
2020 <sup>1</sup>	23,124	50	0.22%
			WA
			WA L7
			WA L5
			WA L3
			Select

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Trended at 0.0% per annum

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Summary of Rates ("Surcharges") by Class**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Class	2020 Exposures	Class Relativity	2020 PCF Rates	2021 PCF Rates	2022 PCF Rates	2022 Fund Deficit Assessment <sup>1</sup>
Acute Care Bed	1,790	1.000	4,774	4,957	5,135	248
Psychiatric Care Bed	76	1.000	4,774	4,957	5,135	248
Extended Care Bed	0	0.100	477	496	514	25
Skilled Nursing Care Bed	0	0.350	1,671	1,735	1,797	87
Personal Care Bed	0	0.150	716	744	771	37
Physical Rehab Bed	82	0.500	2,387	2,479	2,568	124
Chemical Dep. Rehab Bed	0	0.250	1,193	1,239	1,283	62
Births	17,499	0.050	239	248	257	12
Inpatient Surgeries (000)s	316	1.750	8,354	8,675	8,986	434
Outpatient Surgeries (000)s	896	0.200	955	991	1,027	50
ER visits (000)s	6,570	0.150	716	744	771	37
Other Outpatient visits (000)s	19,002	0.050	239	248	257	12
Home Healthcare (000)s	1,415	0.050	239	248	257	12

<sup>1</sup> Based on projected additional assesment as % of surcharge ratio of 4.8%

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Derivation of Discount Factor**

Year	(1) Selected Cumulative Payment Pattern <sup>1</sup>	(2) Incremental Payment Pattern	(3) Discounted Incremental Payment Pattern <sup>2</sup>
1	0.1%	0.1%	0.1%
2	2.3%	2.2%	2.1%
3	11.5%	9.3%	8.5%
4	27.5%	16.0%	14.1%
5	46.2%	18.7%	16.0%
6	75.1%	28.9%	23.9%
7	95.0%	19.9%	15.9%
8	97.0%	2.0%	1.5%
9	98.0%	1.0%	0.7%
10	99.0%	1.0%	0.7%
11	99.5%	0.5%	0.3%
12	100.0%	0.5%	0.3%
13	100.0%	0.0%	0.0%
14	100.0%	0.0%	0.0%
15	100.0%	0.0%	0.0%
		Discount Factor	84.4%

<sup>1</sup> From Exhibit C2

<sup>2</sup> Based on a 3.50% assumed yield (derived on Exhibit C7)

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Derivation of Payment Pattern**

Accident Year	Ultimate Loss	Paid by Month of Development														
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
2006	6,328,725	0	0	628,725	4,253,725	5,228,725	5,378,725	5,628,725	5,928,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725
2007	13,190,829	0	0	1,250,000	4,937,000	7,887,000	12,067,000	12,717,000	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500
2008	11,732,218	0	0	2,163,652	4,764,652	6,542,152	9,204,652	11,262,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152
2009	10,178,466	0	495,000	2,868,567	3,368,567	4,203,567	8,242,342	8,242,342	8,367,342	8,367,342	8,367,342	10,067,342	10,067,342			
2010	18,066,631	0	775,000	3,511,000	6,138,000	9,688,000	16,177,567	16,502,567	16,902,567	16,902,567	17,602,567	17,727,567				
2011	22,466,883	0	1,325,000	1,925,000	4,753,000	9,950,312	17,226,228	19,358,728	20,973,728	20,973,728	21,826,969					
2012	12,383,580	0	50,000	850,000	2,614,408	4,324,408	7,529,408	11,629,408	11,779,408	11,809,408						
2013	10,267,438	0	450,000	750,000	875,000	4,575,000	6,407,148	9,507,237	9,507,237							
2014	22,435,751	0	480,000	2,370,000	4,945,000	7,573,261	14,280,446	20,608,696								
2015	8,687,554	0	0	1,112,868	1,977,868	4,402,868	5,465,368									
2016	20,574,198	0	700,000	2,625,000	4,830,000	7,850,000										
2017	47,061,307	0	675,000	4,015,000	12,447,184											
2018	49,569,739	0	650,000	5,093,523												
2019	49,799,867	0	1,270,000													
2020	49,039,745	300,000														

Accident Year	Paid as a Percentage of Ultimate														
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-ult
2006	0.0%	0.0%	9.9%	67.2%	82.6%	85.0%	88.9%	93.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2007	0.0%	0.0%	9.5%	37.4%	59.8%	91.5%	96.4%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
2008	0.0%	0.0%	18.4%	40.6%	55.8%	78.5%	96.0%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
2009	0.0%	4.9%	28.2%	33.1%	41.3%	81.0%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%	82.2%
2010	0.0%	4.3%	19.4%	34.0%	53.6%	89.5%	91.3%	93.6%	93.6%	97.4%	98.1%				
2011	0.0%	5.9%	8.6%	21.2%	44.3%	76.7%	86.2%	93.4%	93.4%	97.2%					
2012	0.0%	0.4%	6.9%	21.1%	34.9%	60.8%	93.9%	95.1%	95.4%						
2013	0.0%	4.4%	7.3%	8.5%	44.6%	62.4%	92.6%	92.6%							
2014	0.0%	2.1%	10.6%	22.0%	33.8%	63.7%	91.9%								
2015	0.0%	0.0%	12.8%	22.8%	50.7%	62.9%									
2016	0.0%	3.4%	12.8%	23.5%	38.2%										
2017	0.0%	1.4%	8.5%	26.4%											
2018	0.0%	1.3%	10.3%												
2019	0.0%	2.6%													
2020	0.6%														
Wtd Avg	0.1%	2.3%	11.5%	27.5%	46.2%	75.1%	90.9%	94.0%	94.6%	96.3%	99.1%	99.5%	99.7%	99.9%	100.0%
Avg x H/L	0.0%	2.1%	11.6%	28.2%	47.0%	75.0%	91.5%	94.6%	96.3%	98.4%	99.4%	99.6%	99.8%	NA	NA
Wtd Avg L7	0.1%	2.0%	9.8%	22.5%	42.1%	72.1%	90.3%	94.0%	94.6%	NA	NA	NA	NA	NA	NA
Wtd Avg L5	0.1%	1.9%	10.3%	23.0%	38.6%	66.8%	90.6%	92.0%	93.2%	96.0%	99.1%	NA	NA	NA	NA
Wtd Avg L3	0.2%	1.8%	10.0%	25.2%	38.4%	63.2%	92.6%	93.7%	93.9%	94.3%	98.7%	99.4%	99.7%	NA	NA
Select	0.1%	2.3%	11.5%	27.5%	46.2%	75.1%	95.0%	97.0%	98.0%	99.0%	99.5%	100.0%	100.0%	100.0%	100.0%

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Calculation of ULAE Load**

	(1)	(2)	(3) (2) / (1)
Calendar Year	Paid Losses <sup>1</sup>	Paid ULAE <sup>1</sup>	Indicated ULAE Load
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014	18,123,993	340,007	1.9%
2015	27,429,472	501,647	1.8%
2016	11,851,645	432,432	3.6%
2017	18,100,094	418,033	2.3%
2018	15,469,183	586,750	3.8%
2019	23,265,051	557,981	2.4%
2020	33,473,168	815,092	2.4%
Total	147,712,607	3,651,943	2.5%
Last 7	147,712,607	3,651,943	2.5%
Last 5	102,159,142	2,810,289	2.8%
Last 3	72,207,402	1,959,823	2.7%
(4) Selected ULAE Load			2.8%

<sup>1</sup> Provided by NMPCF

New Mexico Patient's Compensation Fund  
Medical Professional Liability  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

Calculation of Office Expenses Load

Calendar Year	(1)	(2)	(3) (2) / (1)
	Participant Surcharges <sup>1</sup>	Office Expenses <sup>1</sup>	Indicated Office Expenses Load
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014	12,188,627	6,000	0.0%
2015	11,886,745	701,916	5.9%
2016	21,182,760	754,120	3.6%
2017	38,363,095	788,944	2.1%
2018	43,031,702	803,196	1.9%
2019	42,042,473	764,164	1.8%
2020	41,322,348	1,095,288	2.7%
Total	210,017,751	4,913,629	2.3%
Last 7	210,017,751	4,913,629	2.3%
Last 5	185,942,379	4,205,713	2.3%
Last 3	126,396,524	2,662,648	2.1%

(4) Selected Office Expenses Load 5.0%

<sup>1</sup> Provided by NMPCF Fixed Expense Load: 8.9%  
Derived from NM SERRF Tracking #: MDPC-132566743

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Calculation of Batch Claim Reinsurance Load**

	(1)	(2)	(3) (2) / (1)
Calendar Year	Participant Surcharges <sup>1</sup>	Batch Claim Reinsurance <sup>1</sup>	Indicated Batch Claim Reinsurance Load
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014	12,188,627	0	0.0%
2015	11,886,745	0	0.0%
2016	21,182,760	0	0.0%
2017	38,363,095	1,399,296	3.6%
2018	43,031,702	2,975,445	6.9%
2019	42,042,473	1,868,175	4.4%
2020	41,322,348	2,072,251	5.0%
<b>Total</b>	210,017,751	8,315,167	4.0%
Last 7	210,017,751	8,315,167	4.0%
Last 5	185,942,379	8,315,167	4.5%
Last 3	126,396,524	6,915,871	5.5%

<b>(4) Selected Batch Claim Reinsurance Load</b>	<b>5.0%</b>
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<sup>1</sup> Provided by NMPCF

<u>Ultimate Losses x Batch</u>	<u>Batch Losses</u>	<u>Indicated Batch %</u>
397,784,027	21,882,501	5.5%

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Calculation of On-Going Medical Payments Load**

Calendar Year	(1) Paid Losses <sup>1</sup>	(2) Medical Payments <sup>1</sup>	(3) (2) / (1) Indicated Medical Payments Load
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014	18,123,993	808,822	4.5%
2015	27,429,472	1,066,646	3.9%
2016	11,851,645	477,039	4.0%
2017	18,100,094	1,030,260	5.7%
2018	15,469,183	472,660	3.1%
2019	23,265,051	365,188	1.6%
2020	33,473,168	262,725	0.8%
Total	147,712,607	4,483,340	3.0%
Last 7	147,712,607	4,483,340	3.0%
Last 5	102,159,142	2,607,872	2.6%
Last 3	72,207,402	1,100,573	1.5%

(4) Selected On-Going Medical Payments Load	3.0%
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<sup>1</sup> Provided by NMPCF



**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Calculation of Investment Income Ratio**

	(1)	(2)	(3) (2) / (1)
Calendar Year	Total PCF Funds <sup>1</sup>	Net Investment Income <sup>1</sup>	Indicated Investment Ratio
2016	43,455,311	2,215,484	5.1%
2017	64,285,006	3,272,469	5.1%
2018	87,104,681	(951,307)	-1.1%
2019	109,398,646	5,115,965	4.7%
2020	120,750,188	4,475,515	3.7%
Total	424,993,832	14,128,126	3.3%
Last 7	424,993,832	14,128,126	3.3%
Last 5	424,993,832	14,128,126	3.3%
Last 3	317,253,515	8,640,173	2.7%

<b>(4)</b>	<b>Selected Investment Income Ratio</b>	<b>3.5%</b>
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<sup>1</sup> Provided by NMPCF

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Indicated Increase in Loss Costs Under New Attachment and Limits**

	(1)	(2)	(3) (2) / (1)
	Severity		
Provider Type	Prior Caps/Limits	New Caps/Limits	Percentage Change
Hospitals	537,178	563,571	4.9%
Physicians and Surgeons	673,169	730,473	8.5%
	Frequency <sup>1</sup>		
Provider Type	Prior Caps/Limits	New Caps/Limits	Percentage Change
Hospitals	48,837	48,036	-1.6%
Physicians and Surgeons	30,483	30,348	-0.4%
			Percentage Change
Overall Change in Loss Cost - Hospitals			3.2%
Overall Change in Loss Cost - Physicians and Surgeons			8.0%

<sup>1</sup> Calculated as change in count of simulated occurrences (out of 80,000 trials) where the loss amount exceeds the PCF attachment point.

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Summary of Parameters**

Parameter	Mean Value	Distribution	Reference
Unlimited Non-Medical Loss per Claim - Physicians & Surgeons	1,314,287	Lognormal -- CV of 1.00	Exhibit D3
Unlimited Non-Medical Loss per Claim - Hospitals	800,888	Lognormal -- CV of 1.00	Exhibit D3
Unlimited Future Medical Loss per Claim - Physicians & Surgeons	288,004	Lognormal -- CV of 1.00	Exhibit D3
Unlimited Future Medical Loss per Claim - Hospitals	248,633	Lognormal -- CV of 1.00	Exhibit D3
Hospital Occurrences as a percentage of all Occurrences	62.0%	N/A	Exhibit D4
P&S Claims Per Occurrence	1.150	Zero-truncated Poisson	Exhibit D5
Hospital Claims Per Occurrence	1.050	Zero-truncated Poisson	Exhibit D5

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Calculation of Medical and Non-Medical Unlimited Loss Severity**

	Physicians & Surgeons	Hospitals
(1) Projected Per Occurrence Loss Severity trended to March 1, 2022	746,300	545,900
(2) Per Occurrence Attachment Point	200,000	200,000
(3) Claims per Occurrence	1.150	1.050
(4) Selected Percent PCF Non-Medical	65.0%	65.0%
(5) Medical Loss Severity Per Claim	288,004	248,633
(6) Non-Medical Loss Severity Per Claim	534,865	461,748
(7) Unlimited Medical Loss Severity per Claim	288,004	248,633
(8) Unlimited Non-Medical Loss Severity Per Claim	1,314,287	800,888
(9) Total Unlimited Loss Severity per Claim	1,602,291	1,049,521

(1) Loss Severity under current limits from rate analysis Exhibit A3 and Exhibit B3

(3) From Exhibit D5

(4) From Exhibit D6

(7) Equal to (5) since medical payments are not considered within current PCF limits

(8) Estimated using lognormal distribution

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Estimated Hospital Claims as Percent of All Claims**

		Physicians & Surgeons	Hospitals
(1)	PCF Frequency per \$1000 on-level surcharge	0.15%	0.22%
(2)	PCF 2020 on-level surcharge \$(000)	21,147	23,124
(3)	PCF Estimated 2020 claims	31	51
(4)	Estimated Hospital Claim as Percent of All Claims:	62.0%	

- (1) From rate analysis Exhibit A6 and Exhibit B6
- (2) From rate analysis Exhibit A4 and Exhibit B4
- (3) = (1) x (2)

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Calculation of Average Claims per Occurrence**

Closed Year	Physician and Surgeons			Hospitals		
	Closed Claims	Closed Occurrences	Closed Claims per Occurrence	Closed Claims	Closed Occurrences	Closed Claims per Occurrence
2011	1	1	1.000	0	0	
2012	27	24	1.125	0	0	
2013	26	25	1.040	1	1	1.000
2014	28	28	1.000	5	5	1.000
2015	35	31	1.129	2	2	1.000
2016	20	19	1.053	2	2	1.000
2017	24	22	1.091	8	8	1.000
2018	24	22	1.091	8	8	1.000
2019	23	21	1.095	15	15	1.000
2020	20	20	1.000	16	16	1.000
2021	17	12	1.417	11	9	1.222
Total	245	225	1.089	68	66	1.030
Last 5	108	97	1.113	58	56	1.036
Last 3	60	53	1.132	42	40	1.050
			Selected: 1.150			Selected: 1.050

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Calculation of Medical Damages Percentage**

Closed Year	Total PCF Payments	XS PCF Payments	Percent XS PCF
2011	40,000	-	0.0%
2012	11,328,500	4,415,000	39.0%
2013	8,174,500	1,582,000	19.4%
2014	14,571,775	4,638,775	31.8%
2015	14,696,287	5,066,720	34.5%
2016	11,450,916	5,760,916	50.3%
2017	13,825,368	4,392,868	31.8%
2018	15,900,408	6,145,408	38.6%
2019	23,193,765	11,351,265	48.9%
2020	24,242,702	13,008,018	53.7%
2021	12,955,000	5,975,000	46.1%
Total	150,379,220	62,335,970	41.5%
Last 5	90,117,242	40,872,559	45.4%
Last 3	60,391,466	30,334,283	50.2%

Selected:	45%
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	Claim Percentage	Medical Percentage
(1) Selected XS of PCF Limits:	28%	100%
(2) Within PCF Limits:	34%	19% <sup>1</sup>
(3) Below PCF Limits:	38% <sup>1</sup>	0% <sup>1</sup>
(4) Indicated Medical percentage of loss:		35%
(5) Selected Medical percentage of loss:		35%

<sup>1</sup> From "Increase in New Mexico Cap on Damages"; Milliman, Inc.

<https://pcf.osi.state.nm.us/wp-content/uploads/2020/11/Milliman-TDC-PCF-Cap-Analysis-Report-.pdf>

(4) = Sumproduct[(1), (2), (3)]

**New Mexico Patients' Compensation Fund**  
 Milliman Analysis of Effect on Loss Costs  
 Increase in PCF Limit and Retention

**Goodness of Distribution Fit Tests**  
**New Mexico PCF Closed Claims Data**

<u>Indemnity Data Source:</u>	<u>Fit</u>	<u>Goodness of Fit Test</u>					
		<u>Kolmogorov-Smirnov</u>		<u>Anderson-Darling</u>		<u>Chi-Square</u>	
		<u>Distribution</u>	<u>Test Statistic</u>	<u>Distribution</u>	<u>Test Statistic</u>	<u>Distribution</u>	<u>Test Statistic</u>
NM PCF	Best	Lognormal	0.0701	Lognormal	2	Lognormal	29.2
	Second	Max Extreme	0.1035	Max Extreme	5	Max Extreme	42.8
	Third	Gamma	0.1160	Gamma	6	Gamma	56.2

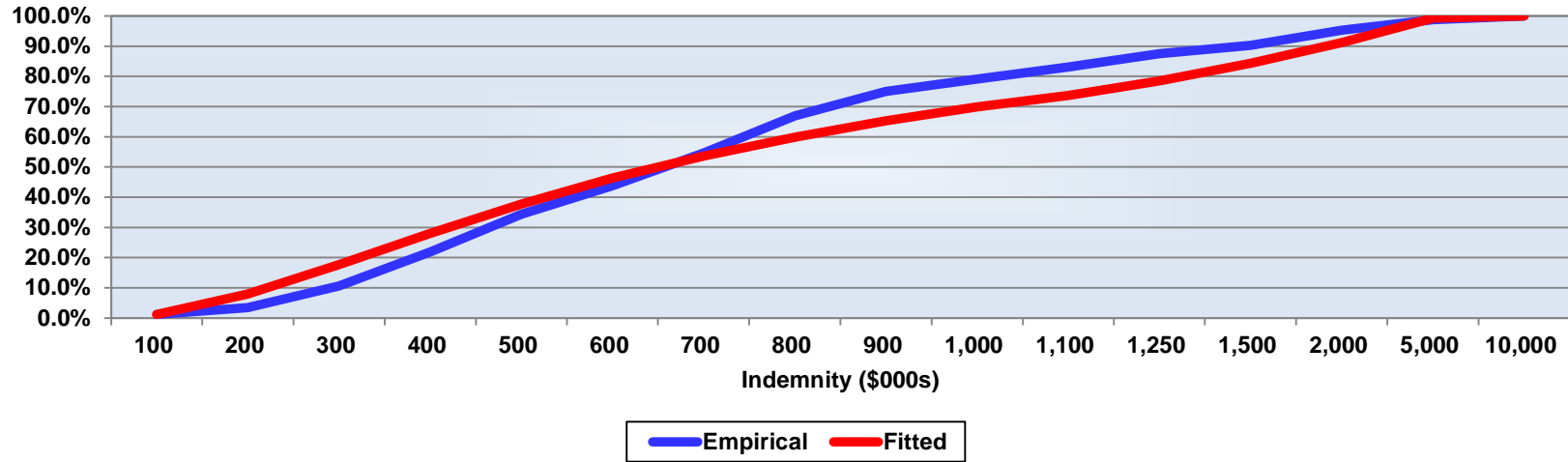
<b>Selected Indemnity Distribution:</b> Lognormal
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Note: Underlying indemnity has been trended at 4.0% per annum to 3/1/2022.



**New Mexico Patients' Compensation Fund**  
Milliman Analysis of Effect on Loss Costs  
Increase in PCF Limit and Retention

Based on all Closed With Indemnity Claims, Trended at 4.0% to Closed Year 3/1/2022  
New Mexico Closed Claim Data - 2011 to 2020 Closed Years  
Cumulative Distribution Function



New Mexico Patient's Compensation Fund  
Physicians Professional Liability  
Occurrence Coverage Effective March 1, 2022

Derivation of Overall Average Class Plan Factors

ISO Code	Specialty	CY 2020 Surcharges	Percentage of Total Surcharges	NMPCF Current Relativity	MedPro Relativity	TDC Relativity	NMPCF MedPro Relativity	NMPCF TDC Relativity	NMPCF Recommended Class	NMPCF Rate Change	NMPCF New Surcharges
80102	Emergency Medicine - no major surgery	1,793,307	9.6%	2,934	2,571	3,008	0,876	1,025		1.00	1,793,307
80104	Surgery - gastroenterology	514,528	2.8%	7,668	1,785	1,831	0,233	0,239	6	0.45	232,665
80106	Surgery - laryngology	10,384	0.1%	3,467	1,879	2,854	0,542	0,823		1.00	10,384
80108	Surgery - nephrology	10,384	0.1%	3,467	1,785	NA	0,515	NA		1.00	10,384
80114	Surgery - ophthalmology	122,680	0.7%	1,600	1,000	1,504	0,625	0,940		1.00	122,680
80115	Surgery - colon and rectal	54,487	0.3%	7,668	2,571	2,846	0,335	0,371	6	0.45	24,638
80117	Surgery - general practice or family practice	37,150	0.2%	7,668	1,879	1,831	0,245	0,239	6	0.45	16,799
80120	Urology - minor surgery	12,013	0.1%	1,600	1,597	NA	0,998	NA		1.00	12,013
80134	Preventive Medicine - no surgery - Occupational Medicine	12,916	0.1%	1,000	0,667	NA	0,667	NA		1.00	12,916
80135	Preventive Medicine - no surgery - Public/General Health Medicine	1,875	0.0%	1,000	0,777	NA	0,777	NA		1.00	1,875
80141	Surgery - cardiac	20,387	0.1%	6,334	4,300	NA	0,679	NA		1.00	20,387
80143	Surgery - general (no general/family practice)	1,750,990	9.4%	7,668	4,300	5,881	0,561	0,767		1.00	1,750,990
80144	Surgery - thoracic	245,282	1.3%	7,668	4,300	5,852	0,561	0,763		1.00	245,282
80145	Surgery - urological	207,055	1.1%	3,467	1,989	2,678	0,574	0,772		1.00	207,055
80146	Surgery - vascular	128,314	0.7%	7,668	4,515	5,852	0,589	0,763		1.00	128,314
80150	Surgery - cardiovascular disease	228,887	1.2%	8,668	4,300	5,852	0,496	0,675		1.00	228,887
80151	Anesthesiology	252,914	1.4%	4,001	1,344	2,070	0,336	0,517		1.00	252,914
80152	Surgery - neurology - including child	202,000	1.1%	8,668	6,219	8,735	0,718	1,008		1.00	202,000
80153	Surgery - obstetrics - gynecology	2,475,933	13.3%	8,668	4,730	6,930	0,546	0,800		1.00	2,475,933
80154	Surgery - orthopedic	1,513,412	8.1%	7,668	3,630	4,643	0,473	0,606		1.00	1,513,412
80155	Surgery - plastic - otorhinolaryngology	26,629	0.1%	6,334	2,210	3,880	0,349	0,613		1.00	26,629
80156	Surgery - plastic - N.O.C.	174,300	0.9%	6,334	2,210	3,880	0,349	0,613		1.00	174,300
80157	Emergency Medicine - including major surgery	10,547	0.1%	3,467	3,300	3,008	0,952	0,888		1.00	10,547
80159	Surgery - otorhinolaryngology	150,506	0.8%	3,467	1,879	2,854	0,542	0,823		1.00	150,506
80163	Radiation Therapy - employed phys/surg involved w/ major surgery	152	0.0%	1,334	1,050	NA	0,787	NA		1.00	152
80164	Surgery - oncology	107,392	0.6%	6,334	2,210	NA	0,349	NA		1.00	107,392
80165	Radiation Therapy - insured phys/surg involved w/ major surgery	250	0.0%	1,000	1,050	NA	1,050	NA		1.00	250
80167	Surgery - gynecology	291,882	1.6%	6,334	2,571	2,033	0,406	0,321		1.00	291,882
80169	Surgery - hand	36,013	0.2%	3,467	2,210	3,757	0,637	1,084		1.00	36,013
80170	Surgery - head and neck	10,122	0.1%	3,467	2,571	5,881	0,742	1,696		1.00	10,122
80171	Surgery - traumatic	32,878	0.2%	7,668	4,515	5,881	0,589	0,767		1.00	32,878
80180	Surgery - pediatric	59,715	0.3%	6,334	2,210	NA	0,349	NA		1.00	59,715
80181	Anesthesiology - Critical Care Medicine	3,235	0.0%	4,001	1,344	NA	0,336	NA		1.00	3,235
80182	Anesthesiology - Pain Management	84,845	0.5%	1,334	1,344	2,173	1,008	1,630		1.00	84,845
80183	Anesthesiology - All Other	564,746	3.0%	4,001	1,344	NA	0,336	NA		1.00	564,746
80204	Sports Medicine - minor surgery	3,762	0.0%	2,000	1,344	NA	0,672	NA		1.00	3,762
80205	Sports Medicine - no surgery	4,023	0.0%	1,334	0,855	NA	0,641	NA		1.00	4,023
80208	Physical Medicine and Rehabilitation - Pain Management	8,388	0.0%	1,334	1,344	NA	1,008	NA		1.00	8,388
80209	Physical Medicine and Rehabilitation - All Other	17,862	0.1%	1,000	0,667	NA	0,667	NA		1.00	17,862
80222	Hospitalists	408,889	2.2%	1,334	1,597	NA	1,198	NA		1.00	408,889
80224	Addiction Psychiatry	835	0.0%	1,000	0,667	NA	0,667	NA		1.00	835
80226	Child and Adolescent Psychiatry	4,493	0.0%	1,000	0,667	NA	0,667	NA		1.00	4,493
80229	Psychiatry - All Other	25,096	0.1%	1,000	0,667	NA	0,667	NA		1.00	25,096
80231	General Preventive Medicine - no surgery	3,647	0.0%	1,000	0,914	1,378	0,914	1,378		1.00	3,647
80235	Physiatry	16,872	0.1%	1,000	0,855	1,185	0,855	1,185		1.00	16,872
80238	Endocrinology - no surgery	31,135	0.2%	1,000	0,567	0,749	0,567	0,749		1.00	31,135
80239	Family Practice- no surgery	317,260	1.7%	1,000	1,000	NA	1,000	NA		1.00	317,260
80241	Gastroenterology - no surgery	16,093	0.1%	1,600	1,597	1,631	0,998	1,144		1.00	16,093
80242	General Practice- no surgery	2,995	0.0%	1,000	NA	1,000	NA	NA		1.00	2,995
80243	Geriatrics - no surgery	5,142	0.0%	1,000	0,960	1,000	0,960	1,000		1.00	5,142
80244	Gynecology - no surgery	4,288	0.0%	1,000	0,960	1,000	0,960	1,000		1.00	4,288
80245	Hematology - no surgery	6,819	0.0%	1,000	1,000	1,197	1,000	1,197		1.00	6,819
80246	Infectious Diseases - no surgery	30,436	0.2%	1,000	1,344	0,764	1,344	0,764		1.00	30,436
80249	Psychiatry - including child	93,161	0.5%	1,000	0,667	1,185	0,667	1,185		1.00	93,161
80252	Rheumatology - no surgery	64,176	0.3%	1,000	0,667	0,764	0,667	0,764		1.00	64,176
80253	Radiology - diagnostic - no surgery	224,400	1.2%	1,334	1,879	1,602	1,409	1,201		1.00	224,400
80254	Allergy	25,493	0.1%	1,000	0,500	0,717	0,500	0,717		1.00	25,493
80255	Cardiovascular Disease - no surgery	91,306	0.5%	1,334	1,344	1,602	1,008	1,201		1.00	91,306
80256	Dermatology - no surgery	88,315	0.5%	1,334	0,667	0,749	0,500	0,562		1.00	88,315
80257	Internal Medicine - no surgery	703,113	3.8%	1,334	1,129	1,378	0,847	1,033		1.00	703,113
80260	Nephrology - no surgery	123,015	0.7%	1,334	1,050	0,764	0,787	0,573		1.00	123,015
80261	Neurology - including child - no surgery	45,507	0.2%	1,334	1,452	1,500	1,089	1,125		1.00	45,507
80263	Ophthalmology - no surgery	11,022	0.1%	1,000	0,667	0,742	0,667	0,742		1.00	11,022
80265	Otorhinolaryngology - no surgery	3,945	0.0%	1,000	0,914	1,000	0,914	1,000		1.00	3,945
80266	Pathology - no surgery	12,154	0.1%	1,000	1,000	1,145	1,000	1,145		1.00	12,154
80267	Pediatrics - no surgery	793,551	4.3%	2,000	0,777	1,408	0,388	0,704		1.00	793,551
80268	Physicians - no surgery - N.O.C.	102,463	0.6%	1,600	1,000	1,000	0,625	0,625		1.00	102,463
80269	Pulmonary Diseases - no surgery	65,407	0.4%	1,334	1,785	2,812	1,339	2,108	4A	1.50	98,110
80272	Endocrinology - minor surgery	55,509	0.3%	1,600	0,914	0,749	0,571	0,468		1.00	55,509
80273	Family Practice minor surgery	76,489	0.4%	2,267	1,344	2,729	0,593	1,204		1.00	76,489
80274	Gastroenterology - minor surgery	111,827	0.6%	2,000	1,700	1,831	0,850	0,915		1.00	111,827
80275	General Practice- minor surgery	74,089	0.4%	2,934	1,344	NA	0,458	NA		1.00	74,089
80277	Gynecology - minor surgery	60,508	0.3%	2,400	1,700	2,033	0,708	0,847		1.00	60,508
80278	Hematology - minor surgery	37,711	0.2%	1,600	1,050	1,197	0,656	0,748		1.00	37,711
80280	Radiology - diagnostic - minor surgery	383,972	2.1%	2,934	2,210	2,882	0,753	0,982		1.00	383,972

**New Mexico Patient's Compensation Fund**  
Physicians Professional Liability  
Occurrence Coverage Effective March 1, 2022

**Derivation of Overall Average Class Plan Factors**

ISO Code	Specialty	CY 2020 Surcharges	Percentage of Total SurchARGE	NMPCF Current Relativity	MedPro Relativity	TDC Relativity	NMPCF MedPro Relativity	NMPCF TDC Relativity	NMPCF Recommended Class	NMPCF Rate Change	NMPCF New SurchARGE
80281	Cardiovascular Disease - minor surgery	391,325	2.1%	2,400	1,700	1,145	0,708	0,477		1.00	391,325
80282	Dermatology - minor surgery	889	0.0%	1,600	0,914	1,514	0,571	0,946		1.00	889
80283	Intensive Care Medicine	186,518	1.0%	1,600	1,700	1,378	1,063	0,861		1.00	186,518
80284	Internal Medicine - minor surgery	47,541	0.3%	2,400	1,597	1,378	0,665	0,574		1.00	47,541
80287	Nephrology - minor surgery	25,794	0.1%	2,400	1,452	0,764	0,605	0,318		1.00	25,794
80288	Neurology - including child - minor surgery	9,512	0.1%	3,467	1,597	1,500	0,461	0,433		1.00	9,512
80289	Ophthalmology - minor surgery	3,534	0.0%	1,334	0,960	1,185	0,720	0,889		1.00	3,534
80291	Otorhinolaryngology - minor surgery	5,644	0.0%	1,600	1,452	2,854	0,907	1,784	4	1.50	8,467
80293	Pediatrics - minor surgery	50,787	0.3%	3,467	1,344	1,408	0,388	0,406	3	0.46	23,437
80294	Physicians - minor surgery - N.O.C.	25,274	0.1%	1,600	1,344	1,419	0,840	0,887		1.00	25,274
80296	Dermatopathology	3,232	0.0%	1,600	0,667	1,603	0,417	1,002		1.00	3,232
80297	Dermatology - All Other	40,935	0.2%	1,600	0,667	NA	0,417	NA		1.00	40,935
80298	Neurology - including child - no surgery - Pain Management	65,223	0.4%	1,334	1,452	NA	1,089	NA		1.00	65,223
80299	Neurology - including child - no surgery - All Other	43,127	0.2%	1,334	1,452	NA	1,089	NA		1.00	43,127
80301	Oncology - minor surgery	45,635	0.2%	2,934	1,050	NA	0,358	NA		1.00	45,635
80302	Oncology - no surgery	128,570	0.7%	1,334	1,000	NA	0,750	NA		1.00	128,570
80307	Pathology - All Other	100,110	0.5%	1,000	1,000	NA	1,000	NA		1.00	100,110
80321	Physicians - No Surgery - Full time teaching	6,071	0.0%	1,000	1,000	NA	1,000	NA		1.00	6,071
80358	Radiology - therapeutic - minor surgery	0	0.0%	2,934	2,210	NA	0,753	NA		1.00	0
80359	Radiology - therapeutic - no surgery	3,889	0.0%	1,334	1,879	NA	1,409	NA		1.00	3,889
80360	Radiology - interventional	32,066	0.2%	2,934	1,879	NA	0,641	NA		1.00	32,066
80410	Chiropractors	1,156	0.0%	0,800	0,500	NA	0,625	NA		1.00	1,156
80420	Family Physicians or General Practitioners-no surgery	573,177	3.1%	1,000	1,000	1,000	1,000	1,000		1.00	573,177
80421	Family Physicians or General Practitioners - minor surgery	76,250	0.4%	1,600	1,344	1,419	0,840	0,887		1.00	76,250
80422	Physicians no major surgery: - Angiography	0	0.0%	2,400	2,210	1,145	0,321	0,477		1.00	0
80425	Physicians no major surgery: - Lasers - used in Therapy	36,291	0.2%	2,934	1,344	2,067	0,458	0,705		1.00	36,291
80443	Colonoscopy	4,643	0.0%	1,600	1,597	NA	0,998	NA		1.00	4,643
80804	Neonatal / Perinatal Medicine	120,613	0.6%	2,934	1,344	NA	0,458	NA		1.00	120,613
84102	Emergency Medicine - no major surgery	222,728	1.2%	2,934	2,571	3,008	0,876	1,025		1.00	222,728
84134	Preventive Medicine - no surgery - Occupational Medicine	2,928	0.0%	1,000	0,667	NA	0,667	NA		1.00	2,928
84143	Surgery - general (no general/family practice)	112,003	0.6%	7,668	4,300	5,881	0,561	0,767		1.00	112,003
84145	Surgery - urological	16,329	0.1%	3,467	1,989	2,678	0,574	0,772		1.00	16,329
84151	Anesthesiology	14,351	0.1%	4,001	1,344	2,070	0,336	0,517		1.00	14,351
84153	Surgery - obstetrics - gynecology	206,866	1.1%	8,668	4,730	6,930	0,546	0,800		1.00	206,866
84154	Surgery - orthopedic	215,359	1.2%	7,668	3,630	4,643	0,473	0,606		1.00	215,359
84155	Surgery - plastic - otorhinolaryngology	16,271	0.1%	6,334	2,210	3,880	0,349	0,613		1.00	16,271
84156	Surgery - plastic - N.O.C.	19,106	0.1%	6,334	2,210	3,880	0,349	0,613		1.00	19,106
84157	Emergency Medicine - incl. major surgery	588	0.0%	3,467	3,300	3,008	0,952	0,868		1.00	588
84167	Surgery - gynecology	23,827	0.1%	6,334	2,571	2,033	0,406	0,321		1.00	23,827
84182	Anesthesiology - Pain Management	2,791	0.0%	1,334	1,344	2,173	1,008	1,630		1.00	2,791
84183	Anesthesiology - All Other	44,469	0.2%	4,001	1,344	NA	0,336	NA		1.00	44,469
84209	Physical Medicine and Rehabilitation - All Other	16,453	0.1%	1,000	0,667	NA	0,667	NA		1.00	16,453
84222	Hospitalists	17,648	0.1%	1,334	1,597	NA	1,198	NA		1.00	17,648
84249	Psychiatry - including child	9,106	0.0%	1,000	0,667	1,185	0,667	1,185		1.00	9,106
84253	Radiology - diagnostic - no surgery	5,729	0.0%	1,334	1,879	1,602	1,409	1,201		1.00	5,729
84254	Allergy	4,291	0.0%	1,000	0,500	0,717	0,500	0,717		1.00	4,291
84255	Cardiovascular Disease - no surgery	1,113	0.0%	1,334	1,344	1,602	1,008	1,201		1.00	1,113
84257	Internal Medicine - no surgery	74,003	0.4%	1,334	1,129	1,378	0,847	1,033		1.00	74,003
84263	Ophthalmology - no surgery	(94)	0.0%	1,000	0,667	0,742	0,667	0,742		1.00	(94)
84267	Pediatric - no surgery	58,213	0.3%	2,000	0,777	1,408	0,388	0,704		1.00	58,213
84268	Physicians - no surgery - N.O.C.	22,663	0.1%	1,600	1,000	1,000	0,625	0,625		1.00	22,663
84269	Pulmonary Diseases - no surgery	6,457	0.0%	1,334	1,785	2,812	1,339	2,108	4A	1.50	9,686
84274	Gastroenterology - minor surgery	580	0.0%	2,000	1,700	1,831	0,850	0,915		1.00	580
84278	Hematology - minor surgery	4,796	0.0%	1,600	1,050	1,197	0,656	0,748		1.00	4,796
84280	Radiology - diagnostic - minor surgery	11,957	0.1%	2,934	2,210	2,882	0,753	0,982		1.00	11,957
84283	Intensive Care Medicine	19,161	0.1%	2,400	1,700	1,378	0,708	0,574		1.00	19,161
84284	Internal Medicine - minor surgery	2,257	0.0%	2,400	1,597	1,378	0,665	0,574		1.00	2,257
84289	Ophthalmology - minor surgery	(870)	0.0%	1,334	0,960	1,185	0,720	0,889		1.00	(870)
84297	Dermatology - All Other	0	0.0%	1,600	0,667	NA	0,417	NA		1.00	0
84298	Neurology - including child - no surgery - Pain Management	2,521	0.0%	1,334	1,452	NA	1,089	NA		1.00	2,521
84299	Neurology - including child - no surgery - All Other	3,956	0.0%	1,334	1,452	NA	1,089	NA		1.00	3,956
84306	Pathology - Cytopathology - no surgery	586	0.0%	1,000	1,000	NA	1,000	NA		1.00	586
84307	Pathology - all other	6,660	0.0%	1,000	1,000	NA	1,000	NA		1.00	6,660
84360	Radiology - interventional	5,801	0.0%	2,934	1,879	NA	0,641	NA		1.00	5,801
84420	Family Physicians or General Practitioners - no surgery	83,225	0.4%	1,000	1,000	1,000	1,000	1,000		1.00	83,225
84421	Family Physicians or General Practitioners - minor surgery	13,812	0.1%	1,600	1,344	1,419	0,840	0,887		1.00	13,812
<b>Total</b>		<b>18,598,709</b>	<b>100.0%</b>	<b>4,801</b>	<b>2,672</b>	<b>3,298</b>					<b>18,278,051</b>

ISO Code Change Offset: 1.018

Notes: MedPro Relativity based on Filing# MDPC-1322566734 -- Effective 5-1-2021  
TDC Relativity based on Filing# DCTR-132364328 -- Effective 8-1-2021

**New Mexico Patient's Compensation Fund**  
 Physicians Professional Liability  
 Occurrence Coverage Effective March 1, 2022

**Recommended ISO Class Updates**

ISO Code	Specialty	CY 2020 Surcharges	NMPCF Current Class	NMPCF Recommended Class	NMPCF Rate Change	NMPCF New Surcharges
80104	Surgery - gastroenterology	514,528	9	6	0.45	232,665
80115	Surgery - colon and rectal	54,487	9	6	0.45	24,638
80117	Surgery - general practice or family practice	37,150	9	6	0.45	16,799
80269	Pulmonary Diseases - no surgery	65,407	2	4A	1.50	98,110
80291	Otorhinolaryngology - minor surgery	5,644	3	4	1.50	8,467
80293	Pediatrics - minor surgery	50,787	6	3	0.46	23,437
84269	Pulmonary Diseases - no surgery	6,457	2	4A	1.50	9,686
<b>Total</b>		<b>734,460</b>				<b>413,802</b>

**New Mexico Patient's Compensation Fund**  
Hospitals & Outpatient Facilities

**Summary of Hospital Providers Surcharges and Adjustments - 2020**

Hospital	Experience Rated?	Manual Surcharge	Adjusted Surcharge	Experience Discount
1	N	744,728	744,728	-
2	N	452,641	452,641	-
3	N	164,248	164,248	-
4	Y	2,783,745	2,783,745	-
5	N	52,515	52,515	-
6	N	646,812	646,812	-
7	Y	4,095,387	4,095,387	-
8	N	241,428	241,428	-
9	N	1,049,555	1,049,555	-
10	Y	1,631,127	1,435,392	(195,735)
11	N	164,946	164,946	-
12	Y	11,057,718	8,293,288	(2,764,430)
13	N	1,122,857	1,122,857	-
14	N	276,424	276,424	-
15	Y	1,882,171	1,599,845	(282,326)
Total		26,366,303	23,123,812	(3,242,491)
Overall amount of Discount:				-12.3%
Experience Rated Only:		21,450,148	18,207,657	
Percentage Experience Rated:		81%	79%	

**New Mexico Patient's Compensation Fund**  
Hospitals & Outpatient Facilities

**Summary of Hospital Providers Claims - 2020**

Hospital	Experience Rated?	2018	2017	2016	2015	2014	Total
1	N	0	0	0	0	0	0
2	N	0	0	0	0	0	0
3	N	0	0	0	0	0	0
4	Y	2	1	8	5	2	18
5	N	0	0	0	0	0	0
6	N	0	0	0	0	0	0
7	Y	7	5	5	14	8	39
8	N	0	0	0	0	0	0
9	N	0	0	0	0	0	0
10	Y	0	2	3	2	2	9
11	N	0	0	0	0	0	0
12	Y	1	9	11	21	19	61
13	N	0	0	0	0	0	0
14	N	0	0	0	0	0	0
15	Y	1	1	1	3	2	8
Total		11	18	28	45	33	135
Used in Experience Rating Modification:		22	52	50	67	48	239
Percentage of Reported Claims:		50%	35%	56%	67%	69%	56%
Percentage of Manual Premium that is Experience Rated:							81%

New Mexico Patient's Compensation Fund  
Hospitals & Outpatient Facilities

Summary of Hospital Exposures - 2020

Exposure Type	Hospital															Relativity
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Acute Care Bed	28	10	-	120	-	28	290	45	28	113	6	940	55	9	117	1.000
Psychiatric Care Bed	-	-	-	-	-	-	-	-	20	-	-	51	-	-	5	1.000
Extended Care Bed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.100
Skilled Nursing Care Bed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.350
Personal Care Bed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.150
Physical Rehab Bed	-	-	63	-	-	-	-	-	6	-	-	-	-	-	13	0.500
Chemical Dep. Rehab Bed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.250
Births	302	297	-	1,120	-	527	4,000	-	527	1,247	107	7,749	316	103	1,204	0.050
Inpatient Surgeries (000)s	6	4	-	34	-	6	57	-	9	33	2	124	12	1	29	1.750
Outpatient Surgeries (000)s	31	13	-	116	55	18	156	-	55	76	20	223	51	8	73	0.200
ER visits (000)s	236	144	-	511	-	206	1,103	-	297	389	78	2,672	298	156	480	0.150
Other Outpatient visits (000)s	1,216	787	60	4,963	-	729	1,431	111	1,299	700	90	4,194	1,752	320	1,350	0.050
Home Healthcare (000)s	-	-	-	-	-	-	-	-	116	-	-	1,299	-	-	-	0.050
Acute Care Bed Equivalent	156	95	34	583	11	135	858	51	220	342	35	2,316	235	58	394	

**New Mexico Patient's Compensation Fund**  
 Newly Eligible Providers Professional Liability  
 Occurrence Coverage Effective March 1, 2022

**Recommended New Eligible Provider Relativities**

Specialty	Relativity to Family Practice - No Surgery Base Rate					NMPCF Selected	NMPCF Proposed Class
	MedPro	NORCAL	TDC	UMIA			
Ceritifed Nursing Practitioner	0.051	0.125	0.224	0.287	0.200	CN	
Certified Nurse Midwife	1.411	1.575	1.240	1.964	1.600	3	
Clinical Nurse Specialist	0.051			0.287	0.200	CN	

Other company relativities based on:

- MedPro Filing: Filing# MDPC-132182122 -- Effective 5-1-2020
- NORCAL Filing: Filing# NCMC-131349568 -- Effective 1-18-2018
- TDC Filing: Filing# DCTR-132364328 -- Effective 8-1-2021
- UMIA Filing: Filing# PERR-131385463 -- Effective 3-5-2018



**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Summary of Loss**

	(1)	(2)	(3) (1) - (2)
Accident Year	Selected Ultimate	Paid @ 12/31/20	Unpaid
Prior	NA	NA	0
2006	6,328,725	6,328,725	0
2007	13,190,829	13,164,500	26,329
2008	11,732,218	11,662,152	70,066
2009	8,080,562	7,992,342	88,220
2010	16,573,610	16,262,567	311,043
2011	20,495,740	19,911,969	583,771
2012	10,221,686	9,734,408	487,278
2013	8,605,723	7,962,544	643,179
2014	15,747,095	14,364,565	1,382,530
2015	6,656,137	4,027,500	2,628,637
2016	13,987,152	5,840,000	8,147,152
2017	26,821,644	9,950,000	16,871,644
2018	25,449,620	2,721,023	22,728,597
2019	24,303,532	720,000	23,583,532
2020 <sup>1</sup>	21,022,111	0	21,022,111
Total	229,216,385	130,642,295	98,574,090

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Judgmentally selected

**New Mexico Patient's Compensation Fund**  
**Physicians & Surgeons (Excluding Batch Claims)**  
**Occurrence Coverage Evaluated as of December 31, 2020**  
**PCF Loss**  
**Actuarial Central Estimate**

**Selection of Ultimate Loss**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Indicated Ultimate Based on:</b>							
Accident Year	Paid @ 12/31/20	Paid Chain Ladder	Paid Generalized Cape Cod	Paid Bornhuetter-Ferguson	Frequency-Severity	Ratio to Surcharge	Prior Actuary Selected @ 12/31/19	Selected Ultimate
2006	6,328,725	6,328,725	6,328,725	NA	NA	NA	6,328,725	6,328,725
2007	13,164,500	13,190,829	13,185,083	NA	NA	NA	13,268,531	13,190,829
2008	11,662,152	11,732,218	11,728,168	NA	NA	NA	11,788,976	11,732,218
2009	7,992,342	8,080,562	8,133,286	NA	NA	NA	8,174,638	8,080,562
2010	16,262,567	16,573,610	16,511,997	NA	NA	NA	16,257,661	16,573,610
2011	19,911,969	20,495,740	20,285,261	NA	NA	NA	19,500,000	20,495,740
2012	9,734,408	10,170,095	10,273,277	NA	NA	NA	11,250,000	10,221,686
2013	7,962,544	8,485,305	8,726,141	NA	NA	NA	9,300,000	8,605,723
2014	14,364,565	15,862,416	15,631,774	NA	NA	NA	16,100,000	15,747,095
2015	4,027,500	5,601,237	7,711,037	NA	NA	NA	10,000,000	6,656,137
2016	5,840,000	13,413,353	14,560,952	NA	NA	NA	14,750,000	13,987,152
2017	9,950,000	43,069,112	30,400,332	27,387,865	22,676,735	NA	26,500,000	26,821,644
2018	2,721,023	27,355,734	27,725,776	24,813,728	24,532,951	23,809,357	25,750,000	25,449,620
2019	720,000	37,696,221	27,279,655	24,559,890	24,304,100	24,302,964	25,500,000	24,303,532
2020 <sup>1</sup>	0	0	24,030,236	21,109,949	21,177,364	20,866,859	NA	21,022,111
<b>Total</b>	<b>130,642,295</b>	<b>238,055,158</b>	<b>242,511,698</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>229,216,385</b>
2006-2017	127,201,272	173,003,203	163,476,031	NA	NA	NA	163,218,531	158,441,121
2018-2020	3,441,023	65,051,954	79,035,666	70,483,567	70,014,415	68,979,180	NA	70,775,264

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Chain Ladder Indications of Ultimate Loss**

	(1)	(2)	(3)	(4) (1) x (3)
	<b>Based on Paid Development</b>			
Accident Year	Paid @ 12/31/20	Development Factor		Indicated Ultimate
		Select	Cumulative	
2006	6,328,725	1.000	1.000	6,328,725
2007	13,164,500	1.002	1.002	13,190,829
2008	11,662,152	1.004	1.006	11,732,218
2009	7,992,342	1.005	1.011	8,080,562
2010	16,262,567	1.008	1.019	16,573,610
2011	19,911,969	1.010	1.029	20,495,740
2012	9,734,408	1.015	1.045	10,170,095
2013	7,962,544	1.020	1.066	8,485,305
2014	14,364,565	1.036	1.104	15,862,416
2015	4,027,500	1.259	1.391	5,601,237
2016	5,840,000	1.651	2.297	13,413,353
2017	9,950,000	1.885	4.329	43,069,112
2018	2,721,023	2.323	10.053	27,355,734
2019	720,000	5.208	52.356	37,696,221
2020 <sup>1</sup>	0	6.000	314.135	0

<sup>1</sup> Reflects a full year of earned exposure  
 Note: Development factors based on Physicians & Surgeons  
 and Hospitals combined data

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
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**Generalized Cape Cod Indications of Ultimate Loss**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
						Min [(1), (1)x(5)]				(5)	(3)x(10) + (9)x[1-(10)]
			<b>Based on Paid Development</b>								
Accident Year	Surcharges at CRL	Selected Exposure Period Weight	Paid Chain Ladder Indication	Paid @ 12/31/20	% Paid	Used-Up Surcharges at CRL	Trended Developed Ratio to Surcharge	Expected Ratio to Surcharge	A Priori Ultimate for Paid GCC Method	Selected Weight	Indicated Ultimate
2006	15,441,893	1	6,328,725	6,328,725	100.0%	15,441,893	71.0%	110.6%	9,861,888	100.0%	6,328,725
2007	14,828,231	1	13,190,829	13,164,500	99.8%	14,798,634	148.1%	115.8%	10,312,181	99.8%	13,185,083
2008	15,242,503	1	11,732,218	11,662,152	99.4%	15,151,473	123.2%	116.1%	11,054,069	99.4%	11,728,168
2009	17,192,668	1	8,080,562	7,992,342	98.9%	17,004,967	72.4%	115.6%	12,909,886	98.9%	8,133,286
2010	16,352,982	1	16,573,610	16,262,567	98.1%	16,046,079	150.0%	120.3%	13,290,616	98.1%	16,511,997
2011	15,345,233	1	20,495,740	19,911,969	97.2%	14,908,161	190.1%	121.6%	13,105,975	97.2%	20,285,261
2012	14,918,894	1	10,170,095	9,734,408	95.7%	14,279,769	93.3%	115.4%	12,578,641	95.7%	10,273,277
2013	14,679,745	1	8,485,305	7,962,544	93.8%	13,775,358	76.1%	111.1%	12,394,471	93.8%	8,726,141
2014	15,401,689	1	15,862,416	14,364,565	90.6%	13,947,343	130.3%	110.3%	13,419,883	90.6%	15,631,774
2015	14,972,715	1	5,601,237	4,027,500	71.9%	10,765,945	45.5%	106.5%	13,110,424	71.9%	7,711,037
2016	16,587,807	1	13,413,353	5,840,000	43.5%	7,222,116	94.6%	108.9%	15,445,894	43.5%	14,560,952
2017	26,285,132	1	43,069,112	9,950,000	23.1%	6,072,497	184.3%	113.8%	26,594,241	23.1%	30,400,332
2018	26,365,573	1	27,355,734	2,721,023	9.9%	2,622,534	112.2%	113.9%	27,766,649	9.9%	27,725,776
2019	24,663,432	1	37,696,221	720,000	1.9%	471,073	159.0%	114.2%	27,076,823	1.9%	27,279,655
2020 <sup>1</sup>	21,146,700	1	0	0	0.3%	67,317	0.0%	114.0%	24,106,977	0.3%	24,030,236

<sup>1</sup> Reflects a full year of earned exposure

(5) Inverse of the cumulative development factors on the exhibit titled "Chain Ladder Indications of Ultimate Loss"

(7) Equal to (4) / (6) and trended at 4.0% per annum to December 31, 2020

(8) Calculated from (2), (6), (7), and a decay ratio of 0.75

(9) Equal to (1) x (8) and detrended at 4.0% per annum from December 31, 2020

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
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**Bornhuetter-Ferguson Indications of Ultimate Loss**

	(1)	(2)	(3)	(4)	(5)	(6)	
				1 / (3)	(4)	(2)x(5) + (1)x[1-(5)]	
		<b>Based on Paid Development</b>					
Accident Year	A Priori <sup>2</sup> Ultimate for BF Method	Paid Chain Ladder Indication	Cumulative Development Factor	% Paid	Selected Weight	Indicated Ultimate	
2006	NA	6,328,725	1.000	100.0%	100.0%	NA	
2007	NA	13,190,829	1.002	99.8%	99.8%	NA	
2008	NA	11,732,218	1.006	99.4%	99.4%	NA	
2009	NA	8,080,562	1.011	98.9%	98.9%	NA	
2010	NA	16,573,610	1.019	98.1%	98.1%	NA	
2011	NA	20,495,740	1.029	97.2%	97.2%	NA	
2012	NA	10,170,095	1.045	95.7%	95.7%	NA	
2013	NA	8,485,305	1.066	93.8%	93.8%	NA	
2014	NA	15,862,416	1.104	90.6%	90.6%	NA	
2015	NA	5,601,237	1.391	71.9%	71.9%	NA	
2016	NA	13,413,353	2.297	43.5%	43.5%	NA	
2017	22,676,735	43,069,112	4.329	23.1%	23.1%	27,387,865	
2018	24,532,951	27,355,734	10.053	9.9%	9.9%	24,813,728	
2019	24,304,100	37,696,221	52.356	1.9%	1.9%	24,559,890	
2020 <sup>1</sup>	21,177,364	0	314.135	0.3%	0.3%	21,109,949	

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> From frequency-severity indication

**New Mexico Patient's Compensation Fund**  
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**Frequency-Severity Loss Projection**

Accident Year	Ultimate CWP Severity	Ultimate Severity per CWP Claim (Excluding Most Recent Evaluation), Trended at 4.0% per Annum to														
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	372,278	644,665	619,870	596,029	573,105	551,062	529,868	509,488	489,892	471,050	452,933	435,513	418,762	402,656	387,169	
2007	425,511	708,506	681,256	655,054	629,860	605,634	582,341	559,943	538,407	517,699	497,787	478,642	460,232	442,531		
2008	335,206	536,676	516,035	496,187	477,103	458,753	441,109	424,143	407,830	392,144	377,061	362,559	348,614			
2009	384,789	592,364	569,581	547,674	526,610	506,356	486,880	468,154	450,148	432,835	416,187	400,180				
2010	424,964	629,051	604,857	581,593	559,224	537,716	517,034	497,148	478,027	459,641	441,963					
2011	621,083	883,995	849,995	817,303	785,868	755,642	726,579	698,634	671,763	645,926						
2012	444,421	608,221	584,828	562,334	540,706	519,910	499,913	480,686	462,198							
2013	478,096	629,141	604,944	581,677	559,304	537,793	517,108	497,220								
2014	583,226	737,967	709,583	682,292	656,050	630,817	606,555									
2015	554,678	674,851	648,895	623,937	599,940	576,865										
2016	518,043	606,037	582,728	560,315	538,764											
2017	724,909	815,424	784,062	753,906												
2018	652,554	705,803	678,657													
2019	656,852	683,126														
2020																
Wtd Avg		683,141	656,868	629,050	589,160	571,610	549,377	521,406	503,456	489,277	435,699	416,682	404,671	428,409	387,169	
Avg x H/L		669,596	642,660	614,481	575,951	558,269	534,243	502,106	483,734	470,306	437,028	417,846	418,762	NA	NA	NA
Wtd Avg L7		703,977	669,383	674,051	612,885	590,365	545,855	522,419	503,456	NA	NA	NA	NA	NA	NA	NA
Wtd Avg L5		706,802	691,247	656,217	579,093	624,149	580,888	539,408	497,808	491,225	435,699	NA	NA	NA	NA	NA
Wtd Avg L3		734,272	691,374	664,609	597,868	590,083	546,808	581,901	541,493	519,689	412,354	413,003	404,671	NA	NA	NA
Trended Select		683,142	654,212	637,400	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Select		683,141	656,868	629,050	612,885	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
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**Frequency-Severity Indicated Ultimate Loss**

Accident Year	(1) Selected Ultimate CWP Claim Counts	(2) Selected Ultimate Severity per CWP Claim	(3) (1) x (2) Indicated Ultimate
2006	17	NA	NA
2007	31	NA	NA
2008	35	NA	NA
2009	21	NA	NA
2010	39	NA	NA
2011	33	NA	NA
2012	23	NA	NA
2013	18	NA	NA
2014	27	NA	NA
2015	12	NA	NA
2016	27	NA	NA
2017	37	612,885	22,676,735
2018	39	629,050	24,532,951
2019	37	656,868	24,304,100
2020 <sup>1</sup>	31	683,141	21,177,364

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
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 Actuarial Central Estimate

**Loss Ratio to Surcharge Projection**

Accident Year	Ultimate Ratio to CRL	Ultimate Ratio to CRL Surcharges (Excluding Most Recent Evaluation), Trended at 4.0% per Annum to														
	Surcharges	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	41.0%	71.0%	68.2%	65.6%	63.1%	60.7%	58.3%	56.1%	53.9%	51.9%	49.9%	47.9%	46.1%	44.3%	42.6%	
2007	89.0%	148.1%	142.4%	136.9%	131.7%	126.6%	121.7%	117.1%	112.6%	108.2%	104.1%	100.1%	96.2%	92.5%		
2008	77.0%	123.2%	118.5%	113.9%	109.6%	105.3%	101.3%	97.4%	93.6%	90.0%	86.6%	83.3%	80.0%			
2009	47.0%	72.4%	69.6%	66.9%	64.3%	61.8%	59.5%	57.2%	55.0%	52.9%	50.8%	48.9%				
2010	101.3%	150.0%	144.3%	138.7%	133.4%	128.2%	123.3%	118.6%	114.0%	109.6%	105.4%					
2011	133.6%	190.1%	182.8%	175.8%	169.0%	162.5%	156.3%	150.2%	144.5%	138.9%						
2012	68.5%	93.8%	90.2%	86.7%	83.4%	80.2%	77.1%	74.1%	71.3%							
2013	58.6%	77.1%	74.2%	71.3%	68.6%	65.9%	63.4%	61.0%								
2014	102.2%	129.4%	124.4%	119.6%	115.0%	110.6%	106.3%									
2015	44.5%	54.1%	52.0%	50.0%	48.1%	46.2%										
2016	84.3%	98.6%	94.9%	91.2%	87.7%											
2017	102.0%	114.8%	110.4%	106.1%												
2018	96.5%	104.4%	100.4%													
2019	98.5%	102.5%														
2020																
Wtd Avg		109.0%	105.5%	102.1%	97.5%	94.8%	96.2%	91.2%	91.6%	91.2%	78.8%	69.1%	73.8%	67.9%	42.6%	
Avg x H/L		107.1%	103.4%	99.7%	95.2%	92.4%	93.2%	87.5%	89.3%	90.2%	80.5%	66.1%	80.0%	NA	NA	
Wtd Avg L7		99.8%	94.8%	100.9%	101.3%	93.8%	98.0%	96.2%	91.6%	NA	NA	NA	NA	NA	NA	
Wtd Avg L5		98.7%	98.5%	90.3%	80.9%	93.6%	106.0%	92.1%	95.1%	98.9%	78.8%	NA	NA	NA	NA	
Wtd Avg L3		107.3%	102.8%	87.3%	84.0%	74.7%	82.6%	95.8%	110.3%	98.9%	80.3%	76.0%	73.8%	NA	NA	
Trended Select		102.5%	93.9%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Select		98.7%	98.5%	90.3%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
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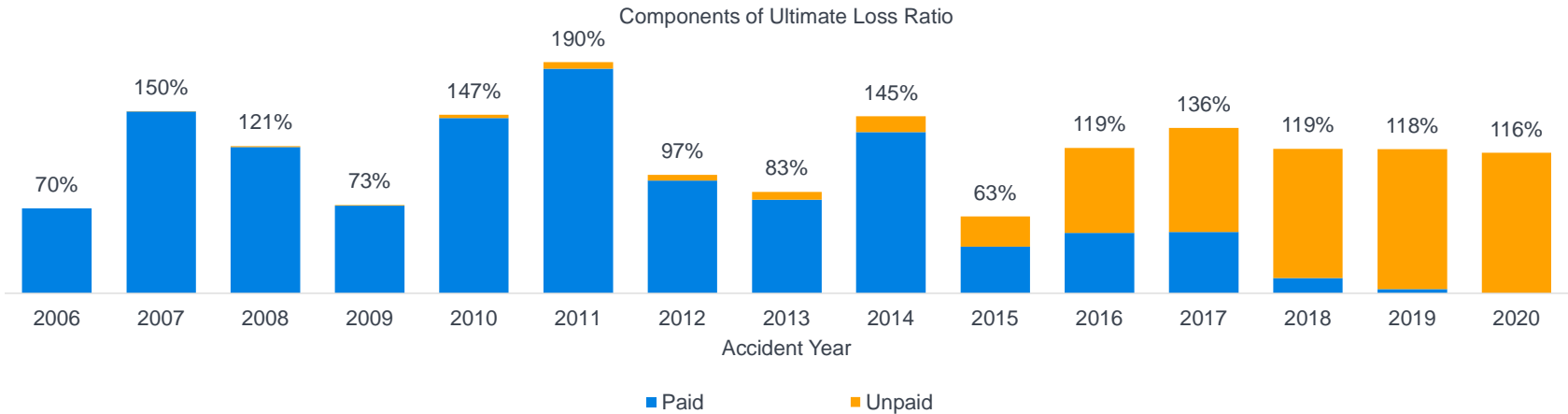
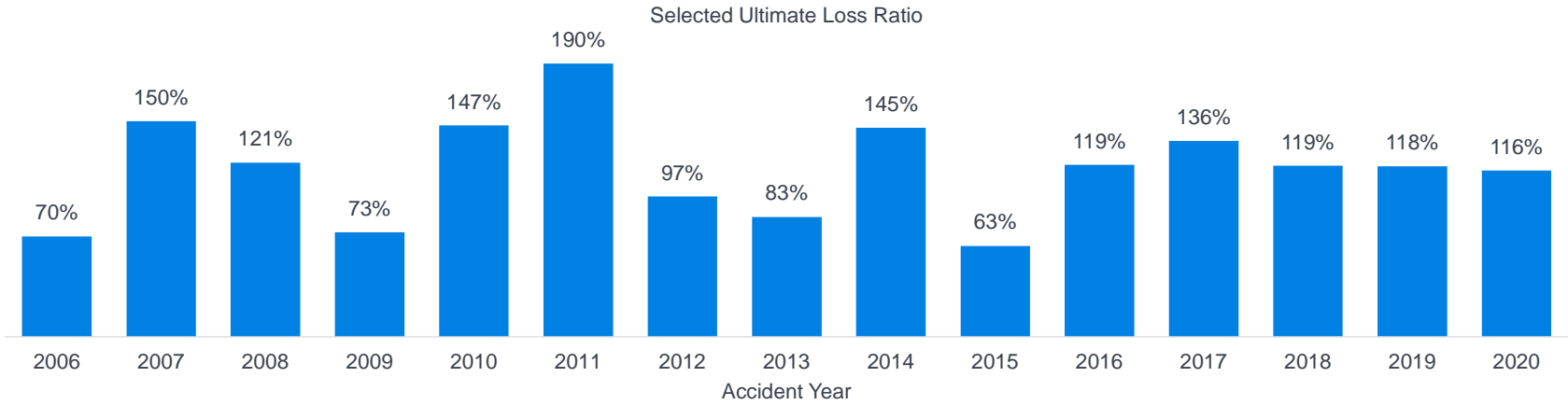
**Ratio to Surcharge Indicated Ultimate Loss**

(1)	(2)	(3) (1) x (2)	
Accident Year	Surcharges at CRL	Selected Ratio to Surcharge	
Indicated Ultimate			
2006	15,441,893	NA	NA
2007	14,828,231	NA	NA
2008	15,242,503	NA	NA
2009	17,192,668	NA	NA
2010	16,352,982	NA	NA
2011	15,345,233	NA	NA
2012	14,918,894	NA	NA
2013	14,679,745	NA	NA
2014	15,401,689	NA	NA
2015	14,972,715	NA	NA
2016	16,587,807	NA	NA
2017	26,285,132	NA	NA
2018	26,365,573	90.3%	23,809,357
2019	24,663,432	98.5%	24,302,964
2020 <sup>1</sup>	21,146,700	98.7%	20,866,859

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
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**Diagnostic Charts**



**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
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 Actuarial Central Estimate

**Summary of Claim Counts**

	(1)	(2)	(3) (2) - (1)
Accident Year	CWP @ 12/31/20	Selected Ultimate CWP	Yet-to-be- CWP
2006	17	17	0
2007	30	31	1
2008	34	35	1
2009	20	21	1
2010	38	39	1
2011	32	33	1
2012	22	23	1
2013	17	18	1
2014	24	27	3
2015	10	12	2
2016	17	27	10
2017	12	37	25
2018	8	39	31
2019	1	37	36
2020 <sup>1</sup>	0	31	31
<b>Total</b>	<b>282</b>	<b>427</b>	<b>145</b>

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Selection of Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	CWP @ 12/31/20	Indicated Ultimate Based on:				Selected Ultimate
		CWP Chain Ladder	Generalized Cape Cod	Bornhuetter-Ferguson	Ultimate CWP Frequency	
2006	17	17	17	NA	NA	17
2007	30	30	30	NA	NA	31
2008	34	34	34	NA	NA	35
2009	20	20	20	NA	NA	21
2010	38	38	38	NA	NA	39
2011	32	32	32	NA	NA	33
2012	22	23	23	NA	NA	23
2013	17	18	18	NA	NA	18
2014	24	27	26	NA	NA	27
2015	10	12	14	NA	NA	12
2016	17	30	28	28	25	27
2017	12	34	37	36	37	37
2018	8	49	41	38	36	39
2019	1	26	37	36	37	37
2020 <sup>1</sup>	0	0	31	31	31	31
<b>Total</b>	<b>282</b>	<b>390</b>	<b>428</b>	<b>NA</b>	<b>NA</b>	<b>427</b>
2006-2017	273	314	318	NA	NA	320
2018-2020	9	75	110	105	104	107

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
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**Chain Ladder Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4) (1) x (3)
Accident Year	CWP @ 12/31/20	Selected Development Factor	Cumulative Development Factor	Indicated Ultimate
2006	17	1.000	1.000	17
2007	30	1.000	1.000	30
2008	34	1.000	1.000	34
2009	20	1.000	1.000	20
2010	38	1.005	1.005	38
2011	32	1.010	1.015	32
2012	22	1.015	1.030	23
2013	17	1.020	1.051	18
2014	24	1.053	1.106	27
2015	10	1.119	1.238	12
2016	17	1.411	1.747	30
2017	12	1.598	2.792	34
2018	8	2.203	6.153	49
2019	1	4.225	25.992	26
2020 <sup>1</sup>	0	4.000	103.969	0

<sup>1</sup> Reflects a full year of earned exposure  
 Note: Development factors based on Physicians & Surgeons and Hospitals combined data

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Generalized Cape Cod Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6) Min [(1), (1)x(5)]	(7)	(8)	(9)	(10) (3)x(5) + (9)x[1-(5)]
Accident Year	(\$000) Surcharges at CRL	Selected Exposure Period Weight	CWP Chain Ladder Indication	CWP @ 12/31/20	% CWP	Used-Up (\$000) Surcharges at CRL	Trended Developed Frequency	Expected Frequency	A Priori Ultimate for GCC Method	Indicated Ultimate
2006	15,442	1	17	17	100.0%	15,442	0.11%	0.17%	26	17
2007	14,828	1	30	30	100.0%	14,828	0.20%	0.17%	26	30
2008	15,243	1	34	34	100.0%	15,243	0.22%	0.18%	27	34
2009	17,193	1	20	20	100.0%	17,193	0.12%	0.17%	30	20
2010	16,353	1	38	38	99.5%	16,272	0.23%	0.18%	29	38
2011	15,345	1	32	32	98.5%	15,118	0.21%	0.17%	26	32
2012	14,919	1	23	22	97.1%	14,480	0.15%	0.17%	25	23
2013	14,680	1	18	17	95.2%	13,969	0.12%	0.16%	23	18
2014	15,402	1	27	24	90.4%	13,923	0.17%	0.16%	24	26
2015	14,973	1	12	10	80.8%	12,095	0.08%	0.15%	23	14
2016	16,588	1	30	17	57.2%	9,494	0.18%	0.15%	25	28
2017	26,285	1	34	12	35.8%	9,413	0.13%	0.15%	40	37
2018	26,366	1	49	8	16.3%	4,285	0.19%	0.15%	40	41
2019	24,663	1	26	1	3.8%	949	0.11%	0.15%	37	37
2020 <sup>1</sup>	21,147	1	0	0	1.0%	203	0.00%	0.15%	32	31

<sup>1</sup> Reflects a full year of earned exposure

- (5) Inverse of the cumulative development factors on the exhibit titled "Chain Ladder Indicated Ultimate CWP Claim Counts"
- (7) Equal to (4) / (6) and trended at 0.0% per annum to December 31, 2020
- (8) Calculated from (2), (6), (7), and a decay ratio of 0.75
- (9) Equal to (1) x (8) and detrended at 0.0% per annum from December 31, 2020

**New Mexico Patient's Compensation Fund**  
 Physicians & Surgeons (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
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**Bornhuetter-Ferguson Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6)
				1 / (3)	(4)	(2)x(5) + (1)x[1-(5)]
Accident Year	A Priori <sup>2</sup> Ultimate for BF Method	CWP Chain Ladder Indication	Cumulative Development Factor	% CWP	Selected Weight	Indicated Ultimate
2006	NA	17	1.000	100.0%	100.0%	NA
2007	NA	30	1.000	100.0%	100.0%	NA
2008	NA	34	1.000	100.0%	100.0%	NA
2009	NA	20	1.000	100.0%	100.0%	NA
2010	NA	38	1.005	99.5%	99.5%	NA
2011	NA	32	1.015	98.5%	98.5%	NA
2012	NA	23	1.030	97.1%	97.1%	NA
2013	NA	18	1.051	95.2%	95.2%	NA
2014	NA	27	1.106	90.4%	90.4%	NA
2015	NA	12	1.238	80.8%	80.8%	NA
2016	25	30	1.747	57.2%	57.2%	28
2017	37	34	2.792	35.8%	35.8%	36
2018	36	49	6.153	16.3%	16.3%	38
2019	37	26	25.992	3.8%	3.8%	36
2020 <sup>1</sup>	31	0	103.969	1.0%	1.0%	31

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> From frequency indication

**New Mexico Patient's Compensation Fund**  
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**Ultimate CWP Frequency Projection**

Accident Year	Ultimate CWP Frequency	Ultimate CWP Frequency per (\$000) Surcharges at CRL (Excluding Most Recent Evaluation), Trended at 0.0% per Annum to														
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
2007	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
2008	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
2009	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
2010	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
2011	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
2012	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
2013	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
2014	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%
2015	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
2016	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
2017	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
2018	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
2019	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
2020	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Wtd Avg		0.16%	0.16%	0.16%	0.17%	0.17%	0.18%	0.17%	0.18%	0.19%	0.18%	0.17%	0.18%	0.16%	0.11%	
Avg x H/L		0.16%	0.16%	0.16%	0.17%	0.17%	0.18%	0.18%	0.19%	0.19%	0.19%	0.17%	0.21%	NA	NA	
Wtd Avg L7		0.14%	0.14%	0.15%	0.17%	0.16%	0.18%	0.18%	0.18%	NA	NA	NA	NA	NA	NA	
Wtd Avg L5		0.14%	0.14%	0.14%	0.14%	0.15%	0.18%	0.17%	0.19%	0.20%	0.18%	NA	NA	NA	NA	
Wtd Avg L3		0.15%	0.15%	0.13%	0.14%	0.13%	0.15%	0.16%	0.20%	0.19%	0.19%	0.18%	0.18%	NA	NA	
Trended Select		0.15%	0.14%	0.14%	0.15%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Select		0.15%	0.15%	0.14%	0.14%	0.15%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



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**Frequency Indicated Ultimate CWP Claim Counts**

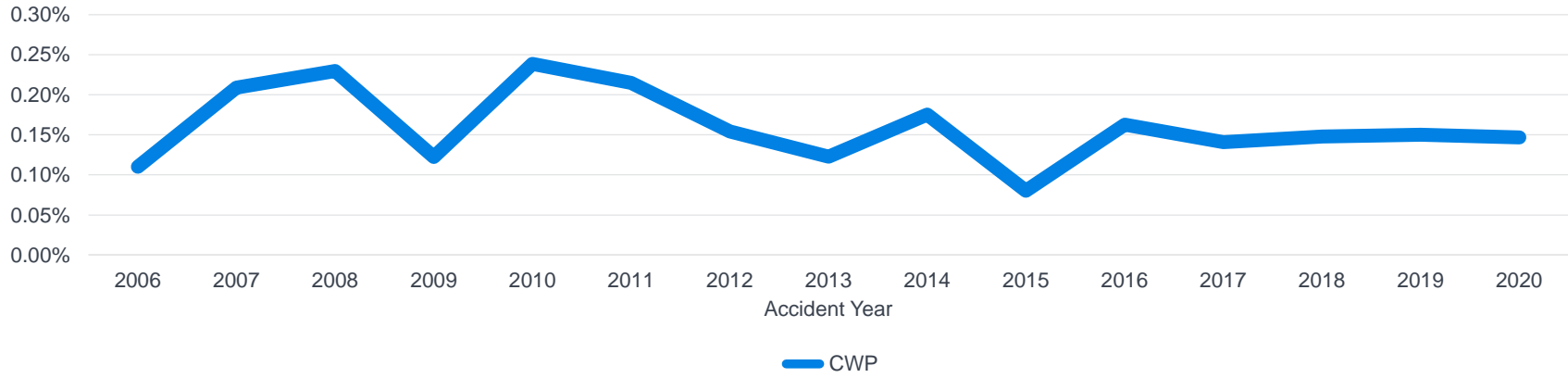
Accident Year	(1) (\$000) Surcharges at CRL	(2) Selected CWP Frequency	(3) (1) x (2) Indicated Ultimate
2006	15,442	NA	NA
2007	14,828	NA	NA
2008	15,243	NA	NA
2009	17,193	NA	NA
2010	16,353	NA	NA
2011	15,345	NA	NA
2012	14,919	NA	NA
2013	14,680	NA	NA
2014	15,402	NA	NA
2015	14,973	NA	NA
2016	16,588	0.15%	25
2017	26,285	0.14%	37
2018	26,366	0.14%	36
2019	24,663	0.15%	37
2020 <sup>1</sup>	21,147	0.15%	31

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
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**Diagnostic Charts**

Selected Ultimate Frequency per (\$000) Surcharges at CRL



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**Summary of Loss**

Accident Year	(1) Selected Ultimate	(2) Paid @ 12/31/20	(3) (1) - (2) Unpaid
Prior	NA	NA	0
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	2,097,904	2,075,000	22,904
2010	1,493,020	1,465,000	28,020
2011	1,971,143	1,915,000	56,143
2012	2,167,872	2,075,000	92,872
2013	1,646,106	1,544,693	101,413
2014	6,895,231	6,244,130	651,101
2015	1,999,712	1,437,868	561,844
2016	4,616,582	2,010,000	2,606,582
2017	14,283,213	2,497,184	11,786,029
2018	23,342,004	2,372,500	20,969,504
2019	22,696,570	550,000	22,146,570
2020 <sup>1</sup>	24,828,117	300,000	24,528,117
<b>Total</b>	<b>108,037,471</b>	<b>24,486,374</b>	<b>83,551,097</b>

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> Judgmentally selected

**New Mexico Patient's Compensation Fund**  
Hospitals  
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**Selection of Ultimate Loss**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	<b>Indicated Ultimate Based on:</b>							
Accident Year	Paid @ 12/31/20	Paid Chain Ladder	Paid Generalized Cape Cod	Paid Bornhuetter-Ferguson	Frequency-Severity	Ratio to Surcharge	Prior Actuary Selected @ 12/31/19	Selected Ultimate
2006	0	0	NA	NA	NA	NA	NA	0
2007	0	0	NA	NA	NA	NA	NA	0
2008	0	0	NA	NA	NA	NA	NA	0
2009	2,075,000	2,097,904	2,092,834	NA	NA	NA	2,090,000	2,097,904
2010	1,465,000	1,493,020	1,495,910	NA	NA	NA	1,550,000	1,493,020
2011	1,915,000	1,971,143	1,965,021	NA	NA	NA	2,075,000	1,971,143
2012	2,075,000	2,167,872	2,146,616	NA	NA	NA	1,000,000	2,167,872
2013	1,544,693	1,646,106	1,661,682	NA	NA	NA	1,025,000	1,646,106
2014	6,244,130	6,895,231	6,440,730	NA	NA	NA	6,100,000	6,895,231
2015	1,437,868	1,999,712	1,937,371	NA	NA	NA	1,800,000	1,999,712
2016	2,010,000	4,616,582	7,995,153	NA	NA	NA	7,500,000	4,616,582
2017	2,497,184	10,809,194	17,757,231	NA	NA	NA	17,000,000	14,283,213
2018	2,372,500	23,851,867	24,041,766	26,536,884	26,833,457	21,596,277	21,250,000	23,342,004
2019	550,000	28,795,724	25,295,173	25,113,781	25,042,087	21,523,811	21,250,000	22,696,570
2020 <sup>1</sup>	300,000	94,240,552	28,774,095	28,446,840	28,236,728	23,123,811	NA	24,828,117
<b>Total</b>	<b>24,486,374</b>	<b>180,584,906</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>108,037,471</b>
2006-2017	21,263,874	33,696,763	NA	NA	NA	NA	NA	37,170,781
2018-2020	3,222,500	146,888,143	78,111,034	80,097,506	80,112,272	66,243,899	NA	70,866,690

<sup>1</sup> Reflects a full year of earned exposure

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 Hospitals  
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 PCF Loss  
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**Chain Ladder Indications of Ultimate Loss**

	(1)	(2)	(3)	(4) (1) x (3)
<b>Based on Paid Development</b>				
Accident Year	Paid @ 12/31/20	Development Factor		Indicated Ultimate
		Select	Cumulative	
2006	0	1.000	1.000	0
2007	0	1.002	1.002	0
2008	0	1.004	1.006	0
2009	2,075,000	1.005	1.011	2,097,904
2010	1,465,000	1.008	1.019	1,493,020
2011	1,915,000	1.010	1.029	1,971,143
2012	2,075,000	1.015	1.045	2,167,872
2013	1,544,693	1.020	1.066	1,646,106
2014	6,244,130	1.036	1.104	6,895,231
2015	1,437,868	1.259	1.391	1,999,712
2016	2,010,000	1.651	2.297	4,616,582
2017	2,497,184	1.885	4.329	10,809,194
2018	2,372,500	2.323	10.053	23,851,867
2019	550,000	5.208	52.356	28,795,724
2020 <sup>1</sup>	300,000	6.000	314.135	94,240,552

<sup>1</sup> Reflects a full year of earned exposure  
 Note: Development factors based on Physicians & Surgeons  
 and Hospitals combined data

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**Generalized Cape Cod Indications of Ultimate Loss**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
						Min [(1), (1)x(5)]				(5)	(3)x(10) + (9)x[1-(10)]
<b>Based on Paid Development</b>											
Accident Year	Surcharges	Selected Exposure Period Weight	Paid Chain Ladder Indication	Paid @ 12/31/20	% Paid	Used-Up Surcharges	Trended Developed Ratio to Surchage	Expected Ratio to Surchage	A Priori Ultimate for Paid GCC Method	Selected Weight	Indicated Ultimate
2006	0	0	0	0	100.0%	0	NA	NA	NA	100.0%	NA
2007	0	0	0	0	99.8%	0	NA	NA	NA	99.8%	NA
2008	0	0	0	0	99.4%	0	NA	NA	NA	99.4%	NA
2009	1,130,000	1	2,097,904	2,075,000	98.9%	1,117,663	285.8%	222.5%	1,633,540	98.9%	2,092,834
2010	1,130,000	1	1,493,020	1,465,000	98.1%	1,108,793	195.6%	215.7%	1,646,981	98.1%	1,495,910
2011	1,175,200	1	1,971,143	1,915,000	97.2%	1,141,727	238.7%	212.7%	1,756,184	97.2%	1,965,021
2012	1,099,542	1	2,167,872	2,075,000	95.7%	1,052,438	269.8%	208.1%	1,671,699	95.7%	2,146,616
2013	1,250,000	1	1,646,106	1,544,693	93.8%	1,172,990	173.3%	199.9%	1,898,946	93.8%	1,661,682
2014	1,350,000	1	6,895,231	6,244,130	90.6%	1,222,523	646.3%	195.1%	2,082,013	90.6%	6,440,730
2015	1,350,000	1	1,999,712	1,437,868	71.9%	970,701	180.2%	160.2%	1,777,831	71.9%	1,937,371
2016	9,476,474	1	4,616,582	2,010,000	43.5%	4,125,934	57.0%	130.9%	10,600,453	43.5%	7,995,153
2017	18,644,316	1	10,809,194	2,497,184	23.1%	4,307,285	65.2%	119.7%	19,844,635	23.1%	17,757,231
2018	21,596,277	1	23,851,867	2,372,500	9.9%	2,148,141	119.5%	120.5%	24,062,741	9.9%	24,041,766
2019	21,523,811	1	28,795,724	550,000	1.9%	411,106	139.1%	121.9%	25,227,010	1.9%	25,295,173
2020 <sup>1</sup>	23,123,811	1	94,240,552	300,000	0.3%	73,611	407.5%	123.5%	28,565,027	0.3%	28,774,095

<sup>1</sup> Reflects a full year of earned exposure

(5) Inverse of the cumulative development factors on the exhibit titled "Chain Ladder Indications of Ultimate Loss"

(7) Equal to (4) / (6) and trended at 4.0% per annum to December 31, 2020

(8) Calculated from (2), (6), (7), and a decay ratio of 0.75

(9) Equal to (1) x (8) and detrended at 4.0% per annum from December 31, 2020

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**Bornhuetter-Ferguson Indications of Ultimate Loss**

	(1)	(2)	(3)	(4) 1 / (3)	(5) (4)	(6) (2)x(5) + (1)x[1-(5)]
	<b>Based on Paid Development</b>					
Accident Year	A Priori <sup>2</sup> Ultimate for BF Method	Paid Chain Ladder Indication	Cumulative Development Factor	% Paid	Selected Weight	Indicated Ultimate
2006	NA	0	1.000	100.0%	100.0%	NA
2007	NA	0	1.002	99.8%	99.8%	NA
2008	NA	0	1.006	99.4%	99.4%	NA
2009	NA	2,097,904	1.011	98.9%	98.9%	NA
2010	NA	1,493,020	1.019	98.1%	98.1%	NA
2011	NA	1,971,143	1.029	97.2%	97.2%	NA
2012	NA	2,167,872	1.045	95.7%	95.7%	NA
2013	NA	1,646,106	1.066	93.8%	93.8%	NA
2014	NA	6,895,231	1.104	90.6%	90.6%	NA
2015	NA	1,999,712	1.391	71.9%	71.9%	NA
2016	NA	4,616,582	2.297	43.5%	43.5%	NA
2017	NA	10,809,194	4.329	23.1%	23.1%	NA
2018	26,833,457	23,851,867	10.053	9.9%	9.9%	26,536,884
2019	25,042,087	28,795,724	52.356	1.9%	1.9%	25,113,781
2020 <sup>1</sup>	28,236,728	94,240,552	314.135	0.3%	0.3%	28,446,840

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> From frequency-severity indication

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 Hospitals  
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**Frequency-Severity Loss Projection**

Accident Year	Ultimate CWP Severity	Ultimate Severity per CWP Claim (Excluding Most Recent Evaluation), Trended at 4.0% per Annum to														
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	699,301	1,076,542	1,035,137	995,324	957,042	920,233	884,839	850,807	818,084	786,619	756,364	727,273				
2010	248,837	368,339	354,172	340,550	327,452	314,858	302,748	291,104	279,907	269,142	258,790					
2011	197,114	280,555	269,765	259,389	249,413	239,820	230,596	221,727	213,199	204,999						
2012	541,968	741,720	713,193	685,762	659,387	634,026	609,640	586,192	563,647							
2013	329,221	433,233	416,570	400,548	385,142	370,329	356,086	342,390								
2014	1,723,808	2,181,167	2,097,276	2,016,611	1,939,049	1,864,470	1,792,760									
2015	333,285	405,492	389,897	374,901	360,481	346,617										
2016	288,536	337,547	324,564	312,081	300,078											
2017	317,405	357,037	343,305	330,101												
2018	457,686	495,034	475,994													
2019	504,368	524,543														
2020																
P&S Select		683,141	656,868	629,050												
Wtd Avg		486,433	456,731	429,623	492,844	551,931	567,719	377,608	370,447	317,089	424,648	727,273	NA	NA	NA	NA
Avg x H/L		526,610	506,604	491,324	498,264	517,212	538,328	406,562	421,777	269,142	NA	NA	NA	NA	NA	NA
Wtd Avg L7		486,293	462,454	416,704	465,538	551,931	567,719	377,608	370,447	NA	NA	NA	NA	NA	NA	NA
Wtd Avg L5		446,328	456,114	423,242	550,960	562,880	534,913	377,608	370,447	317,089	424,648	NA	NA	NA	NA	NA
Wtd Avg L3		460,410	401,049	329,810	566,167	759,282	876,156	330,210	303,301	317,089	424,648	727,273	NA	NA	NA	NA
Trended Select		578,750	547,192	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Select		564,735	556,491	526,146	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



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**Frequency-Severity Indicated Ultimate Loss**

Accident Year	(1) Selected Ultimate CWP Claim Counts	(2) Selected Ultimate Severity per CWP Claim	(3) (1) x (2) Indicated Ultimate
2006	0	NA	NA
2007	0	NA	NA
2008	0	NA	NA
2009	3	NA	NA
2010	6	NA	NA
2011	10	NA	NA
2012	4	NA	NA
2013	5	NA	NA
2014	4	NA	NA
2015	6	NA	NA
2016	16	NA	NA
2017	45	NA	NA
2018	51	526,146	26,833,457
2019	45	556,491	25,042,087
2020 <sup>1</sup>	50	564,735	28,236,728

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
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**Loss Ratio to Surcharge Projection**

Accident Year	Ultimate Ratio to Surcharges	Ultimate Ratio to Surcharges (Excluding Most Recent Evaluation), Trended at 4.0% per Annum to														
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	185.7%	285.8%	274.8%	264.2%	254.1%	244.3%	234.9%	225.9%	217.2%	208.8%	200.8%	193.1%				
2010	132.1%	195.6%	188.1%	180.8%	173.9%	167.2%	160.8%	154.6%	148.6%	142.9%	137.4%					
2011	167.7%	238.7%	229.5%	220.7%	212.2%	204.1%	196.2%	188.7%	181.4%	174.4%						
2012	197.2%	269.8%	259.5%	249.5%	239.9%	230.7%	221.8%	213.2%	205.0%							
2013	131.7%	173.3%	166.6%	160.2%	154.1%	148.1%	142.4%	137.0%								
2014	510.8%	646.3%	621.4%	597.5%	574.5%	552.4%	531.2%									
2015	148.1%	180.2%	173.3%	166.6%	160.2%	154.1%										
2016	48.7%	57.0%	54.8%	52.7%	50.7%											
2017	76.6%	86.2%	82.9%	79.7%												
2018	108.1%	116.9%	112.4%													
2019	105.4%	109.7%														
2020																
Wtd Avg		119.0%	117.7%	116.2%	148.2%	247.2%	254.6%	182.8%	187.9%	175.4%	169.1%	193.1%	NA	NA	NA	NA
Avg x H/L		184.0%	185.9%	188.8%	199.1%	200.1%	203.4%	185.5%	193.2%	174.4%	NA	NA	NA	NA	NA	NA
Wtd Avg L7		111.2%	110.6%	109.2%	141.1%	247.2%	254.6%	182.8%	187.9%	NA	NA	NA	NA	NA	NA	NA
Wtd Avg L5		100.2%	106.2%	100.3%	132.8%	262.2%	258.3%	182.8%	187.9%	175.4%	169.1%	NA	NA	NA	NA	NA
Wtd Avg L3		105.1%	90.3%	75.0%	120.9%	288.3%	307.9%	178.0%	178.2%	175.4%	169.1%	193.1%	NA	NA	NA	NA
Trended Select		104.0%	104.0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Select		100.0%	100.0%	100.0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
PCF Loss  
Actuarial Central Estimate

**Ratio to Surcharge Indicated Ultimate Loss**

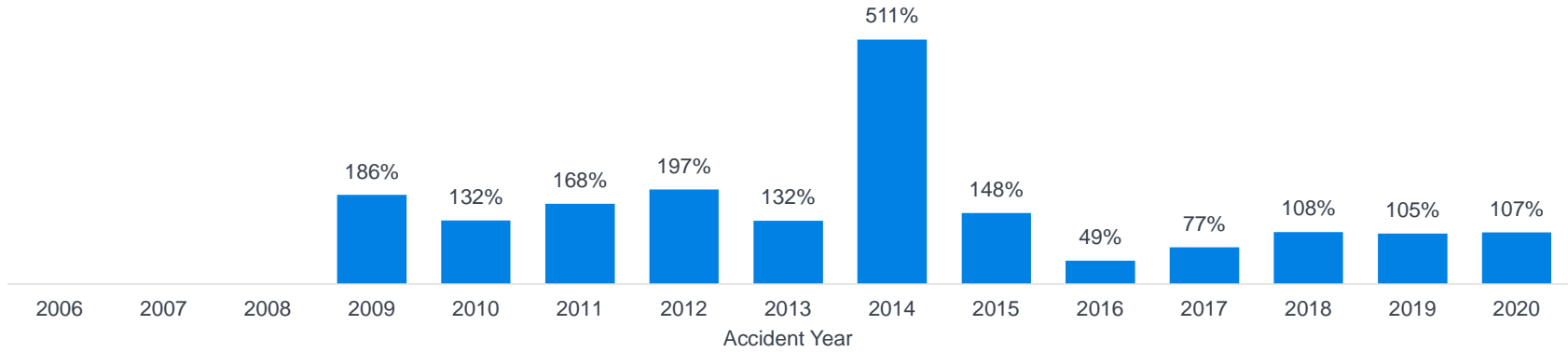
Accident Year	(1)  Surcharges	(2)  Selected Ratio to Surcharge	(3)  (1) x (2)  Indicated Ultimate
2006	0	NA	NA
2007	0	NA	NA
2008	0	NA	NA
2009	1,130,000	NA	NA
2010	1,130,000	NA	NA
2011	1,175,200	NA	NA
2012	1,099,542	NA	NA
2013	1,250,000	NA	NA
2014	1,350,000	NA	NA
2015	1,350,000	NA	NA
2016	9,476,474	NA	NA
2017	18,644,316	NA	NA
2018	21,596,277	100.0%	21,596,277
2019	21,523,811	100.0%	21,523,811
2020 <sup>1</sup>	23,123,811	100.0%	23,123,811

<sup>1</sup> Reflects a full year of earned exposure

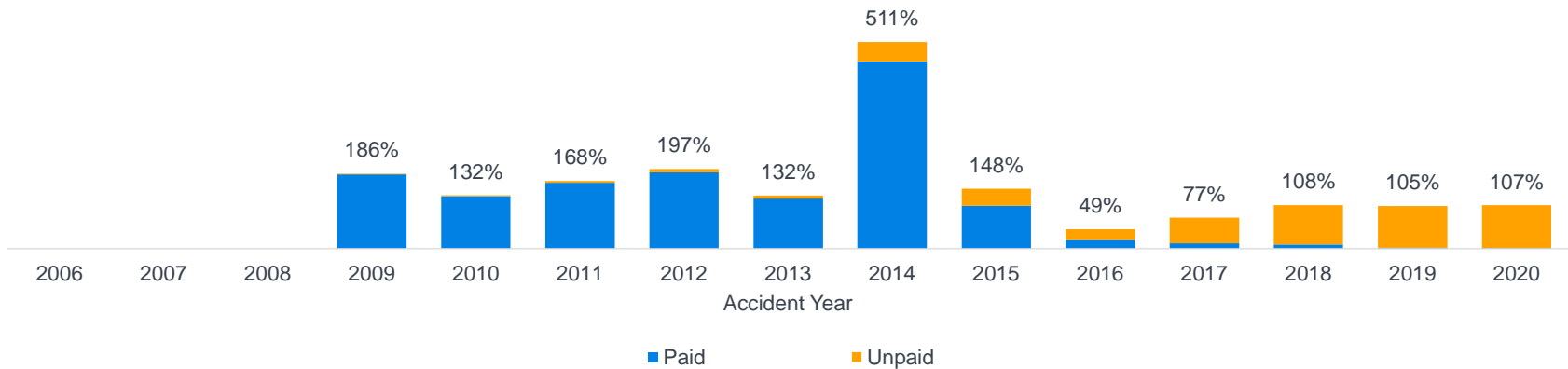
**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Diagnostic Charts**

Selected Ultimate Loss Ratio



Components of Ultimate Loss Ratio



**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Summary of Claim Counts**

	(1)	(2)	(3) (2) - (1)
Accident Year	CWP @ 12/31/20	Selected Ultimate CWP	Yet-to-be- CWP
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	2	3	1
2010	5	6	1
2011	9	10	1
2012	3	4	1
2013	4	5	1
2014	3	4	1
2015	5	6	1
2016	5	16	11
2017	9	45	36
2018	8	51	43
2019	1	45	44
2020 <sup>1</sup>	1	50	49
Total	55	245	190

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Selection of Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6)
	<b>Indicated Ultimate Based on:</b>					
Accident Year	CWP @ 12/31/20	CWP Chain Ladder	Generalized Cape Cod	Bornhuetter- Ferguson	Ultimate CWP Frequency	Selected Ultimate
2006	0	0	NA	NA	NA	0
2007	0	0	NA	NA	NA	0
2008	0	0	NA	NA	NA	0
2009	2	2	2	NA	NA	3
2010	5	5	5	NA	NA	6
2011	9	9	9	NA	NA	10
2012	3	3	3	NA	NA	4
2013	4	4	4	NA	NA	5
2014	3	3	3	NA	NA	4
2015	5	6	6	NA	NA	6
2016	5	9	12	23	42	16
2017	9	25	30	45	56	45
2018	8	49	41	55	57	51
2019	1	26	38	48	48	45
2020 <sup>1</sup>	1	104	43	53	53	50
<b>Total</b>	<b>55</b>	<b>246</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>245</b>
2006-2017	45	67	NA	NA	NA	99
2018-2020	10	179	122	156	158	146

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Chain Ladder Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4) (1) x (3)
Accident Year	CWP @ 12/31/20	Selected Development Factor	Cumulative Development Factor	Indicated Ultimate
2006	0	1.000	1.000	0
2007	0	1.000	1.000	0
2008	0	1.000	1.000	0
2009	2	1.000	1.000	2
2010	5	1.005	1.005	5
2011	9	1.010	1.015	9
2012	3	1.015	1.030	3
2013	4	1.020	1.051	4
2014	3	1.053	1.106	3
2015	5	1.119	1.238	6
2016	5	1.411	1.747	9
2017	9	1.598	2.792	25
2018	8	2.203	6.153	49
2019	1	4.225	25.992	26
2020 <sup>1</sup>	1	4.000	103.969	104

<sup>1</sup> Reflects a full year of earned exposure  
 Note: Development factors based on Physicians & Surgeons and Hospitals combined data

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Generalized Cape Cod Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						Min [(1), (1)x(5)]				(3)x(5) + (9)x[1-(5)]
Accident Year	(\$000) Surcharges	Selected Exposure Period Weight	CWP Chain Ladder Indication	CWP @ 12/31/20	% CWP	Used-Up (\$000) Surcharges	Trended Developed Frequency	Expected Frequency	A Priori Ultimate for GCC Method	Indicated Ultimate
2006	0	0	0	0	100.0%	0	NA	NA	NA	NA
2007	0	0	0	0	100.0%	0	NA	NA	NA	NA
2008	0	0	0	0	100.0%	0	NA	NA	NA	NA
2009	1,130	1	2	2	100.0%	1,130	0.18%	0.30%	3	2
2010	1,130	1	5	5	99.5%	1,124	0.44%	0.32%	4	5
2011	1,175	1	9	9	98.5%	1,158	0.78%	0.32%	4	9
2012	1,100	1	3	3	97.1%	1,067	0.28%	0.28%	3	3
2013	1,250	1	4	4	95.2%	1,189	0.34%	0.25%	3	4
2014	1,350	1	3	3	90.4%	1,220	0.25%	0.23%	3	3
2015	1,350	1	6	5	80.8%	1,091	0.46%	0.21%	3	6
2016	9,476	1	9	5	57.2%	5,424	0.09%	0.18%	17	12
2017	18,644	1	25	9	35.8%	6,677	0.13%	0.17%	33	30
2018	21,596	1	49	8	16.3%	3,510	0.23%	0.18%	39	41
2019	21,524	1	26	1	3.8%	828	0.12%	0.18%	39	38
2020 <sup>1</sup>	23,124	1	104	1	1.0%	222	0.45%	0.18%	42	43

<sup>1</sup> Reflects a full year of earned exposure

- (5) Inverse of the cumulative development factors on the exhibit titled "Chain Ladder Indicated Ultimate CWP Claim Counts"
- (7) Equal to (4) / (6) and trended at 0.0% per annum to December 31, 2020
- (8) Calculated from (2), (6), (7), and a decay ratio of 0.75
- (9) Equal to (1) x (8) and detrended at 0.0% per annum from December 31, 2020



**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Bornhuetter-Ferguson Indicated Ultimate CWP Claim Counts**

	(1)	(2)	(3)	(4)	(5)	(6)
				1 / (3)	(4)	(2)x(5) + (1)x[1-(5)]
Accident Year	A Priori <sup>2</sup> Ultimate for BF Method	CWP Chain Ladder Indication	Cumulative Development Factor	% CWP	Selected Weight	Indicated Ultimate
2006	NA	0	1.000	100.0%	100.0%	NA
2007	NA	0	1.000	100.0%	100.0%	NA
2008	NA	0	1.000	100.0%	100.0%	NA
2009	NA	2	1.000	100.0%	100.0%	NA
2010	NA	5	1.005	99.5%	99.5%	NA
2011	NA	9	1.015	98.5%	98.5%	NA
2012	NA	3	1.030	97.1%	97.1%	NA
2013	NA	4	1.051	95.2%	95.2%	NA
2014	NA	3	1.106	90.4%	90.4%	NA
2015	NA	6	1.238	80.8%	80.8%	NA
2016	42	9	1.747	57.2%	57.2%	23
2017	56	25	2.792	35.8%	35.8%	45
2018	57	49	6.153	16.3%	16.3%	55
2019	48	26	25.992	3.8%	3.8%	48
2020 <sup>1</sup>	53	104	103.969	1.0%	1.0%	53

<sup>1</sup> Reflects a full year of earned exposure

<sup>2</sup> From frequency indication

**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Ultimate CWP Frequency Projection**

Accident Year	Ultimate CWP Frequency	Ultimate CWP Frequency per (\$000) Surcharges (Excluding Most Recent Evaluation), Trended at 0.0% per Annum to														
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
2006	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2007	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2008	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2009	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%
2010	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
2011	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
2012	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%
2013	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
2014	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
2015	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
2016	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%
2017	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
2018	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
2019	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
2020																
Wtd Avg		0.24%	0.26%	0.27%	0.30%	0.45%	0.45%	0.48%	0.51%	0.55%	0.40%	0.27%	NA	NA	NA	NA
Avg x H/L		0.33%	0.35%	0.36%	0.38%	0.41%	0.40%	0.43%	0.45%	0.53%	NA	NA	NA	NA	NA	NA
Wtd Avg L7		0.23%	0.24%	0.26%	0.30%	0.45%	0.45%	0.48%	0.51%	NA	NA	NA	NA	NA	NA	NA
Wtd Avg L5		0.22%	0.23%	0.24%	0.24%	0.47%	0.48%	0.48%	0.51%	0.55%	0.40%	NA	NA	NA	NA	NA
Wtd Avg L3		0.23%	0.23%	0.23%	0.21%	0.38%	0.35%	0.54%	0.59%	0.55%	0.40%	0.27%	NA	NA	NA	NA
Trended Select		0.23%	0.26%	0.30%	0.45%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Select		0.23%	0.23%	0.26%	0.30%	0.45%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**New Mexico Patient's Compensation Fund**  
 Hospitals  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**Frequency Indicated Ultimate CWP Claim Counts**

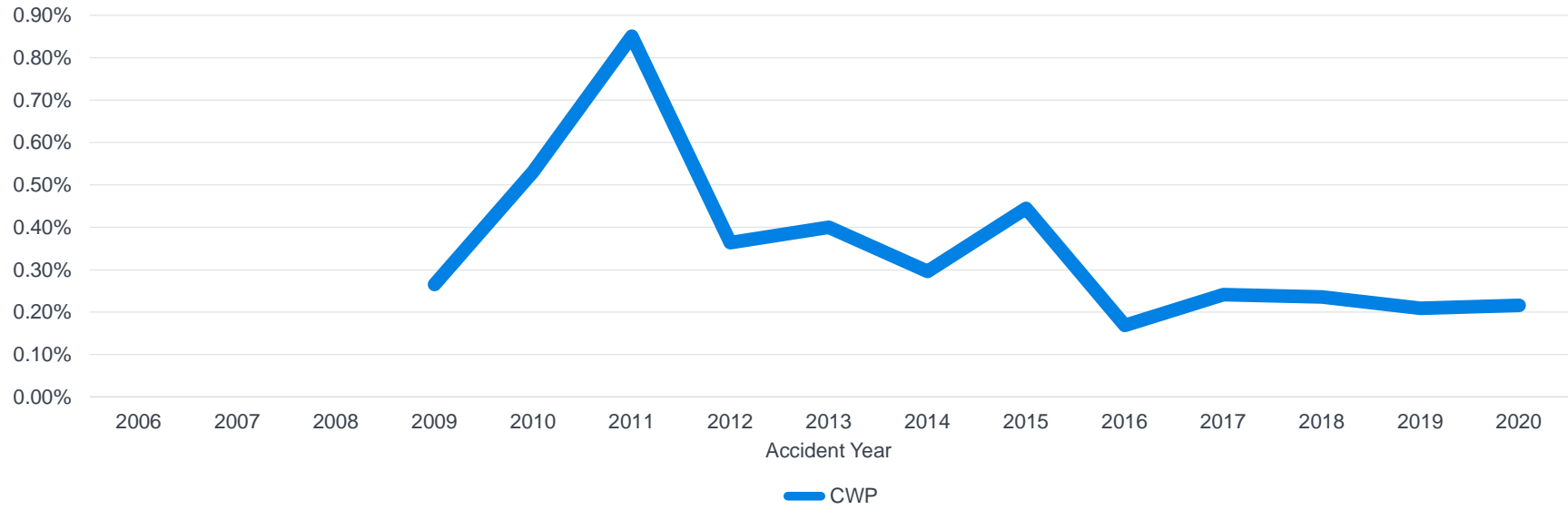
Accident Year	(1) (\$000) Surcharges	(2) Selected CWP Frequency	(3) (1) x (2) Indicated Ultimate
2006	0	NA	NA
2007	0	NA	NA
2008	0	NA	NA
2009	1,130	NA	NA
2010	1,130	NA	NA
2011	1,175	NA	NA
2012	1,100	NA	NA
2013	1,250	NA	NA
2014	1,350	NA	NA
2015	1,350	NA	NA
2016	9,476	0.45%	42
2017	18,644	0.30%	56
2018	21,596	0.26%	57
2019	21,524	0.23%	48
2020 <sup>1</sup>	23,124	0.23%	53

<sup>1</sup> Reflects a full year of earned exposure

**New Mexico Patient's Compensation Fund**  
Hospitals  
Occurrence Coverage Evaluated as of December 31, 2020  
Actuarial Central Estimate

**Diagnostic Charts**

Selected Ultimate Frequency per (\$000) Surcharges



**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability  
 Occurrence Coverage Evaluated as of December 31, 2020  
 PCF Loss  
 Actuarial Central Estimate

**Paid Loss Chain Ladder Projection**

Accident Year	Paid by Month of Development														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
2006	0	0	628,725	4,253,725	5,228,725	5,378,725	5,628,725	5,928,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725	6,328,725
2007	0	0	1,250,000	4,937,000	7,887,000	12,067,000	12,717,000	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500	13,164,500
2008	0	0	2,163,652	4,764,652	6,542,152	9,204,652	11,262,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152	11,662,152
2009	0	495,000	2,868,567	3,368,567	4,203,567	8,242,342	8,242,342	8,367,342	8,367,342	8,367,342	10,067,342	10,067,342			
2010	0	775,000	3,511,000	6,138,000	9,688,000	16,177,567	16,502,567	16,902,567	16,902,567	17,602,567	17,727,567				
2011	0	1,325,000	1,925,000	4,753,000	9,950,312	17,226,228	19,358,728	20,973,728	20,973,728	21,826,969					
2012	0	50,000	850,000	2,614,408	4,324,408	7,529,408	11,629,408	11,779,408	11,809,408						
2013	0	450,000	750,000	875,000	4,575,000	6,407,148	9,507,237	9,507,237							
2014	0	480,000	2,370,000	4,945,000	7,573,261	14,280,446	20,608,696								
2015	0	0	1,112,868	1,977,868	4,402,868	5,465,368									
2016	0	700,000	2,625,000	4,830,000	7,850,000										
2017	0	675,000	4,015,000	12,447,184											
2018	0	650,000	5,093,523												
2019	0	1,270,000													
2020	300,000														

Accident Year	Development Factors														
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-ult
2006	NA	NA	6.766	1.229	1.029	1.046	1.053	1.067	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	NA	NA	3.950	1.598	1.530	1.054	1.035	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	NA	NA	2.202	1.373	1.407	1.224	1.036	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	NA	5.795	1.174	1.248	1.961	1.000	1.015	1.000	1.000	1.203	1.000				
2010	NA	4.530	1.748	1.578	1.670	1.020	1.024	1.000	1.041	1.007					
2011	NA	1.453	2.469	2.093	1.731	1.124	1.083	1.000	1.041						
2012	NA	17.000	3.076	1.654	1.741	1.545	1.013	1.003							
2013	NA	1.667	1.167	5.229	1.400	1.484	1.000								
2014	NA	4.938	2.086	1.531	1.886	1.443									
2015	NA	NA	1.777	2.226	1.241										
2016	NA	3.750	1.840	1.625											
2017	NA	5.948	3.100												
2018	NA	7.836													
2019	NA														

Wtd Avg	NA	5.208	2.323	1.662	1.584	1.196	1.036	1.005	1.020	1.032	1.000	1.000	1.000	1.000	1.000
Avg x H/L	NA	4.923	2.342	1.659	1.576	1.199	1.029	1.001	1.010	1.002	1.000	1.000	NA	NA	NA
Geo Avg	NA	4.606	2.306	1.770	1.533	1.199	1.032	1.010	1.013	1.039	1.000	1.000	1.000	1.000	1.000
Wtd Avg L5	NA	6.074	2.306	1.885	1.651	1.259	1.035	1.000	1.022	1.032	NA	NA	NA	NA	NA
Wtd Avg L3	NA	5.794	2.484	1.687	1.580	1.479	1.044	1.001	1.034	1.048	1.000	1.000	NA	NA	NA
Select	6.000	5.208	2.323	1.885	1.651	1.259	1.036	1.020	1.015	1.010	1.008	1.005	1.004	1.002	1.000

**New Mexico Patient's Compensation Fund**  
 Medical Professional Liability (Excluding Batch Claims)  
 Occurrence Coverage Evaluated as of December 31, 2020  
 Actuarial Central Estimate

**CWP Claim Counts Chain Ladder Projection**

Accident Year	CWP by Month of Development														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
2006	0	0	2	7	11	13	15	16	17	17	17	17	17	17	17
2007	0	0	2	13	20	26	28	30	30	30	30	30	30	30	30
2008	0	0	6	15	21	27	33	34	34	34	34	34	34	34	34
2009	0	2	7	9	13	20	20	21	21	21	22	22			
2010	0	2	9	16	24	38	40	41	41	42	43				
2011	0	1	4	10	20	28	33	37	37	38					
2012	0	1	3	8	12	19	22	23	24						
2013	0	1	2	3	10	15	18	18							
2014	0	1	6	12	17	24	26								
2015	0	0	2	5	10	13									
2016	0	2	7	14	21										
2017	0	2	9	18											
2018	0	1	12												
2019	0	2													
2020	1														

Accident Year	Development Factors														
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-ult
2006	NA	NA	3.500	1.571	1.182	1.154	1.067	1.063	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	NA	NA	6.500	1.538	1.300	1.077	1.071	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	NA	NA	2.500	1.400	1.286	1.222	1.030	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	NA	3.500	1.286	1.444	1.538	1.000	1.050	1.000	1.000	1.048	1.000				
2010	NA	4.500	1.778	1.500	1.583	1.053	1.025	1.000	1.024	1.024					
2011	NA	4.000	2.500	2.000	1.400	1.179	1.121	1.000	1.027						
2012	NA	3.000	2.667	1.500	1.583	1.158	1.045	1.043							
2013	NA	2.000	1.500	3.333	1.500	1.200	1.000								
2014	NA	6.000	2.000	1.417	1.412	1.083									
2015	NA	NA	2.500	2.000	1.300										
2016	NA	3.500	2.000	1.500											
2017	NA	4.500	2.000												
2018	NA	12.000													
2019	NA														
Wtd Avg	NA	5.462	2.203	1.598	1.411	1.119	1.053	1.010	1.011	1.014	1.000	1.000	1.000	1.000	1.000
Avg x H/L	NA	4.143	2.294	1.608	1.415	1.129	1.048	1.009	1.006	1.008	1.000	1.000	NA	NA	NA
Geo Avg	NA	4.225	2.333	1.685	1.402	1.123	1.051	1.015	1.008	1.014	1.000	1.000	1.000	1.000	1.000
Wtd Avg L5	NA	6.000	2.000	1.667	1.435	1.121	1.053	1.006	1.012	1.014	NA	NA	NA	NA	NA
Wtd Avg L3	NA	5.600	2.056	1.548	1.405	1.138	1.068	1.010	1.020	1.021	1.000	1.000	NA	NA	NA
Select	4.000	4.225	2.203	1.598	1.411	1.119	1.053	1.020	1.015	1.010	1.005	1.000	1.000	1.000	1.000