

# NEW MEXICO PATIENT'S COMPENSATION FUND

Actuarial Analysis as of December 31, 2023

August 2024



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**Commitment Beyond Numbers**



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August 1, 2024

Ms. Debbie Luera  
Director of Operations  
Integrion Group  
5201 Balloon Fiesta Pkwy NE  
Albuquerque, NM 87113

Re: 2023 Actuarial Analysis of the New Mexico Patient's Compensation Fund

Dear Debbie,

Enclosed are copies of our report analyzing a variety of issues related to the New Mexico Patient's Compensation Fund (PCF) as of December 31, 2023. This includes a review of the indicated unpaid claims liabilities and prospective surcharges.

I am a member in good standing of the Casualty Actuarial Society and the American Academy of Actuaries and meet the qualification standards to render the actuarial opinion contained herein.

Please give me a call at your earliest convenience so that we can discuss this report. We have enjoyed working with you on this assignment.

Sincerely,

A handwritten signature in black ink that reads "Robert J. Walling III". The signature is written in a cursive style with a distinct "III" at the end.

Robert J. Walling III, FCAS, MAAA, CERA  
Principal and Consulting Actuary

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# New Mexico Patient's Compensation Fund

Actuarial Analysis as of December 31, 2023

## EXECUTIVE SUMMARY <sup>1</sup>

The New Mexico Patient's Compensation Fund (PCF) serves a vital role in supporting the overall health of the medical professional liability insurance (MPLI) system in New Mexico. The PCF provides excess coverage that stabilizes the operating results of participating insurers and encourages competition which leads to greater availability and affordability of coverage. In New Mexico and other states, a competitive MPLI market tends to attract new physicians leading to greater access to care. The coverage provided by the PCF requires the use of an occurrence coverage form, preferred by healthcare providers, with limits that provide comprehensive coverage to ensure that injured patients receive appropriate compensation for their injuries. As a result, all stakeholders in the New Mexico healthcare system benefit in some way from a healthy PCF.

One way that the New Mexico Office of Superintendent of Insurance (OSI) ensures the ongoing health of the PCF is to conduct a periodic actuarial review. This review examines several aspects of the PCF including analyses of indicated reserves for unpaid losses and appropriate surcharges for upcoming policy periods.

Through a review of a variety of both publicly available and proprietary data sources, Pinnacle has come to a number of key conclusions regarding several aspects of the PCF. The highlights of our findings regarding the various issues include:

### Unpaid Claims Liabilities

- Pinnacle estimates the amount of losses still to be paid for all claims occurring prior to December 31, 2023, to be approximately \$292.9 million on a nominal basis, \$289.1 million on a discounted basis using a 3.5% discount rate on invested assets, and \$313.7 million when the discounted reserves reflect a risk margin to increase the statistical confidence to 75%. These reflect increases from the values calculated in the prior report as of December 31, 2022, of

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<sup>1</sup> Third parties receiving only this Executive Summary should recognize that the furnishing of this summary is not a substitute for their own due diligence and should place no reliance on this summary that would result in the creation of any duty or liability by Pinnacle to the third party. Pinnacle is available to answer any questions regarding the information contained in the Executive Summary.

\$266.8 million (nominal) and \$260.3 million (discounted). The prior report calculated the discounted reserves at the 75% confidence level: \$281.3 million.

- These results are summarized in the table below and are broken out between independent physicians & surgeons and hospitals and outpatient healthcare facilities (OHFC’s).

	Reserves as of 12/31/2023			Reserves as of 12/31/2022			Difference		
	Estimated Ultimate Reserves	Estimated Discounted Reserves	Estimated Discounted Reserves @ 75%	Estimated Ultimate Reserves	Estimated Discounted Reserves	Estimated Discounted Reserves @ 75%	Estimated Ultimate Reserves	Estimated Discounted Reserves	Estimated Discounted Reserves @ 75%
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
Indep. Physician & Surgeons	78,634,086	77,638,728	84,238,020	71,553,665	69,835,320	75,491,981	7,080,421	7,803,408	8,746,039
Hospitals & OHFC's	214,230,326	211,455,502	229,429,219	195,280,537	190,431,123	205,856,044	18,949,790	21,024,378	23,573,175
<b>Total</b>	<b>292,864,412</b>	<b>289,094,230</b>	<b>313,667,240</b>	<b>266,834,202</b>	<b>260,266,444</b>	<b>281,348,026</b>	<b>26,030,210</b>	<b>28,827,786</b>	<b>32,319,214</b>

### PCF Surplus/Deficit

- The current PCF Fund balance of approximately \$219.3 million as of December 31, 2023, when compared to Pinnacle’s estimate of indicated nominal loss reserves of approximately \$292.9 million, suggests a Fund deficit position of \$73.6 million. The \$73.6 million deficit is about 33.6% of the current Fund balance.
- As of December 31, 2022, the deficit (inclusive of the \$32.5 million legislative infusion) was \$98.4 million indicating the deficit has been reduced \$24.8 million since the previous actuarial review. The decrease is driven by two factors:
  - The hospitals were assessed a 19.8% deficit surcharge in 2023.
  - Loss experience has generally been favorable, resulting in lower estimated ultimate losses which directly impacts the size of the deficit.
- Reflecting reserves on a present value basis, using a 3.5% discount rate on invested assets, results in a Fund deficit of approximately \$69.8 million. This is a decrease of \$22.0 million since the prior analysis as of December 31, 2022.
- If discounted loss reserves are increased to the 75% confidence level, the resulting reserves indicate a \$94.4 million PCF surplus deficit.
- These results are summarized in the following table:

	Indicated Deficit incl Fund Allocation as of 12/31/2022			Indicated Deficit as of 12/31/2023		
	Undiscounted	Discounted	Discounted @ 75%	Undiscounted	Discounted	Discounted @ 75%
Independent Physician & Surgeons	31,645,242	28,834,960	37,855,572	18,393,829	17,451,284	23,594,536
Hospitals & OHFC's	66,776,617	63,019,141	75,080,111	55,181,488	52,353,851	70,783,608
<b>Total</b>	<b>98,421,859</b>	<b>91,854,101</b>	<b>112,935,683</b>	<b>73,575,317</b>	<b>69,805,135</b>	<b>94,378,144</b>
<b>Difference</b>				<b>(24,846,542)</b>	<b>(22,048,966)</b>	<b>(18,557,538)</b>

2024 Legislative Infusion

- In 2024, the New Mexico legislature approved a \$35.9 million capital infusion (legislative infusion). The legislative infusion is allocated 100% to the independent physicians & surgeons and more than eliminates the indicated deficit as of December 31, 2023; any remaining funds will be held as surplus that will inure to the benefit of the independent physicians & surgeons. On a nominal basis, the indicated surplus is \$17.5 million. Considering a discount rate of 3.5% on invested assets adjusts the surplus amount to \$18.4 million. The indicated surplus is \$12.3 million when including a risk margin at the 75<sup>th</sup> percentile to the discounted reserves.

Expected Surcharge Levels

- Pinnacle’s prospective rate level indication for independent physicians & surgeons suggests an overall increase of +11.1% on an expected value basis. If adjusted to a 75% level of statistical confidence, an indicated increase of +20.5% results.
- If proposed changes in class relativities are approved, base rates would need to be decreased by 0.7% to offset the resulting surcharge increases for specific classes.
- We have made use of the Consumer Price Index (CPI) for all urban consumers to calculate the increase to the per occurrence limit. Evaluating the index as of year-end produces an adjustment factor of 3.32%. The result is an increase to the per occurrence limit from \$854,991 to \$883,404– widening the PCF’s exposed layer from \$604,991 to \$633,404. Our analysis of MPLI increased limits factors (ILF’s) indicate that rates should be increased 2.4% to support the additional exposure.
- The overall rate impact is an increase of +13.0% at the expected level and +22.6% at the 75% confidence level. These indications are summarized in the table below. More information regarding these indications can be found on Exhibit 4, Page 1.

**Independent Physicians & Surgeons**

	Indicated Assessment Level Change on January 1, 2025 (1)	Offset Due to Changes in Class Plan (2)	Increased Limits Factor to \$633,404 xs \$250,000 (3)	Indicated Rate Change (4)
w/o Risk Margin	11.1%	-0.7%	2.4%	13.0%
w/ Risk Margin	20.5%	-0.7%	2.4%	22.6%

- Pinnacle’s rate level indication for hospitals suggests a rate change of -1.9% on an expected value basis. At a 75% level of statistical confidence, the indicated change is +6.5%. Exhibit 6, Page 1, provides more detail surrounding these indications.

**Hospitals**

Indicated Assessment Level Change on January 1, 2025 (1)	
w/o Risk Margin	-1.9%
w/ Risk Margin	6.5%

- The PCF is no longer securing reinsurance coverage for batch claims. These claims arise over many years and tend to result from the actions of a single provider or hospital. The rate indications for both the independent physicians & surgeons as well as the hospitals include a provision for batch claims.
- Effective January 1, 2024, the limits on non-medical indemnity for independent (non-hospital owned) outpatient healthcare facilities is \$500,000 excess of \$500,000 plus unlimited medical benefits. The PCF’s limit on non-medical indemnity will be increased each year based on the 3-year average CPI for all urban consumers. The adjustment for this year is 5.62% and is applied on a ground-up basis, increasing the PCF’s exposed layer from \$500,000 to \$556,239. The resulting indicated rates are shown below.

<b>Independent Outpatient Healthcare Facilities Rates</b>		
Facility Type	Exposure Type	January 1, 2025 Indicated Rate at \$556,239 xs \$500,000 Limit
Cardiac Rehabilitation Centers	Per 100 Visits	39.39
College/University Health Centers	Per 100 Visits	17.54
Community Health Centers	Per 100 Visits	27.40
Dialysis Centers	Per 100 Visits	38.37
Home Health/Hospice Care	Per 100 Visits	7.61
Medical Laboratories	Per \$1,000 Receipts	1.86
Medispas	Per 100 Visits	27.40
Mental Health Counseling Centers	Per 100 Visits	28.71
Pathology Laboratories	Per \$1,000 Receipts	1.58
Physical/Occupational Rehabilitation Centers	Per 100 Visits	32.00
Quality Control/Reference Laboratories	Per \$1,000 Receipts	1.67
Sleep Centers	Per 100 Visits	27.40
Substance Abuse Counseling Centers	Per 100 Visits	41.03
Surgery Centers	Per 100 Visits	152.25
Urgent Care Centers	Per 100 Visits	67.98
X-Ray/Imaging Centers	Per \$1,000 Receipts	1.86

### Expected Deficit Surcharge Levels

- Pinnacle has allocated 25.0%, or, \$18.4 million, of the fund deficit to the independent physicians & surgeons. The 2024 legislative infusion of \$35.9 million allotted to the independent physicians & surgeons eliminates the allocated deficit. Therefore, there is no deficit surcharge for the independent physicians & surgeons.
- Pinnacle has allocated 75.0%, or \$55.2 million, of the fund deficit to hospitals. For 2025, we estimate an indicated 25.8% load to the 2025 surcharges for hospitals. The indicated deficit surcharge load was calculated so that the fund deficit was eliminated within two years (i.e., by January 1, 2027). This date is chosen because hospitals will no longer be allowed to participate in the PCF as of January 1, 2027. Including the deficit surcharge produces an overall rate increase of +23.4% at the expected level and +33.9% at the 75% confidence level.
- The following table shows the underwriting performance of the independent physicians and surgeons alongside that for hospitals. This information shows the overall underwriting loss, inclusive of deficit surcharges and legislative infusions through year-end 2023, related to the independent physicians & surgeons is 1.5%; for hospitals, the corresponding underwriting loss is 18.1%. It is from this data that we determine the allocation percentages between the independent physicians & surgeons and the hospitals.



Historical Underwriting Performance

Accident Year	Independent Physician & Surgeons				Hospitals			
	Practitioner Surcharges	Selected Ultimate Losses	Deficit Surcharges & Infusions	Gain/(Loss) Incl. Deficit Surcharges & Infusions	Hospital Surcharges	Selected Ultimate Losses	Deficit Surcharges & Infusions	Gain/(Loss) Incl. Deficit Surcharges & Infusions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2000	8,238,309	6,560,000						
2001	9,181,946	9,261,652						
2002	9,421,675	9,309,500						
2003	9,924,688	6,596,189						
2004	9,283,270	5,482,500						
2005	9,151,210	9,776,657						
2006	9,067,465	8,140,629						
2007	8,810,595	19,005,969						
2008	9,696,249	19,398,176						
2009	11,325,257	11,817,704			918,297	2,075,000		(1,156,703)
2010	10,410,307	17,814,906			1,680,228	2,005,000		(324,772)
2011	11,380,891	19,354,469			1,825,004	2,547,500		(722,496)
2012	9,765,990	8,313,996			1,817,812	3,485,425		(1,667,613)
2013	9,596,773	6,963,451			1,992,604	2,625,519		(632,915)
2014	10,065,996	14,113,099			2,146,331	6,789,039		(4,642,709)
2015	10,535,218	6,243,096			2,224,828	5,766,835		(3,542,007)
2016	9,039,070	8,999,236			6,374,245	10,816,347		(4,442,101)
2017	12,725,963	21,257,203			21,561,182	22,002,315		(441,132)
2018	9,835,929	18,258,276			31,292,438	37,829,931		(6,537,493)
2019	10,170,463	15,913,636			31,872,010	37,102,338		(5,230,328)
2020	10,236,009	11,646,896			31,731,360	42,079,810		(10,348,450)
2021	11,585,186	13,612,594			32,655,867	40,656,093		(8,000,226)
2022	15,302,205	17,980,091			37,653,051	47,590,312		(9,937,262)
2023	16,934,483	19,898,018			48,224,599	60,280,749		(12,056,150)
Total	251,685,148	305,717,939	50,150,000	(3,882,790) -1.5%	253,969,856	323,652,214	23,743,470	(45,938,887) -18.1%
							<u>Prior</u>	<u>Selected</u>
					(10) Physicians Allocation Percentage		42.8%	25.0%
					(11) Hospital Allocation Percentage		57.2%	75.0%

Allocation of Ultimate & Outstanding Losses by Hospital

- We have allocated the estimated ultimate and outstanding losses by evaluating each hospital's level of surcharges and paid loss experience. We have compared the estimated ultimate losses to the corresponding surcharges to evaluate the underwriting performance for each hospital. These results are summarized below.

Allocation of Ultimate & Outstanding Losses by Hospital

Hospital (1)	Estimate Hospital Surcharges (2)	Paid Losses (3)	Estimated Ultimate Losses (4)	Undiscounted Reserves (5)	Discounted Reserves (6)	Gain/(Loss) (7)	Ultimate Loss Ratio (8)
Christus St. Vincent Hospital	39,411,865	34,306,821	55,022,941	20,716,120	20,439,688	(15,611,076)	140%
Community Health Systems	37,151,610	7,437,900	40,831,249	33,393,350	32,926,984	(3,679,640)	110%
LifePoint Health Group	19,478,037	7,797,956	24,983,634	17,185,678	16,970,649	(5,505,596)	128%
Lovelace Health System LLC	30,318,413	29,907,350	62,622,602	32,715,251	32,318,018	(32,304,189)	207%
Quorum Health Corporation	6,631,228	800,000	5,395,596	4,595,596	4,538,407	1,235,631	81%
HealthSouth Corporation	1,743,062	1,725,000	2,941,237	1,216,237	1,200,270	(1,198,175)	169%
Otero County Hospital Association	4,000,752	5,304,495	9,844,027	4,539,532	4,491,167	(5,843,275)	246%
Presbyterian Health Systems LLC	115,065,019	20,409,866	120,278,428	99,868,562	98,570,320	(5,213,408)	105%
Total	253,799,986	107,689,387	321,919,714	214,230,326	211,455,502	(68,119,728)	127%

## BACKGROUND

The PCF was established in 1976 to provide for the payment of claims in excess of a primary limit of \$100,000 per incident which was provided by private insurers. This resulted in the PCF providing coverage with a non-medical indemnity limit of \$400,000 per incident (to reach the state damage cap on non-medical damages), plus unlimited medical benefits. Effective July 1, 1991, the primary limit was increased to \$150,000 on new and renewal policies, thereby reducing the PCF’s liability limit to \$350,000 non-medical indemnity, plus unlimited medical. The PCF’s liability was further reduced to \$300,000 effective April 1, 1992, when the primary limit was increased to \$200,000. Effective April 1, 1995, the maximum non-medical indemnity amount was increased to \$600,000 increasing the PCF liability retention to \$400,000 non-medical, plus unlimited medical. The PCF’s primary limit and maximum non-medical amount was increased to \$250,000 and \$750,000, respectively, on January 1, 2022, resulting in the PCF’s liability limit of \$500,000 non-medical, plus unlimited medical. For years subsequent to 2022, the per occurrence limit for the independent physicians & surgeons will be increased annually by the 1-year CPI indication for all urban consumers. The per occurrence limit for the hospitals will remain at \$500,000 excess of \$250,000.

Effective January 1, 2024, the limits on non-medical indemnity for independent (non-hospital owned) outpatient healthcare facilities is \$500,000 excess of \$500,000 plus unlimited medical benefits. The PCF’s limit on non-medical indemnity will be increased each year based on the 3-year average CPI for all urban consumers.

The unlimited medical feature of the New Mexico PCF presents significant risk for the PCF and additional variability in estimating the current liabilities and prospective rates. Since the detailed data available to estimate the unpaid claims liabilities and indicated surcharge levels only goes back to accident year 2000, some adjustments are required to this data. These adjustments, as well as the methods and assumptions used to estimate indicated loss reserves and PCF surcharges are detailed later in the report and in the attached exhibits.

Pinnacle Actuarial Resources, Inc. (Pinnacle) has been retained by the New Mexico Office of Superintendent of Insurance (OSI) to conduct a comprehensive actuarial analysis of the New Mexico Patients Compensation Fund (PCF). This analysis will contain several components including evaluation of the:

- Estimated ultimate liabilities for losses incurred by the PCF as of December 31, 2023,
- Recommended PCF assessment surcharges to fund the operations of the PCF for the effective date of January 1, 2025,
- Recommend deficit surcharges to eliminate the fund deficit by January 1, 2027 for the hospitals, and
- Independent physicians' classification plan and specialty relativities.

Pinnacle is an Illinois corporation that has been in property and casualty actuarial consulting since 1984. Our actuarial consultants make Pinnacle one of the largest property/casualty actuarial consulting firms in the U.S. We specialize in insurance pricing, loss reserving, alternative markets, legislative costing, market analysis and financial risk modeling.

Pinnacle has established a reputation as a provider of unbiased, independent, actuarially sound analyses and reports. This reputation is demonstrated in the variety of clients that have engaged us for projects similar to this one. Clients that have engaged Pinnacle in areas of medical professional liability include governmental insurance programs, legislative costing and market evaluations for healthcare industry associations (e.g. American Medical Association, Oregon Medical Association, Medical Society of Virginia), insurance departments and governmental panels (e.g. Florida, Illinois, Indiana, Maine, Michigan, New York, Ohio, Oregon), and government insurance programs (e.g. Florida Neurological Injury Compensation Association, New Mexico Patient Compensation Fund, New York Medical Indemnity Fund, Virginia Birth Related Neurological Injury Compensation Program, Wisconsin Patients Compensation Fund). Pinnacle may be unique in the breadth of parties involved in the medical professional liability insurance system that have engaged us.

## DATA SOURCES

Our analyses use a number of data sources. The data sources are categorized as follows:

1. PCF Financial Statement Data,
2. Industry Rate Filings,
3. PCF Claims Data,
4. Information related to the 2024 legislative infusion, and
5. PCF Current Class Plan and Exposure Data.

A brief description of the data sources utilized in each area along with a description of the key data elements and potential limitations of the data follows for each category.

### PCF Financial Statement Data

Unlike insurance companies who are required to provide extensive, detailed financial information annually that complies with a standardized format prescribed by the National Association of Insurance Commissioners (NAIC), most governmental insurance programs, such as the PCF, have much simpler financial reporting requirements.

Pinnacle was provided a single document, one page in length, related to and supporting the financial statements of the PCF. While in analyses prior to 2015, monthly cash flows in and out of the PCF were provided dating back to 1996 (including surcharge collections, loss payments, interest earned, underwriting expenses and claims handling expenses), for this analysis as well as the 2015 through 2019 and 2022 through 2023 analyses, we were provided only with loss, expense and operating payments, surcharges, and the total PCF funds for calendar years 2014 through 2024. We were also provided with categories of operating expenses to consider in the surcharge evaluation as well as revised PCF total funds.

### Industry Rate Filings

Insurance company rate filings provide valuable insights into individual insurance company perceptions of prospective claim trends. Many of these filings include rigorous actuarial analyses of claim frequency, severity and pure premium trends. Due to data limitations, these trend analyses are often performed on countrywide data to increase statistical credibility. Pinnacle reviewed several publicly available filings for MPLI providers and government insurance programs in New Mexico and other states to assess trends in the MPLI marketplace and for MPLI excess insurance programs in particular. Pinnacle relied on this information without independent review or verification. However, given that information had been through regulatory scrutiny, we are comfortable that the information is appropriate for the limited role it plays in our analysis.

The PCF loss data is not credible enough to calculate new relativities by ISO class. In order to review these relativities, we compiled data from The Doctors Company (TDC, filing submitted 08/21/2023) and The Medical Protective Company (MedPro, filing submitted 09/07/2022), two of the largest medical professional liability carriers in the state of New Mexico. These carrier relativities are closely based on the underlying coverage required by the PCF (\$250,000 per occurrence, \$750,000 in aggregate occurrence policies). We also compare to the Wisconsin and Indiana patient compensation funds which cover excess layers of medical professional liability similar to the PCF. These relativities are shown on Appendix 11 and Appendix 13, Page 1.

### PCF Claims Data

The enabling statute for the PCF (41-5-25) requires that the PCF surcharges be based on data obtained from New Mexico experience if available. When Pinnacle began performing these studies for OSI, credible New Mexico loss data in the PCF layer was only available on a calendar year basis which is not appropriate for reserving or ratemaking. As a result, prior analyses relied on New Mexico data for losses limited to \$100,000 from the two major primary insurers in New Mexico that participate in the PCF.

Starting with our 2010 study, OSI has been able to provide detailed claim data for most claims paid since 2000. Most of this data had valid loss dates and payment dates as well. In addition, a table of open claims with loss date information was also provided. These databases enabled Pinnacle to develop a much more direct approach to estimating indicated loss reserves as well as prospective assessment surcharge levels. However, for the 2015 analysis, only calendar year 2014 and 2015 aggregate loss payments were provided. We were again provided with detailed claim data for the 2017 through 2019 and 2022 through the current analysis, which show that the prior estimated calendar year 2014 and 2015 payments were much too high. We have relied upon the individual claim data provided to us for the current analysis.

Starting with the 2017 analysis and continuing in the current analyses, significant effort has gone into improving the loss database provided to us by Integrion. These improvements now allow us to sort payments by hospital/provider more precisely. We anticipate that this improvement to the database going forward will provide material insights into the PCF payments.

We were also provided with specific information regarding two large groups of claims. For the first group (Batch #1), we understand that early in 2012, a group of approximately 69 claims associated with a single physician and medical center were all settled. Most of these claims occurred in the 2007-2009 period. It has been represented to us that the settlement paid by the PCF on Batch #1 claims is \$11.7 million. We were provided the approximate number of claims per accident year by the department and have reflected this settlement across accident years 2006-2009, allocating the settlement by the number of claims falling in each accident year.

The second group of claims (Batch #2) were made for a single physician and associated corporations for a total of 31 incidents in accident years 2005-2010. These claims were settled for \$10,182,000. We have allocated this amount based on the claim counts in each accident year from 2005 through 2010.

Please note that for the purposes of this report, the accounting date and the valuation date is December 31, 2023. The review date (the cutoff date for including information to the actuary) is July 30, 2024.

### PCF Current Class Plan and Exposure Data

Pinnacle was provided with the PCF current class plan including base surcharges by class and assignment of Insurance Services Office (ISO) codes to PCF class. This information is publicly available on the PCF's website. At the PCF's request, we have eliminated the use of ISO codes. A list of the NM PCF specific physician codes, their current and selected classes, and the corresponding current and selected relativities are shown in Appendix 11. Class relativities are the ratio of the surcharge for a given class and a selected base class. They allow for an easier comparison of how different rating plans reflect the risk potential of a given specialty by normalizing for differences in base rates. For the PCF surcharges, Class 2 has been selected as the base class. Classes and relativities for allied health providers (physician assistants, nurse anesthetists, CRNAs, and chiropractors) are shown on Appendix 14, Page 2.

In addition, we were provided with the number of health care providers with PCF coverage by ISO specialty (for physicians and surgeons) or class (for allied health providers and business entities). These exposure counts enable us to determine the impact of any changes in classes or relativities on the PCF's surcharge levels. Exposures can be found on Appendix 12 (for physicians and surgeons), Appendix 14, Page 2 (for allied health providers), and Appendix 15 (for business entities).

## DISCUSSION AND ANALYSIS

### Estimated Unpaid Claims Liabilities as of December 31, 2023

Pinnacle estimates the amount of losses still to be paid for all claims occurring prior to December 31, 2023, to be approximately \$292.9 million on a nominal basis, \$289.1 million on a discounted basis using a 3.5% discount rate on invested assets, and \$313.7 million when the discounted reserves reflect a risk margin to increase to the statistical confidence to 75%. These results are summarized in Exhibit 1. These amounts represent estimates of the losses that remain to be paid from the current Fund balance if the PCF had ceased operations as of December 31, 2023. These reflect increases from the values calculated in the prior report as of December 31, 2022, of \$266.8 million (nominal) and \$260.3 million (discounted). The prior report calculated the discounted reserves at the 75% confidence level to be \$281.3 million.

The present value as of December 31, 2023, assuming a 3.5% annual discount rate of unpaid losses on claims occurring through December 31, 2023, is estimated as \$289.1 million. The \$69.8 million difference between the discounted losses and the estimated December 31, 2023 PCF Fund balance (\$219.3 million) represents the present value of the expected deficit between the currently available funds and the funds needed to meet all outstanding claim obligations as of December 31, 2023. The current PCF Fund balance is also \$73.6 million lower than the nominal reserve estimate. If discounted

loss reserves are increased to the 75% confidence level, the resulting reserves indicate a \$94.4 million PCF surplus deficit.

The New Mexico legislature approved a \$35.9 million legislative infusion to be applied in 2024. These amounts are allotted to the independent physicians & surgeons and produces an indicated surplus to this cohort. There is no impact to the hospitals deficit position. See Fund Summary, Page 1, for more information.

### Methodology

Pinnacle's estimates of ultimate losses for the PCF were developed based on four actuarial methods for the physician data and three methods for the hospital data. The methods used are paid loss development, expected loss ratio method, paid loss Bornhuetter-Ferguson (B-F) method, and average paid claim development (also known as a frequency and severity or counts and averages method; this method was not used with the hospital data). These methods are among the most commonly used methods and would be considered generally accepted actuarial methods. The intended measure of this approach is an actuarial central estimate of the ultimate losses and indicated loss reserves. The calculations and assumptions underpinning these methods are documented in Appendix 1 through Appendix 6 for the physician data and Appendix 7 through Appendix 8 for the hospital data.

The paid loss development method uses historical loss payment patterns to project actual payments to an ultimate settlement basis. Estimates of the percentage of additional development expected during a given interval between valuations (link ratios or age-to-age factors) based on historical development of the combined physician and hospital experience are used to estimate the expected amount of ultimate loss that is paid as of a given valuation. These factors "to ultimate" are applied to the latest paid loss data for each accident year to compute an estimate of ultimate losses. Estimates produced using this method are not affected by changes in case reserve adequacy or open claim frequency that might have occurred during the review period. The inability to respond to the presence or absence of large outstanding claims is a significant weakness of this method. This method may also be susceptible to changes in claims settlement philosophy and/or payment speed. The results of the paid loss development method are summarized in Appendix 2 and Appendix 8. The paid loss development triangles and selected age-to-age factors are shown in Appendix 9.

The expected loss ratio method assumes that over the long run the ratio of ultimate losses to earned premiums, or in this case assessment surcharges, will remain stable. The long-term loss ratio for the physician segment is assumed to be 117.5% for the 2000 and subsequent years based on the historical experience of the program, increased from 115.0% in the 2023 analysis, and the loss ratio for the hospital segment is assumed to be 125.0%, which is a decrease from the assumed loss ratio derived in the 2023 analysis (127.3%). The estimates of ultimate losses are computed as the assessments for each

year times this long-term average loss ratio. The results of this method are shown in Appendix 1, Page 2 and Appendix 7, Page 2.

The B-F method estimates ultimate losses using a combination of a priori expected losses and loss development techniques. If we define:

- A = Paid Losses
- B = Expected Percentage of Ultimate Losses Reported
- C = *a priori* Expected Losses, equal to historical assessments times long term loss ratio of 115.0% or 125.0% depending on the segment

then the estimated ultimate losses using the B-F technique are:

$$A + [C \times (1 - B)].$$

B-F ultimate loss estimates have the advantage of stability. This is important for coverages with long periods of loss development like MPLI. This stability means the method's estimates do not overreact to short-term or one-time changes in development patterns that do not impact long-term development expectations. They also do not overreact to the presence or absence of large losses early in the development of a portfolio of claims. Conversely, B-F estimates have the disadvantage of being slow to respond to real changes in underlying loss development behavior. The *a priori* losses were based on the expected loss ratio method previously described. This method is summarized in Appendix 1, Page 1 and Appendix 7, Page 1.

The counts and averages method estimates ultimate losses by multiplying an estimate of the ultimate number of claims by a selected average cost per claim. This method was only used on the physician segment as the hospital data is not yet robust enough to support the method. The results of this method are contained in Appendix 3 through Appendix 6 and summarized in Appendix 3, Page 1. The supporting development patterns are contained in Appendix 10.

The number of claims has been selected based on three methods: a closed claim development method, a B-F method, and a frequency method looking at the long-term ratio of claims closed with payment to assessment revenues. Similarly, average claim costs (severities) have been estimated using paid claim severity development and applying a smoothing approach to adjust for volatility between years.

Selected ultimate loss estimates for the PCF layer of coverage by year were then made based on the results of these four methods for each segment (three methods for the hospitals segment). These estimates rely heavily on the B-F method and expected loss ratio method in the more recent years.



Exhibit 1, Page 3 contains a detailed comparison of the selected ultimate losses compared to the results of the 2023 study. The estimated ultimate losses for most years were decreased with the 2017 year showing the largest decrease (\$5.7 million).

Because of the significant delay between the occurrence of a PCF claim and its payment, a discount to bring the ultimate claim payments to a present value reflecting the time value of money exists. Exhibit 1, Page 2 contains the analysis developing estimates of the PCF present value factors based on a 3.5% rate of return on invested assets and the estimated PCF excess payment pattern. This analysis assumes claim payments are made mid-year on average.

The financial operations of the PCF are similar to a commercial insurer, but one major difference is that the PCF does not maintain a large capital/surplus account. However, in any given year, the actual experience of the PCF can deviate widely from the expected experience. Unanticipated changes in the social, legal or economic environments can also adversely affect PCF experience. An insurer's capital/surplus can assist in withstanding such deviations in experience. By adding a margin for the risk of adverse deviation to indicated loss reserve (and also funding levels), the PCF can be protected in a similar manner.

There are various rules of thumb used in the insurance industry (some mandated by state regulations) that specify the size of the required risk margin (surplus). One state, for example, requires a margin sufficient to assure that funds will be sufficient to meet all claims obligations under 90% of all claims scenarios on a discounted basis. While there are a number of methods for estimating a risk margin, a reasonable margin can be estimated via a simulation model.

We constructed a simulation model that randomly generated possible aggregate loss outcomes for each of the PCF's projected unpaid claims that will ultimately result in payments. Each random outcome generated by a model is called a trial. A trial consists of simulating the individual and aggregate claim results for the PCF for the coming years. We generated 10,000 trials for each model and produced a distribution of aggregate PCF losses. We then compared the average outcome with the outcome at the 75<sup>th</sup> percentile to compute the risk margin for the 75% confidence level.

Exhibit 1, Page 1 summarizes Pinnacle's selected ultimate losses and ultimate loss reserves as of December 31, 2023. These selected reserves are then adjusted for discounting at 3.5% annually and a risk margin to increase statistical confidence to the 75% level. A similar simulation model was created for the risk margin applied to the prospective rate level indication and a similar approach was used to develop the rate indication at the 75% confidence level.

PCF Coverage Limits and Expected Surcharge Levels

A table of current and recommended PCF surcharges by physician class is shown in Exhibit 3. Recommended surcharges were computed based on both an expected value basis and a 75% confidence level.

For the independent physicians & surgeons, the indicated percentage rate level changes are derived in Exhibit 4, Page 1. On an expected value basis, the indicated surcharge change is an increase of +11.1%, while at the 75% confidence level an increase of +20.5% is indicated. If proposed changes in class relativities are approved, base rates would need to be decreased by 0.7% to offset the resulting surcharge increases for specific classes.

We have made use of the CPI for all urban consumers to calculate the increase to the per occurrence limit:

Consumer Price Index All Urban Consumers		
Year	Index	% Chg.
(1)	(2)	(3)
2014	236.3	
2015	237.8	0.64%
2016	242.6	2.05%
2017	247.8	2.13%
2018	252.8	2.00%
2019	258.6	2.32%
2020	262.0	1.30%
2021	280.8	7.18%
2022	298.8	6.41%
2023	308.7	3.32%
1-Yr Change		3.32%
3-Yr Change		5.62%

\*Source: bls.gov  
 Series ID: CUSR0000SA0

Evaluating the index as of year-end 2023 produces an adjustment factor of 3.32%. The result is an increase to the per occurrence limit from \$854,991 to \$883,404 – widening the PCF’s exposed layer from \$604,991 to \$633,404. Our analysis of MPLI ILF’s indicate that rates should be increased +2.4% to support the additional exposure. Aggregating these elements produces an indicated rate change of +13.0% at the expected level and +22.6% at the 75% confidence level.

Effective January 1, 2024, the limits on non-medical indemnity for independent (non-hospital owned) outpatient healthcare facilities is \$500,000 excess of \$500,000 plus unlimited medical benefits. The PCF's limit on non-medical indemnity will be increased each year based on the 3-year average CPI for all urban consumers. The adjustment for this year is 5.62% and is applied on a ground-up basis, increasing the PCF's exposed layer from \$500,000 to \$556,239.

Exhibit 6, Page 1, provides the indicated percentage rate level changes for the hospitals. On an expected value basis, the indicated change is -1.9%; at the 75% confidence level the indicated change is increased to +6.5%.

Including the risk margin at the 75% confidence level improves the likelihood that rates will be sufficient to cover all claims liabilities for the upcoming exposure year.

Investment income as an offset to the otherwise required revenue is recognized in both sets of rates using a 3.5% annual discount rate, assuming all surcharge income will be available for investment. Loss ratios were selected based on historical results and reflect recent loss ratio deterioration. The rates include provisions for other expenses, such as administration and medical/legal panels, as well as losses. However, since allocated loss adjustment expenses (ALAE) have historically been paid by the primary carrier, no ALAE provision is included in the PCF rates. Exhibit 7 shows selected ratios of expenses to either losses or surcharge revenues based on the PCF's historical paid expenses and losses. There is also no provision for profit and contingencies in the rate level indications, other than the risk margin.

### PCF Surplus/Deficit

The current PCF Fund balance is approximately \$219.3 million as of December 31, 2023. When compared to Pinnacle's estimate of indicated undiscounted loss reserves of approximately \$292.9 million, this would suggest a Fund deficit position of \$73.6 million as of December 31, 2023. The indicated Fund position remains a deficit of approximately \$69.8 million when losses are considered on a discounted basis using a 3.5% discount rate on invested assets.

However, it is imperative to understand that the application of discounting to these unpaid claims liabilities strongly indicates the need to add an explicit risk margin. For example, section 3.6 of Actuarial Standard of Practice No. 20 promulgated by the Actuarial Standards Board entitled, "Discounting of Property/Casualty Unpaid Claim Estimates" states that, "The actuary should be aware of the relationship between discounting unpaid claim estimates and risk margins. Discounting an unpaid claim estimate diminishes the [implicit] margin in an undiscounted unpaid claim estimate."

The standard allows both implicit margins (such as the nominal reserve estimate) and explicit margins (such as the 75% risk margin developed by Pinnacle). If discounted reserves are increased to the 75% confidence level, the resulting reserves of \$313.7 million indicate a \$94.4 million PCF surplus deficit.

In 2024, the New Mexico legislature approved a \$35.9 million legislative infusion. The legislative infusion is allocated 100% to the independent physicians & surgeons and more than eliminates the indicated deficit as of December 31, 2023; any remaining funds will be held as surplus that will inure to the benefit of the independent physicians & surgeons. On a nominal basis, the indicated surplus is \$17.5 million. Considering a discount rate of 3.5% on invested assets adjusts the surplus amount to \$18.4 million. The indicated surplus is \$12.3 million when including a risk margin to the 75<sup>th</sup> percentile to the discounted reserves.

The allocated discounted deficit to the hospitals is \$52.4 million and \$17.5 million for independent physicians and surgeons (prior to the impact of the 2024 legislative infusion). After adjusting for the legislative infusion, the 2025 deficit surcharge is 0.0% for independent physicians and surgeons and 25.8% for the hospitals. These load factors were derived so that the deficit for the hospitals is eliminated as of January 1, 2027. See Exhibit 3, Page 1 for more detail.

### Class Plan and Entity Coverage Review

Pinnacle's class plan review was based on two parts: reviewing class assignments by PCF class code and evaluating overall relativities by class. We then calculated the indicated surcharge impact to the PCF based on each suggested change on Appendix 12.

To review the PCF class code assignments, we compared the current PCF relativities to the other patient compensation funds and primary carrier relativities to determine if any classes appeared to be significantly lower or higher than the industry would indicate and selected new relativities as appropriate. The NM PCF class codes and relativities are found on Appendix 11, while new class assignments are shown on Appendix 12.

Once the class assignments were adjusted, we reviewed the overall weighted relativities by class to determine whether the class relativities remained appropriate. The findings of this analysis indicate no adjustment in the relativity factors.

Based on the class assignment review, we recommend the following adjustments: All NM PCF specific codes shown in the following list are for M.D. physicians and surgeons; the same adjustments apply to the corresponding codes for D.O. physicians and surgeons. More detail regarding these numbers is shown in Appendix 11 through Appendix 15.

NM Class	Current	Proposed		Current	Proposed	Proposed	Indicated	% of
<u>Code</u> <u>Specialty</u>	<u>Class</u>	<u>Class</u>	<u>Exposures</u>	<u>Rate</u>	<u>Rate</u>	<u>Factor</u>	<u>Surcharge</u>	<u>Surcharge</u>
							<u>Impact</u>	<u>Impact</u>
10055 Hematology - No Surgery	1	2	9	4,761	6,348	1.00	14,283	33.3%
10001 Acupuncture - Other than Acupuncture Anesthesia	2	3	0	6,348	7,617	1.20	0	0.0%
10024 Dermatology - No Surgery	2	1	40	6,348	4,761	0.75	(63,480)	-25.0%
10056 Hospitalism	2	3	277	6,348	7,617	1.20	351,513	20.0%
10078 Neurology - Including Child - No Surgery	2	3	18	6,348	7,617	1.20	22,842	20.0%
10079 Neurology - Including Child - No Surgery - All Other	2	3	13	6,348	7,617	1.20	16,497	20.0%
10080 Neurology - Including Child - No Surgery - Pain Management	2	3	14	6,348	7,617	1.20	17,766	20.0%
10110 Pediatrics - No Surgery	3	2	131	7,617	6,348	1.00	(166,239)	-16.7%
10139 Pulmonary Diseases - No Surgery	4A	3	30	9,521	7,617	1.20	(57,120)	-20.0%
10124 Podiatrists/Chiroprodists - No Surgery	4	3	0	11,426	7,617	1.20	0	0.0%
10146 Radiology - Therapeutic - Minor Surgery	5	5A	1	13,966	10,792	1.70	(3,174)	-22.7%
Total Surcharge Impact							132,888	

The total impact of the class assignment changes and class relativity changes on the indicated surcharge is +\$132,888. See Appendix 12 for more detail regarding this impact.

We also compared PCF relativities for the allied provider types to the other patient compensation fund and insurer relativities and recommend no changes. More details of this recommendation may be found on Appendix 14, Page 2.

The final piece of our analysis was a review of the entity coverage charge for business entities covered by the PCF. Based on our review of industry rate filings, we found that a typical entity charge is 10% of the premium for each covered provider in the entity. Because individual analysis of practice groups to calculate an appropriate rate would be inefficient, and because there is no indication that the industry standard is unreasonable, we believe that following the industry practice is appropriate. The actual surcharge will therefore vary based on the individual provider specialty. In order to estimate the funding impact, we assumed the distribution of specialty by entity class aligns with the distribution of NM PCF-covered physician & surgeons by PCF class code. This change results in an estimated surcharge impact of +\$10,353. More details of this calculation are available in Appendix 15.

**Allocation of Ultimate & Outstanding Losses by Hospital**

We have allocated the estimated ultimate and outstanding losses by evaluating each hospital’s level of surcharges and paid loss experience. We have compared the estimated ultimate losses to the corresponding surcharges to evaluate the underwriting performance for each hospital. These results are summarized below.

**Allocation of Ultimate & Outstanding Losses by Hospital**

Hospital (1)	Estimate Hospital Surcharges (2)	Paid Losses (3)	Estimated Ultimate Losses (4)	Undiscounted Reserves (5)	Discounted Reserves (6)	Gain/(Loss) (7)	Ultimate Loss Ratio (8)
Christus St. Vincent Hospital	39,411,865	34,306,821	55,022,941	20,716,120	20,439,688	(15,611,076)	140%
Community Health Systems	37,151,610	7,437,900	40,831,249	33,393,350	32,926,984	(3,679,640)	110%
LifePoint Health Group	19,478,037	7,797,956	24,983,634	17,185,678	16,970,649	(5,505,596)	128%
Lovelace Health System LLC	30,318,413	29,907,350	62,622,602	32,715,251	32,318,018	(32,304,189)	207%
Quorum Health Corporation	6,631,228	800,000	5,395,596	4,595,596	4,538,407	1,235,631	81%
HealthSouth Corporation	1,743,062	1,725,000	2,941,237	1,216,237	1,200,270	(1,198,175)	169%
Otero County Hospital Association	4,000,752	5,304,495	9,844,027	4,539,532	4,491,167	(5,843,275)	246%
Presbyterian Health Systems LLC	115,065,019	20,409,866	120,278,428	99,868,562	98,570,320	(5,213,408)	105%
<b>Total</b>	<b>253,799,986</b>	<b>107,689,387</b>	<b>321,919,714</b>	<b>214,230,326</b>	<b>211,455,502</b>	<b>(68,119,728)</b>	<b>127%</b>

## GLOSSARY OF TERMS & ABBREVIATIONS

The definitions included in this glossary are intended to be practical definitions to assist non-technical readers in understanding the key technical contents of this report.

**Accident Year** – A method of organizing insurance loss and loss adjustment expense data according to the year in which the accident or event occurred.

**Annual Statement** – A detailed financial report of an insurance company, required to be filed with state insurance regulators in a specified format using insurance-specific accounting rules.

**Calendar Year** – A method of organizing insurance loss and loss adjustment expense data according to the year in which the financial transaction (e.g., a loss payment or reserve increase) occurred.

**Case Reserves** – A financial provision for the potential liability associated with known, unpaid claims.

**Claims-Made Coverage** – An insurance coverage form that provides reimbursement for claims reported during the coverage period.

**Damage Cap** – An amount imposed as a limit on claim damages. In New Mexico, this cap applies only to non-medical indemnity payments.

**DCC** – Defense and Cost Containment, loss adjustment expenses specifically attributable to the defense of a claim or cost containment procedures. Also called DCCE.

**Deficit Surcharge** - Assessments in addition to base surcharges designed to reduce the fund deficit.

Earned Premium – The portion of an insurance policy's premium for which the coverage has been provided.

Experience Rating – A method of adjusting insured premium derived from manual rates for insured historical loss experience to the extent that it is predictive of future loss results.

Fund Deficit – The amount by which the calculated reserves exceed the fund balance.

Frequency – The number of claims per unit of exposure, such as physicians or beds.

Incurred but not Reported (IBNR) reserves – A provision for unpaid claims liabilities intended to provide a provision for both unknown/unreported claims events and additional development on known claims.

Incurred Loss – Paid losses plus Case Reserves.

Indemnity – The sum paid by the insurer to the insured by way of compensation for a particular loss suffered by the insured.

LAE – Loss Adjustment Expenses; insurance company expenses associated with settling claims. LAE includes both unallocated loss adjustment expenses (ULAE, which is similar to Adjusting and Other Expense, AOE) and allocated loss adjustment expenses (ALAE, which is similar to DCC).

Limit – The most the insurer is obligated to pay for loss in any one occurrence.

Loss Cost – The ratio of actual losses to a company's subject matter exposure for the same period.

Loss Ratio – The ratio of some measure of losses (typically paid or incurred) to some measure of premium.

Patient Compensation Fund (PCF) - a medical malpractice insurance mechanism, created by state law, designed to increase professional liability coverage availability and/or affordability primarily by providing coverage for a specific type of injury or an excess layer of coverage.

Primary Carrier – The insurance company issuing the insurance policy to the insured and typically providing the lowest or primary layer of coverage. This is compared to a reinsurer or excess carrier providing coverage to the primary insurer for higher loss limits.

Pure Premium – The provision in the rate per exposure unit to pay losses.

Rate – The price per exposure unit for insurance coverage.

Reinsurance – A mechanism by which an insurance company can transfer some of their insurance risk to another insurer.

Report Year – A method of organizing insurance loss and loss adjustment expense data according to the year in which the accident or event was reported to the insurer, regardless of when it occurred.

Risk Margin – A factor added to indicated ultimate losses, loss reserves or funding estimates to increase statistical confidence to a higher level.

Severity – The average cost or payment amount of a claim.

Surcharges – For the PCF, assessments paid by insureds to fund benefits payments. Akin to premiums, these surcharges are added to the premiums charged by primary insurers so insureds can make a single payment for both primary and PCF coverage.

Territory – The geographic area within which a carrier provides coverage.

Trend – The direction and amount that rates, premium, or losses tend to move over time.

Written Premium – The entire amount of premium on a policy contract.



## LEGAL DISCLOSURES

### Distribution and Use

This report is being provided to the OSI solely for their internal use. It is understood that this report may also be distributed to representatives of the New Mexico Medical Society, New Mexico Bar Association, as well as other makers of public policy and various stakeholders in the healthcare industry in the State of New Mexico. Distribution to these parties is granted on the conditions that the entire report be distributed rather than any excerpts and that all recipients be made aware that Pinnacle is available to answer any questions regarding the report. In the event our report is distributed to other parties due to statute or regulations, or by agreement of Pinnacle and the OSI, we require that the report and supporting exhibits be distributed in their entirety. Pinnacle advises that any recipient have their own actuary review the work. Pinnacle does not intend to benefit any third-party recipient of its work product or create any legal duty from Pinnacle to a third party even if Pinnacle consents to the release of its work product to such third party.

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Third party users of any of the elements of this report should recognize that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data, computations, or interpretations contained herein that would result in the creation of any duty or liability by Pinnacle to the third party.

Any reference to Pinnacle in relation to this report in any reports, accounts, or other published documents or any verbal reference issued by PCF is not authorized without prior written consent and then only if the complete report is provided.

### Reliances and Limitations

Judgments as to conclusions, recommendations, methods and data contained in this report should be made only after studying the report in its entirety. It should be understood that the exhibits, graphs and figures are integral elements of the report. These sections have been prepared so that our actuarial assumptions and judgments are documented. Pinnacle is available to answer any questions that may arise regarding this report. We assume that the user of this report will seek such explanation on any matter in question.

We have relied upon a great deal of publicly available and proprietary data, without audit or verification. Pinnacle reviewed as many elements of this data and information as practical for

reasonableness and consistency with our knowledge of the insurance industry. It is possible that the historical data used to make our estimates may not be predictive of future experience in New Mexico. We have not anticipated any extraordinary changes to the legal, social or economic environment which might affect the size or frequency of medical malpractice claims beyond those contemplated in the proposed legislative changes.

Our analysis is based on closed and open claims information provided by OSI. In the data provided for prior analyses, there were a small number of claims that did not contain accurate loss dates. In addition, there were a small number of claims handled in 2000-2001 by a secondary third-party administrator (TPA) that were not contained in the data we were provided. We did not receive payment dates for most new claims in 2023 but were provided with an average lag from settlement date to payment date of 60 days. However, we believe the methods and assumptions incorporated into our analysis effectively recognize these shortcomings in the data. If it is subsequently discovered that the underlying data or information provided to us is materially in error, the calculations and conclusions herein will not be correct and will need to be revised. We expect OSI to notify us promptly if any such data issues are subsequently discovered.

The payment pattern used in our analysis for deriving PCF's present value factor and estimated unpaid losses is based on the data available from PCF claims payments for most claims since 2000 through 2023. We also reviewed a variety of external databases for other PCFs and MPLI reinsurance to validate the reasonableness of the payment pattern for the PCF excess layer. The volatility of the payment patterns for this layer of coverage on a relatively small portfolio of claims introduces additional risk into the estimation process.

Many actuarial estimates, including loss and loss adjustment expense reserves, future surcharge level estimates and potential legislative impacts, are subject to potential errors of estimation due to the fact that the ultimate liability for claims is subject to the outcome of events yet to occur, e.g., jury decisions, judicial interpretations of statutory changes and attitudes of claimants with respect to settlements. Pinnacle has employed techniques and assumptions that we believe are appropriate, and we believe the conclusions presented herein are reasonable, given the information currently available. It should be recognized that future loss emergence will likely deviate, perhaps substantially, from our estimates.

A source of variation is introduced in estimating outstanding liabilities on a discounted basis. That is, besides the risk of underestimating or overestimating the overall amount of nominal loss liabilities, there is the additional risk that the future yield on the underlying assets will differ from our assumed discount rate. Actual loss payments could occur materially more rapidly or more slowly than projected, due to random variations and the timing of large claim payments. The yield on assets supporting the liabilities may be affected by capital gains or losses, or significant changes in economic conditions. The

3.5% interest rate used in the discounting calculation was provided to us by the OSI. We believe this rate to be reasonable for use in discounting the PCF's unpaid liabilities as it is consistent with the risk free 10-year Treasury yields as of 7/29/2024. We note that the discount factors used in this analysis assume that only the invested assets as shown in the PCF's financials will generate investment income to offset the nominal reserves.

The mathematical techniques underlying our estimate of the risk margin are intended to provide an approximation of the potential variation in loss costs. It should be noted that this estimate reflects only the potential "process" variation (i.e., the random variation inherent in the claim process) based on the assumed loss distributions and the selected parameters. Additional "parameter" variation exists due to the risk that the selected theoretical loss distributions and their parameters will not be predictive of the actual loss distributions. Of particular concern is the potential for unexpected increases in the inflation of the losses.

A substantial source of uncertainty relates to the emergence of the COVID-19 pandemic and its ongoing impact. This uncertainty could impact the projection of unpaid claim and future funding estimates in several different ways including, but not limited to:

- Claim reporting patterns and the risk of longer claim durations as claims handling and settlement are impacted and claimants behave differently
- Changes in exposure to specific coverages
- Emerging exposure to losses not contained in the source data for certain coverages
- Material changes in underlying loss exposures as COVID-19 impacts businesses
- Potential legal disputes regarding the applicability of specific coverages to COVID-19-related claims
- Changes associated with ongoing medical care of current claimants due to the virus for lines of business with a medical coverage component, and
- Changes in economic environments that could affect the cost of future claims.

Some of these uncertainties may affect the settlement of claims that occurred prior to COVID-19 being declared a pandemic. The COVID-19 pandemic may have a material impact on our reserve and funding estimates as its effects emerge over time.

A simulation model of this type cannot possibly capture all or completely describe any of the dynamic forces that impact medical professional liability losses. Such a model, however, can provide considerable insight into the range of potential fluctuation of losses.

Pinnacle is not qualified to provide formal legal interpretations of state legislation. The elements of this report that require legal interpretation should be recognized as reasonable interpretations of the available statutes, regulations, and administrative rules. State governments and courts are also constantly in the process of changing and reinterpreting these statutes.

## Exhibits

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
Fund Summary	Estimated Unpaid Claims Liabilities & Surcharge Levels
1	Reserve Summary (Page 1) Calculation of Discount Factor (Page 2) Comparison to Prior Analysis (pages 3-5)
2	Independent Physicians & Surgeons - Selected Ultimate Losses
3	Development of Physician Surcharge Estimates
4	Independent Physicians & Surgeons – Indicated Rate Change
5	Hospitals - Selected Ultimate Losses
6	Hospitals - Indicated Rate Change
7	Expense Analysis

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Estimated Financial Position**

	Estimated Ultimate Reserves (1)	Estimated Discounted Reserves (2)	Estimated Discounted Reserves @ 75% (3)	Fund Balance (4)	Indicated Deficit/(Surplus)			2024 Legislative Infusion (8)	Indicated Deficit/(Surplus) incl Legislative Infusion		
					Undiscounted (5)	Discounted (6)	Discounted @ 75% (7)		Undiscounted (9)	Discounted (10)	Discounted @ 75% (11)
<b>Estimated Financial Position as of 12/31/2023</b>											
Independent Physician & Surgeons	78,634,086	77,638,728	84,238,020	60,240,257	18,393,829	17,451,284	23,594,536	35,900,000	(17,506,171)	(18,448,716)	(12,305,464)
Hospitals & OHCF's	214,230,326	211,455,502	229,429,219	159,048,839	55,181,488	52,353,851	70,783,608	0	55,181,488	52,353,851	70,783,608
<b>Total</b>	<b>292,864,412</b>	<b>289,094,230</b>	<b>313,667,240</b>	<b>219,289,095</b>	<b>73,575,317</b>	<b>69,805,135</b>	<b>94,378,144</b>	<b>35,900,000</b>	<b>37,675,317</b>	<b>33,905,135</b>	<b>58,478,144</b>

**Amortization of Deficit Surcharge**

	Calendar Year						Total
	2024	2025	2026	2027	2028	2029	
<b>Independent Physician &amp; Surgeons</b>							
(12) Deficit Surcharge/Legislative Infusion		0	0	0	0	0	0
(13) Discounted Deficit Surcharge		0	0	0	0	0	0
(14) Surcharge		22,207,292	23,317,656	24,483,539	25,707,716	26,993,102	122,709,304
(15) Deficit Surcharge as a % of Surcharge	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Hospitals &amp; OHCF's</b>							
(12) Deficit Surcharge	26,958,727	15,360,436	15,360,436				57,679,598
(13) Discounted Deficit Surcharge	26,498,983	14,587,908	14,094,597				55,181,488
(14) Surcharge	57,606,484	56,520,292	59,346,306				173,473,082
(15) Deficit Surcharge as a % of Surcharge	46.0%	25.8%	23.7%				31.8%
<b>Combined</b>							
(12) Deficit Surcharge		15,360,436	15,360,436	0	0	0	30,720,872
(13) Discounted Deficit Surcharge		14,587,908	14,094,597	0	0	0	28,682,505
(14) Surcharge		78,727,583	82,663,962	24,483,539	25,707,716	26,993,102	238,575,902
(15) Deficit Surcharge as a % of Surcharge		18.5%	17.1%	0.0%	0.0%	0.0%	12.0%

Column/Row

Note

- (1) Exhibit 1, Page 1, Col (8)
- (2) Exhibit 1, Page 1, Col (10)
- (3) Exhibit 1, Page 1, Col (12)
- (4) Total provided by client; allocated between independent physicians & surgeons and hospitals based on Fund Summary, Page 2
- (5) Col (5), Total = Col (1) - Col (4); Allocation between Physicians & Surgeons/Hospitals based on Fund Summary, Page 2, Row (8) & (9), respectively
- (6) Col (6), Total = Col (2) - Col (4); Allocation between Physicians & Surgeons/Hospitals based on Fund Summary, Page 2, Row (8) & (9), respectively
- (7) Col (7), Total = Col (3) - Col (4); Allocation between Physicians & Surgeons/Hospitals based on Fund Summary, Page 2, Row (8) & (9), respectively
- (8) Provided by client
- (9) Col (5) - Col (8)
- (10) Col (6) - Col (9)
- (11) Col (7) - Col (10)
- (12), (13) Amortized deficit surcharge over a 5-year period at 3.5% per annum; 2025 deficit surcharge based on data provided by client; amount for 2024 are estimated
- (14) For 2025: Physicians & Surgeons Exhibit 1 for Physicians & Surgeons; Hospitals & Outpatient Facilities Exhibit 1 for Hospitals & OHCF's  
All other years trended at 5.0% per annum
- (15) Row (14) / Row (13)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Calculation of Fund Deficit Allocation**

Accident Year	Independent Physician & Surgeons						Hospitals						
	Practitioner Surcharges	Selected Ultimate Losses	Gain/(Loss)	Deficit Surcharges	Legislative Infusions	Gain/(Loss) Incl. Deficit Surcharges & Infusions	Hospital Surcharges	Selected Ultimate Losses	Gain/(Loss)	Deficit Surcharges	Legislative Infusions	Gain/(Loss) Incl. Deficit Surcharges & Infusions	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
2000	8,238,309	6,560,000	1,678,309										
2001	9,181,946	9,261,652	(79,706)										
2002	9,421,675	9,309,500	112,175										
2003	9,924,688	6,596,189	3,328,499										
2004	9,283,270	5,482,500	3,800,770										
2005	9,151,210	9,776,657	(625,447)										
2006	9,067,465	8,140,629	926,836										
2007	8,810,595	19,005,969	(10,195,374)										
2008	9,696,249	19,398,176	(9,701,927)										
2009	11,325,257	11,817,704	(492,446)				918,297	2,075,000	(1,156,703)				
2010	10,410,307	17,814,906	(7,404,598)				1,680,228	2,005,000	(324,772)				
2011	11,380,891	19,354,469	(7,973,578)				1,825,004	2,547,500	(722,496)				
2012	9,765,990	8,313,996	1,451,994				1,817,812	3,485,425	(1,667,613)				
2013	9,596,773	6,963,451	2,633,323				1,992,604	2,625,519	(632,915)				
2014	10,065,996	14,113,099	(4,047,103)				2,146,331	6,789,039	(4,642,709)				
2015	10,535,218	6,243,096	4,292,122				2,224,828	5,766,835	(3,542,007)				
2016	9,039,070	8,999,236	39,834				6,374,245	10,816,347	(4,442,101)				
2017	12,725,963	21,257,203	(8,531,239)				21,561,182	22,002,315	(441,132)				
2018	9,835,929	18,258,276	(8,422,346)				31,292,438	37,829,931	(6,537,493)				
2019	10,170,463	15,913,636	(5,743,173)				31,872,010	37,102,338	(5,230,328)				
2020	10,236,009	11,646,896	(1,410,887)				31,731,360	42,079,810	(10,348,450)				
2021	11,585,186	13,612,594	(2,027,408)				32,655,867	40,656,093	(8,000,226)				
2022	15,302,205	17,980,091	(2,677,886)				37,653,051	47,590,312	(9,937,262)				
2023	16,934,483	19,898,018	(2,963,535)				48,224,599	60,280,749	(12,056,150)				
Total	251,685,148	305,717,939	(54,032,790) -21.5%	0	50,150,000	(3,882,790) -1.5%	253,969,856	323,652,214	(69,682,357) -27.4%	11,393,470	12,350,000	(45,938,887) -18.1%	
											<u>Prior</u>	<u>Selected</u>	
											(14) Physicians Allocation Percentage	42.8%	25.0%
											(15) Hospital Allocation Percentage	57.2%	75.0%

Column/Row

- (2), (8) Based on data provided by client
- (3) Exhibit 2, Col (8)
- (4) Col (2) - Col (3)
- (5), (11) Based on data provided by client
- (6), (12) Based on data provided by client. Reflects:
  - 2022 \$30.0M legislative infusion allocated 100% to Independent Physician & Surgeons and 0% to Hospitals
  - 2023 \$32.5M legislative infusion allocated 62% to Independent Physician & Surgeons and 38% to Hospitals
- (7) Col (4) + Col (5) + Col (6)
- (9) Exhibit 5, Col (7)
- (10) Col (8) - Col (9)
- (13) Col (10) + Col (11) + Col (12)
- (14) Judgmentally selected
- (15) Judgmentally selected

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Hospital (1)	Estimate Hospital Surcharges (2)	Paid Losses (3)	Estimated Ultimate Losses (4)	Undiscounted Reserves (5)	Discounted Reserves (6)	Gain/(Loss) (7)	Ultimate Loss Ratio (8)
Christus St. Vincent Hospital	39,411,865	34,306,821	55,022,941	20,716,120	20,439,688	(15,611,076)	140%
Community Health Systems	37,151,610	7,437,900	40,831,249	33,393,350	32,926,984	(3,679,640)	110%
LifePoint Health Group	19,478,037	7,797,956	24,983,634	17,185,678	16,970,649	(5,505,596)	128%
Lovelace Health System LLC	30,318,413	29,907,350	62,622,602	32,715,251	32,318,018	(32,304,189)	207%
Quorum Health Corporation	6,631,228	800,000	5,395,596	4,595,596	4,538,407	1,235,631	81%
HealthSouth Corporation	1,743,062	1,725,000	2,941,237	1,216,237	1,200,270	(1,198,175)	169%
Otero County Hospital Association	4,000,752	5,304,495	9,844,027	4,539,532	4,491,167	(5,843,275)	246%
Presbyterian Health Systems LLC	115,065,019	20,409,866	120,278,428	99,868,562	98,570,320	(5,213,408)	105%
<b>Total</b>	<b>253,799,986</b>	<b>107,689,387</b>	<b>321,919,714</b>	<b>214,230,326</b>	<b>211,455,502</b>	<b>(68,119,728)</b>	<b>127%</b>

Column

- (2), (3) Based on data provided by client; excluding deficit surcharge
- (4) Based on Pinnacle analysis of loss history by hospital
- (5) Col (4) - Col (3)
- (6) Col (5) x Exhibit 1, Page 1, Col (9)
- (7) Col (2) - Col (4)
- (8) Col (4) / Col (2)

***Excludes Losses & Surcharges Related to Southwest and NM Heart Institute***



**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Reserve Summary**

Exhibit 1  
Page 1

Accident Year	Physician & Surgeons			Hospitals			Combined Selected Ultimate Reserves	Discount Factor	Estimated Discounted Reserves	Indicated Risk Margin @ 75%	Estimated Discounted Reserves @ 75%
	Selected Ultimate Losses	Paid Losses	Selected Ultimate Reserves	Selected Ultimate Losses	Paid Losses	Selected Ultimate Reserves					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2000	6,560,000	6,560,000	0				0			1.085	
2001	9,261,652	9,261,652	0				0			1.085	
2002	9,309,500	9,309,500	0				0			1.085	
2003	6,596,189	6,596,189	0				0			1.085	
2004	5,482,500	5,482,500	0				0			1.085	
2005	9,776,657	9,776,657	0				0			1.085	
2006	8,140,629	8,140,629	0				0			1.085	
2007	19,005,969	19,005,969	0				0			1.085	
2008	19,398,176	19,398,176	0				0			1.085	
2009	11,817,704	11,817,704	0	2,075,000	2,075,000	0	0			1.085	
2010	17,814,906	17,814,906	0	2,005,000	2,005,000	0	0			1.085	
2011	19,354,469	19,354,469	0	2,547,500	2,547,500	0	0			1.085	
2012	8,313,996	8,284,408	29,588	3,485,425	3,475,000	10,425	40,013	0.998	39,915	1.085	43,308
2013	6,963,451	6,900,000	63,451	2,625,519	2,607,237	18,282	81,732	0.996	81,366	1.085	88,283
2014	14,113,099	13,920,435	192,664	6,789,039	6,688,260	100,779	293,443	0.994	291,803	1.085	316,606
2015	6,243,096	6,015,000	228,096	5,766,835	5,624,980	141,855	369,951	0.993	367,309	1.085	398,530
2016	8,999,236	8,645,000	354,236	10,816,347	10,425,179	391,167	745,403	0.991	738,873	1.085	801,678
2017	21,257,203	19,922,500	1,334,703	22,002,315	20,216,636	1,785,679	3,120,381	0.992	3,096,043	1.085	3,359,207
2018	18,258,276	11,916,289	6,341,987	37,829,931	24,513,405	13,316,525	19,658,512	0.995	19,569,438	1.085	21,232,840
2019	15,913,636	7,693,375	8,220,261	37,102,338	13,785,125	23,317,213	31,537,474	0.993	31,316,971	1.085	33,978,914
2020	11,646,896	1,182,782	10,464,114	42,079,810	10,216,278	31,863,532	42,327,645	0.991	41,966,367	1.085	45,533,508
2021	13,612,594	0	13,612,594	40,656,093	3,272,000	37,384,093	50,996,687	0.989	50,411,036	1.085	54,695,974
2022	17,980,091	85,714	17,894,376	47,590,312	1,970,286	45,620,027	63,514,403	0.985	62,562,663	1.085	67,880,490
2023	19,898,018	0	19,898,018	60,280,749	0	60,280,749	80,178,767	0.981	78,652,444	1.085	85,337,902
Total	305,717,939	227,083,853	78,634,086	323,652,214	109,421,887	214,230,326	292,864,412		289,094,230		313,667,240

Column/Row

- (2) Exhibit 2, Col (8)
- (3), (6) Provided by client
- (4) Col (2) - Col (3)
- (5) Exhibit 5, Col (7)
- (7) Col (5) - Col (6)
- (8) Col (4) + Col (7)
- (9) Exhibit 1, Page 2
- (10) Col (8) x Col (9)
- (11) Based on simulation analysis of future closed claims
- (12) Col (10) x Col (11)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Calculation of Discount Factor**

Accident Year	Indicated Reserve	Months	Unpaid Percentage	Payments made at:																				Discount	Disc. on Invested Assets
				0.5 07/01/24	1.5 07/01/25	2.5 07/01/26	3.5 07/01/27	4.5 07/01/28	5.5 07/01/29	6.5 07/01/30	7.5 07/01/31	8.5 07/01/32	9.5 07/01/33	10.5 07/01/34	11.5 07/01/35	12.5 07/01/36	13.5 07/01/37	14.5 07/01/38	15.5 07/01/39	16.5 07/01/40	17.5 07/01/41	18.5 07/01/42			
2000	-	288	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2001	-	276	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2002	-	264	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2003	-	252	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2004	-	240	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2005	-	228	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2006	-	216	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2007	-	204	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2008	-	192	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2009	-	180	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2010	-	168	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2011	-	156	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.000	0.000	
2012	40,013	144	0.3%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.983	0.998	
2013	81,732	132	0.7%	57.0%	43.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.969	0.996	
2014	293,443	120	1.5%	53.1%	26.8%	20.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.961	0.994	
2015	369,951	108	2.5%	39.7%	32.0%	16.1%	12.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.950	0.993	
2016	745,403	96	3.6%	32.0%	27.0%	21.8%	11.0%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.939	0.991	
2017	3,120,381	84	7.3%	50.6%	15.8%	13.3%	10.8%	5.4%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.945	0.992	
2018	19,658,512	72	34.7%	78.9%	10.7%	3.3%	2.8%	2.3%	1.1%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.968	0.995	
2019	31,537,474	60	51.7%	32.8%	53.1%	7.2%	2.2%	1.9%	1.5%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.951	0.993	
2020	42,327,645	48	77.5%	33.4%	21.8%	35.4%	4.8%	1.5%	1.3%	1.0%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.940	0.991	
2021	50,996,687	36	91.2%	15.0%	28.4%	18.6%	30.1%	4.1%	1.3%	1.1%	0.9%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.920	0.989	
2022	63,514,403	24	98.0%	7.0%	13.9%	26.4%	17.3%	28.0%	3.8%	1.2%	1.0%	0.8%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.895	0.985	
2023	80,178,767	12	99.7%	1.6%	6.9%	13.7%	25.9%	17.0%	27.5%	3.7%	1.2%	1.0%	0.8%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.867	0.981	
Total	292,864,412			55,561,550	57,834,114	55,795,019	50,841,785	35,348,589	26,467,748	5,119,417	2,402,727	1,680,802	1,058,684	513,341	240,637	0	0	0	0	0	0	0			

	Interest Rate	Interest Rate																				Discount Factors	Disc. on Invested Assets
		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	18.5		
(1) Annual	3.5%	0.983	0.950	0.918	0.887	0.857	0.828	0.800	0.773	0.746	0.721	0.697	0.673	0.650	0.628	0.607	0.587	0.567	0.548	0.529	0.974	0.983	
(2) Discounted Values	4.5%	54,614,024	54,925,442	51,197,005	45,074,360	30,278,929	21,905,091	4,093,627	1,856,315	1,254,653	763,542	357,711	162,012	0	0	0	0	0	0	0	0.974	0.983	
(3) Discounted Totals	5.5%	54,093,879	53,371,007	48,804,996	42,153,844	27,780,242	19,716,438	3,614,760	1,608,092	1,066,278	636,602	292,587	130,005	0	0	0	0	0	0	0	0.974	0.983	
(4)		266,482,711																					
(5)		259,722,349																					
		253,268,729																					
Overall	3.5%																						0.987
Discount	4.5%																						0.984
Factors	5.5%																						0.981

Row Note  
(1) 1 / (1 + Discount Factor) ^ (Payments made at date - 12/31/23) Assumes payments are made uniformly throughout the policy period, starting six months subsequent to the loss evaluation date.  
(2) Annual Discount Factor x Payments made at date  
(3) Sum across all years  
(4) (3) / Total Reserves; discount on invested assets is a based on information provided by client.  
(5) (4), Discount on invested assets x undiscounted reserves

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**2022 and 2023 Comparison - Combined**

Accident Year	as of 12/31/23				as of 12/31/22				Difference							
	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves
2000	6,560,000	6,560,000	0	0	6,560,000	6,560,000	0	0	0	0%	0	0%	0	0	0	0
2001	9,261,652	9,261,652	0	0	9,261,652	9,261,652	0	0	0	0%	0	0%	0	0	0	0
2002	9,309,500	9,309,500	0	0	9,309,500	9,309,500	0	0	0	0%	0	0%	0	0	0	0
2003	6,596,189	6,596,189	0	0	6,596,189	6,596,189	0	0	0	0%	0	0%	0	0	0	0
2004	5,482,500	5,482,500	0	0	5,482,500	5,482,500	0	0	0	0%	0	0%	0	0	0	0
2005	9,776,657	9,776,657	0	0	9,776,657	9,776,657	0	0	0	0%	0	0%	0	0	0	0
2006	8,140,629	8,140,629	0	0	8,140,629	8,140,629	0	0	0	0%	0	0%	0	0	0	0
2007	19,005,969	19,005,969	0	0	19,005,969	19,005,969	0	0	0	0%	0	0%	0	0	0	0
2008	19,398,176	19,398,176	0	0	19,398,176	19,398,176	0	0	0	0%	0	0%	0	0	0	0
2009	13,892,704	13,892,704	0	0	13,892,704	13,892,704	0	0	0	0%	0	0%	0	0	0	0
2010	19,819,906	19,819,906	0	0	19,819,906	19,819,906	0	0	0	0%	0	0%	0	0	0	0
2011	21,901,969	21,901,969	0	0	21,920,462	21,826,969	93,493	68,271	(18,493)	0%	75,000	0%	(93,493)	-100%	(68,271)	-100%
2012	11,799,421	11,759,408	40,013	39,915	11,891,507	11,759,408	132,099	130,897	(92,086)	-1%	0	0%	(92,086)	-70%	(90,982)	-70%
2013	9,588,970	9,507,237	81,732	81,366	9,726,525	9,507,237	219,288	216,734	(137,555)	-1%	0	0%	(137,555)	-63%	(135,368)	-62%
2014	20,902,138	20,608,695	293,443	291,803	21,212,408	20,608,695	603,713	595,059	(310,270)	-1%	0	0%	(310,270)	-51%	(303,257)	-51%
2015	12,009,931	11,639,980	369,951	367,309	12,315,017	11,639,980	675,037	663,503	(305,086)	-2%	0	0%	(305,086)	-45%	(296,195)	-45%
2016	19,815,583	19,070,179	745,403	738,873	19,952,105	18,270,179	1,681,926	1,654,859	(136,522)	-1%	800,000	4%	(936,522)	-56%	(915,985)	-55%
2017	43,259,518	40,139,136	3,120,381	3,096,043	48,914,081	32,580,149	16,333,932	16,182,852	(5,654,563)	-12%	7,558,987	23%	(13,213,550)	-81%	(13,086,808)	-81%
2018	56,088,206	36,429,694	19,658,512	19,569,438	59,412,061	27,552,231	31,859,831	31,442,747	(3,323,855)	-6%	8,877,463	32%	(12,201,319)	-38%	(11,873,308)	-38%
2019	53,015,974	21,478,500	31,537,474	31,316,971	54,140,046	10,361,000	43,779,046	43,048,295	(1,124,071)	-2%	11,117,500	107%	(12,241,571)	-28%	(11,731,323)	-27%
2020	53,726,706	11,399,061	42,327,645	41,966,367	52,947,211	4,236,500	48,710,711	47,611,998	779,495	1%	7,162,561	169%	(6,383,066)	-13%	(5,645,631)	-12%
2021	54,268,687	3,272,000	50,996,687	50,411,036	54,881,523	0	54,881,523	53,282,419	(612,836)	-1%	3,272,000		(3,884,836)	-7%	(2,871,383)	-5%
2022	65,570,403	2,056,000	63,514,403	62,562,663	67,863,603	0	67,863,603	65,368,810	(2,293,200)	-3%	2,056,000		(4,349,200)	-6%	(2,806,147)	-4%
Subtotal	549,191,386	336,505,740	212,685,646	210,441,786	562,420,431	295,586,229	266,834,202	260,266,444	(13,229,045)	-2%	40,919,511	14%	(54,148,556)	-20%	(49,824,658)	-19%
2023	80,178,767	0	80,178,767	78,652,444					80,178,767		0		80,178,767		78,652,444	
Total	629,370,152	336,505,740	292,864,412	289,094,230	562,420,431	295,586,229	266,834,202	260,266,444	66,949,721		40,919,511		26,030,210		28,827,786	

**Reconciliation of Undiscounted Reserves from 12/31/22 to 12/31/23**

Undiscounted Reserves as of 12/31/22	266,834,202
Ultimate Excess Losses for 2023	80,178,767
Paid Losses from 12/31/22 to 12/31/23	40,919,511
Change in Estimated Ultimate Excess Losses for 2022 & Prior	(13,229,045)
Undiscounted Reserves as of 12/31/23	292,864,412

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**2022 and 2023 Comparison - Independent Physicians & Surgeons**

Exhibit 1

Page 4

Accident Year	as of 12/31/23				as of 12/31/22				Difference							
	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves				
2000	6,560,000	6,560,000	0	0	6,560,000	6,560,000	0	0	0	0%	0	0%	0		0	
2001	9,261,652	9,261,652	0	0	9,261,652	9,261,652	0	0	0	0%	0	0%	0		0	
2002	9,309,500	9,309,500	0	0	9,309,500	9,309,500	0	0	0	0%	0	0%	0		0	
2003	6,596,189	6,596,189	0	0	6,596,189	6,596,189	0	0	0	0%	0	0%	0		0	
2004	5,482,500	5,482,500	0	0	5,482,500	5,482,500	0	0	0	0%	0	0%	0		0	
2005	9,776,657	9,776,657	0	0	9,776,657	9,776,657	0	0	0	0%	0	0%	0		0	
2006	8,140,629	8,140,629	0	0	8,140,629	8,140,629	0	0	0	0%	0	0%	0		0	
2007	19,005,969	19,005,969	0	0	19,005,969	19,005,969	0	0	0	0%	0	0%	0		0	
2008	19,398,176	19,398,176	0	0	19,398,176	19,398,176	0	0	0	0%	0	0%	0		0	
2009	11,817,704	11,817,704	0	0	11,817,704	11,817,704	0	0	0	0%	0	0%	0		0	
2010	17,814,906	17,814,906	0	0	17,814,906	17,814,906	0	0	0	0%	0	0%	0		0	
2011	19,354,469	19,354,469	0	0	19,360,225	19,279,469	80,756	58,970	(5,756)	0%	75,000	0%	(80,756)	-100%	(58,970)	-100%
2012	8,313,996	8,284,408	29,588	29,516	8,381,670	8,284,408	97,262	96,377	(67,674)	-1%	0	0%	(67,674)	-70%	(66,861)	-69%
2013	6,963,451	6,900,000	63,451	63,166	7,069,450	6,900,000	169,450	167,477	(105,999)	-1%	0	0%	(105,999)	-63%	(104,310)	-62%
2014	14,113,099	13,920,435	192,664	191,587	14,314,507	13,920,435	394,072	388,424	(201,409)	-1%	0	0%	(201,409)	-51%	(196,837)	-51%
2015	6,243,096	6,015,000	228,096	226,467	6,426,705	6,015,000	411,705	404,671	(183,609)	-3%	0	0%	(183,609)	-45%	(178,204)	-44%
2016	8,999,236	8,645,000	354,236	351,133	9,142,262	8,345,000	797,262	784,432	(143,026)	-2%	300,000	4%	(443,026)	-56%	(433,299)	-55%
2017	21,257,203	19,922,500	1,334,703	1,324,292	22,332,795	15,510,000	6,822,795	6,759,687	(1,075,592)	-5%	4,412,500	28%	(5,488,092)	-80%	(5,435,395)	-80%
2018	18,258,276	11,916,289	6,341,987	6,313,251	17,059,494	8,488,209	8,571,284	8,459,076	1,198,782	7%	3,428,079	40%	(2,229,297)	-26%	(2,145,825)	-25%
2019	15,913,636	7,693,375	8,220,261	8,162,787	16,188,669	4,671,500	11,517,169	11,324,927	(275,033)	-2%	3,021,875	65%	(3,296,908)	-29%	(3,162,140)	-28%
2020	11,646,896	1,182,782	10,464,114	10,374,800	11,771,411	0	11,771,411	11,505,896	(124,514)	-1%	1,182,782		(1,307,297)	-11%	(1,131,096)	-10%
2021	13,612,594	0	13,612,594	13,456,265	13,322,964	0	13,322,964	12,934,768	289,630	2%	0		289,630	2%	521,498	4%
2022	17,980,091	85,714	17,894,376	17,626,236	17,597,536	0	17,597,536	16,950,617	382,555	2%	85,714		296,841	2%	675,619	4%
Subtotal	285,819,921	227,083,853	58,736,068	58,119,499	286,131,567	214,577,902	71,553,665	69,835,320	(311,646)	0%	12,505,951	6%	(12,817,597)	-18%	(11,715,821)	-17%
2023	19,898,018	0	19,898,018	19,519,229					19,898,018		0		19,898,018		19,519,229	
Total	305,717,939	227,083,853	78,634,086	77,638,728	286,131,567	214,577,902	71,553,665	69,835,320	19,586,372		12,505,951		7,080,421		7,803,408	

**Reconciliation of Undiscounted Reserves from 12/31/22 to 12/31/23**

Undiscounted Reserves as of 12/31/22	71,553,665
Ultimate Excess Losses for 2023	19,898,018
Paid Losses from 12/31/22 to 12/31/23	12,505,951
Change in Estimated Ultimate Excess Losses for 2022 & Prior	(311,646)
Undiscounted Reserves as of 12/31/23	78,634,086

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**2022 and 2023 Comparison - Hospitals**

Accident Year	as of 12/31/23				as of 12/31/22				Difference					
	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves	NMPCF Ultimate Losses	NMPCF Paid Losses	NMPCF Undiscounted Reserves	NMPCF Discounted Reserves		
2009	2,075,000	2,075,000	0	0	2,075,000	2,075,000	0	0	0	0%	0	0%	0	0
2010	2,005,000	2,005,000	0	0	2,005,000	2,005,000	0	0	0	0%	0	0%	0	0
2011	2,547,500	2,547,500	0	0	2,560,238	2,547,500	12,737	9,301	(12,737)	0%	0	0%	(12,737)	(9,301)
2012	3,485,425	3,475,000	10,425	10,400	3,509,837	3,475,000	34,837	34,520	(24,412)	-1%	0	0%	(24,412)	(24,120)
2013	2,625,519	2,607,237	18,282	18,200	2,657,075	2,607,237	49,838	49,258	(31,556)	-1%	0	0%	(31,556)	(31,058)
2014	6,789,039	6,688,260	100,779	100,216	6,897,901	6,688,260	209,641	206,636	(108,862)	-2%	0	0%	(108,862)	(106,420)
2015	5,766,835	5,624,980	141,855	140,842	5,888,312	5,624,980	263,332	258,833	(121,477)	-2%	0	0%	(121,477)	(117,991)
2016	10,816,347	10,425,179	391,167	387,741	10,809,843	9,925,179	884,663	870,427	6,504	0%	500,000	5%	(493,496)	(482,686)
2017	22,002,315	20,216,636	1,785,679	1,771,751	26,581,286	17,070,149	9,511,137	9,423,164	(4,578,971)	-17%	3,146,487	18%	(7,725,458)	(7,651,413)
2018	37,829,931	24,513,405	13,316,525	13,256,187	42,352,568	19,064,021	23,288,547	22,983,671	(4,522,637)	-11%	5,449,384	29%	(9,972,021)	(9,727,484)
2019	37,102,338	13,785,125	23,317,213	23,154,185	37,951,377	5,689,500	32,261,877	31,723,368	(849,038)	-2%	8,095,625	142%	(8,944,663)	(8,569,183)
2020	42,079,810	10,216,278	31,863,532	31,591,568	41,175,801	4,236,500	36,939,301	36,106,102	904,009	2%	5,979,778	141%	(5,075,769)	(4,514,534)
2021	40,656,093	3,272,000	37,384,093	36,954,771	41,558,559	0	41,558,559	40,347,651	(902,466)	-2%	3,272,000		(4,174,466)	(3,392,881)
2022	47,590,312	1,970,286	45,620,027	44,936,428	50,266,068	0	50,266,068	48,418,193	(2,675,756)	-5%	1,970,286		(4,646,041)	(3,481,765)
Subtotal	263,371,465	109,421,887	153,949,577	152,322,287	276,288,864	81,008,327	195,280,537	190,431,123	(12,917,399)	-5%	28,413,560	35%	(41,330,960)	(38,108,837)
2023	60,280,749	0	60,280,749	59,133,215					60,280,749		0		60,280,749	59,133,215
Total	323,652,214	109,421,887	214,230,326	211,455,502	276,288,864	81,008,327	195,280,537	190,431,123	47,363,350		28,413,560		18,949,790	21,024,378

**Reconciliation of Undiscounted Reserves from 12/31/22 to 12/31/23**

Undiscounted Reserves as of 12/31/22	195,280,537
Ultimate Excess Losses for 2023	60,280,749
Paid Losses from 12/31/22 to 12/31/23	28,413,560
Change in Estimated Ultimate Excess Losses for 2022 & Prior	(12,917,399)
Undiscounted Reserves as of 12/31/23	214,230,326

**New Mexico Patients' Compensation Fund**

Exhibit 2

**Reserves as of 12/31/2023**

**Independent Physicians & Surgeons**

**Including Batch Claims**

**Selected Ultimate Losses**

Accident Year	Practitioner Surcharges	Paid Losses	Indicated Ultimate Losses				Selected Ultimate Losses	Loss Ratio
			B-F Method	Expected Loss Ratio Method	Paid Development Method	Frequency/Severity Method		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2000	8,238,309	6,560,000	6,560,000	9,680,013	6,560,000	4,268,240	6,560,000	79.6%
2001	9,181,946	9,261,652	9,261,652	10,788,786	9,261,652	7,548,045	9,261,652	100.9%
2002	9,421,675	9,309,500	9,309,500	11,070,468	9,309,500	6,439,426	9,309,500	98.8%
2003	9,924,688	6,596,189	6,596,189	11,661,508	6,596,189	6,761,397	6,596,189	66.5%
2004	9,283,270	5,482,500	5,482,500	10,907,842	5,482,500	6,280,298	5,482,500	59.1%
2005	9,151,210	9,776,657	9,776,657	10,752,672	9,776,657	9,461,405	9,776,657	106.8%
2006	9,067,465	8,140,629	8,140,629	10,654,271	8,140,629	6,924,028	8,140,629	89.8%
2007	8,810,595	19,005,969	19,005,969	10,352,449	19,005,969	19,281,914	19,005,969	215.7%
2008	9,696,249	19,398,176	19,398,176	11,393,093	19,398,176	24,560,733	19,398,176	200.1%
2009	11,325,257	11,817,704	11,817,704	13,307,177	11,817,704	12,894,385	11,817,704	104.3%
2010	10,410,307	17,814,906	17,814,906	12,232,111	17,814,906	17,564,243	17,814,906	171.1%
2011	11,380,891	19,354,469	19,354,469	13,372,547	19,354,469	12,294,970	19,354,469	170.1%
2012	9,765,990	8,284,408	8,318,730	11,475,038	8,309,261	8,068,574	8,313,996	85.1%
2013	9,596,773	6,900,000	6,978,518	11,276,209	6,948,383	5,930,402	6,963,451	72.6%
2014	10,065,996	13,920,435	14,096,008	11,827,545	14,130,189	12,898,624	14,113,099	140.2%
2015	10,535,218	6,015,000	6,319,501	12,378,881	6,166,691	5,604,230	6,243,096	59.3%
2016	9,039,070	8,645,000	9,029,099	10,620,907	8,969,373	13,730,363	8,999,236	99.6%
2017	12,725,963	19,922,500	21,017,584	14,953,007	21,496,821	19,565,768	21,257,203	167.0%
2018	9,835,929	11,916,289	15,930,672	11,557,217	18,258,276	22,706,588	18,258,276	185.6%
2019	10,170,463	7,693,375	13,866,354	11,950,294	15,913,636	22,706,588	15,913,636	156.5%
2020	10,236,009	1,182,782	10,505,652	12,027,311	5,260,122	16,689,342	11,646,896	113.8%
2021	11,585,186	0	12,412,239	13,612,594	0	18,149,660	13,612,594	117.5%
2022	15,302,205	85,714	17,713,476	17,980,091	4,374,182	23,657,143	17,980,091	117.5%
2023	16,934,483	0	19,830,207	19,898,018	0	24,840,000	19,898,018	117.5%
Total	251,685,148	227,083,853	298,536,390	295,730,049	252,345,284	328,826,368	305,717,939	121.5%
2009-23	168,909,741	133,552,581	205,005,119	198,468,946	158,814,012	237,300,881	212,186,667	125.6%

Column	Note
(2), (3)	Based on data provided by client
(4)	Appendix 1, Page 1, Col (6)
(5)	Appendix 1, Page 2, Col (6)
(6)	Appendix 2, Col (5)
(7)	Appendix 3, Page 1, Col (4)
(8)	Judgmental selection based on Cols (4) - (7)
(9)	Col (8) / Col (2)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Development of Physician Surcharge Estimates**

Class	NMPCF Indicated Surcharge Physicians and Surgeons												
	NMPCF Current Surcharge		Discounted Estimated Surcharges						Deficit Surcharge Rates				
	Independent Providers	Hosp. & OHCF Employed Providers	1/1/25-26 Rate Level						Independent Providers		Hosp. & OHCF Employed Providers		
			Expected Value	Risk Loaded Value	Expected Value	Risk Loaded Value	Expected Value	Risk Loaded Value	Deficit Surcharge as % of Surcharge	Expected Value	Deficit Surcharge as % of Surcharge	Expected Value	
(1)	(2a)	(2b)	(3)	(4)	(5)	(6)	(7)	(8)	(9a)	(9b)	(9c)	(9d)	
1	\$4,761	\$9,970	\$5,378	\$5,836	\$9,782	\$10,613	\$2,986	\$3,240	0.0%	\$0	25.8%	\$2,525	
2	6,348	13,295	7,171	7,781	13,044	14,153	3,982	4,320	0.0%	0	25.8%	3,367	
3	7,617	15,952	8,605	9,336	15,651	16,982	4,778	5,184	0.0%	0	25.8%	4,040	
4A	9,521	19,943	10,756	11,670	19,567	21,230	5,972	6,479	0.0%	0	25.8%	5,050	
4	11,426	23,931	12,908	14,005	23,480	25,476	7,167	7,776	0.0%	0	25.8%	6,060	
5A	10,792	22,601	12,191	13,228	22,175	24,060	6,769	7,344	0.0%	0	25.8%	5,723	
5	13,966	29,247	15,777	17,118	28,696	31,135	8,760	9,504	0.0%	0	25.8%	7,406	
6	16,504	34,567	18,644	20,229	33,915	36,798	10,352	11,232	0.0%	0	25.8%	8,754	
7A	19,044	39,883	21,513	23,342	39,131	42,457	11,945	12,960	0.0%	0	25.8%	10,100	
7	22,218	46,531	25,099	27,232	45,654	49,534	13,936	15,120	0.0%	0	25.8%	11,783	
8	30,152	63,151	34,062	36,957	61,960	67,227	18,912	20,519	0.0%	0	25.8%	15,992	
9	36,501	76,445	41,234	44,739	75,004	81,379	22,894	24,840	0.0%	0	25.8%	19,358	
10	41,261	86,416	46,611	50,573	84,787	91,993	25,880	28,080	0.0%	0	25.8%	21,883	
51	10%	10%	10%	10%	10%	10%	6%	6%					
52	10%	10%	10%	10%	10%	10%	6%	6%					
53	10%	10%	10%	10%	10%	10%	6%	6%					
99	3,809	7,977	4,303	4,669	7,827	8,492	2,389	2,592	0.0%	0	25.8%	2,020	
CRNA	1,588	3,325	1,794	1,946	3,262	3,540	996	1,081	0.0%	0	25.8%	842	
CN	1,016	2,128	1,148	1,245	2,088	2,265	637	691					
PA-1	2,159	4,520	2,439	2,646	4,435	4,812	1,354	1,469	0.0%	0	25.8%	1,145	
PA-2	2,857	5,982	3,227	3,502	5,869	6,368	1,792	1,944	0.0%	0	25.8%	1,515	
PA-3	3,428	7,179	3,873	4,202	7,044	7,642	2,150	2,333	0.0%	0	25.8%	1,818	
Total													
(12)	Class 1 Rate												
	\$4,761	\$9,970	\$5,378	\$5,836	\$9,782	\$10,613							
(13)	Indicated Percent of Change												
			13.0%	22.6%	-1.9%	6.5%							

Column/Row	Note
(2)	Provided by NMPCF
(3)-(6)	Based on indicated surcharge changes in Exhibit 4 & Exhibit 6
(7)	Col (3) x 56%; 56% based on Pinnacle analysis of industry data
(8)	Col (4) x 56%; 56% based on Pinnacle analysis of industry data
(9a)	From Fund Summary, Page 1, Row (15) for 2025
(9b)	Col (3) x Col (11a)
(9c)	From Fund Summary, Page 1, Row (15) for 2025
(9d)	Col (5) x Col (11c)

**New Mexico Patients' Compensation Fund  
Reserves as of 12/31/2023**

**Independent Outpatient Healthcare Facilities Rates**

Facility Type (1)	Exposure Type (2)	January 1, 2024 Rates at 1M / 3M Limit (3)	Trend Factor to January 1, 2025 (4)	Increased Limits Factor to \$556,239 xs \$500,000 (5)	January 1, 2025 Indicated Rate at \$556,239 xs \$500,000 Limit (6)
Cardiac Rehabilitation Centers	Per 100 Visits	307.85	1.05	0.122	39.39
College/University Health Centers	Per 100 Visits	137.09	1.05	0.122	17.54
Community Health Centers	Per 100 Visits	214.2	1.05	0.122	27.40
Dialysis Centers	Per 100 Visits	299.88	1.05	0.122	38.37
Home Health/Hospice Care	Per 100 Visits	59.5	1.05	0.122	7.61
Medical Laboratories	Per \$1,000 Receipts	14.52	1.05	0.122	1.86
Medispas	Per 100 Visits	214.2	1.05	0.122	27.40
Mental Health Counseling Centers	Per 100 Visits	224.43	1.05	0.122	28.71
Pathology Laboratories	Per \$1,000 Receipts	12.38	1.05	0.122	1.58
Physical/Occupational Rehabilitation Centers	Per 100 Visits	250.14	1.05	0.122	32.00
Quality Control/Reference Laboratories	Per \$1,000 Receipts	13.09	1.05	0.122	1.67
Sleep Centers	Per 100 Visits	214.2	1.05	0.122	27.40
Substance Abuse Counseling Centers	Per 100 Visits	320.71	1.05	0.122	41.03
Surgery Centers	Per 100 Visits	1,190.00	1.05	0.122	152.25
Urgent Care Centers	Per 100 Visits	531.34	1.05	0.122	67.98
X-Ray/Imaging Centers	Per \$1,000 Receipts	14.52	1.05	0.122	1.86

<u>Column</u>	<u>Note</u>
(1)-(3), (5)	Based on Pinnacle analysis of industry data
(4)	Based on selected trend of 5.0%
(6)	Col (3) x Col (4) x Col (5)



**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Indicated Rate Change Effective 1/1/25 through 1/1/26**  
**Independent Physicians & Surgeons**

	Indicated Assessment Level Change on January 1, 2025 <u>(1)</u>	Offset Due to Changes in Class Plan <u>(2)</u>	Increased Limits Factor to \$633,404 xs \$250,000 <u>(3)</u>	Indicated Rate Change <u>(4)</u>	Deficit Surcharge as a % of Surcharge <u>(5)</u>	Indicated Rate Change w/ Deficit Surcharge <u>(6)</u>
w/o Risk Margin	11.1%	-0.7%	2.4%	13.0%	0.0%	13.0%
w/ Risk Margin	20.5%	-0.7%	2.4%	22.6%	0.0%	22.6%

Column

- (1) Exhibit 4, Pages 2-3, Row (14) & (15), respectively
- (2) Based on class plan review provided by Pinnacle
- (3) Based on Pinnacle analysis of industry data
- (4)  $[(1 + \text{Col (1)}) \times (1 + \text{Col (2)}) \times (1 + \text{Col (3)})] - 1$
- (5) From Fund Summary, Page 1, Row (15) for 2025
- (6)  $[(1 + \text{Col (4)}) \times (1 + \text{Col (5)})] - 1$

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Indicated Rate Change Effective 1/1/25 through 1/1/26**  
**Using Expected Value Losses**  
**Independent Physicians & Surgeons**

Accident Year (1)	Practitioner Surcharges @ 01/01/24 Level (2)	Projected Ultimate Losses @ Historical Levels (3)	Increased Limits Factor (4)	Trended Ultimate Losses @ 01/01/24 Level (5)	Trended Ultimate Loss Ratio (6)
2014	19,413,637	14,113,099	1.130	27,278,221	140.5%
2015	20,318,595	6,243,096	1.130	11,492,232	56.6%
2016	17,385,803	8,999,236	1.130	15,776,865	90.7%
2017	23,035,247	21,257,203	1.130	35,492,115	154.1%
2018	16,217,104	18,258,276	1.130	29,033,288	179.0%
2019	16,600,907	15,913,636	1.130	24,099,975	145.2%
2020	16,147,228	11,646,896	1.130	16,798,406	104.0%
2021	16,673,643	13,612,594	1.130	18,698,615	112.1%
2022	19,629,381	17,980,091	1.112	23,138,376	117.9%
2023	19,514,976	19,898,018	1.050	23,026,755	118.0%
All Years	184,936,520	147,922,143		224,834,848	121.6%
2014 - 2021	145,792,164	110,044,035		178,669,717	122.6%
2017 - 2021	88,674,128	80,688,604		124,122,399	140.0%
2019 - 2021	49,421,778	41,173,126		59,596,996	120.6%
(7) Projected 2024-2025 Undiscounted Loss Ratio (Selected Based on Col (6))					120.6%
(8) Projected 2024-2025 Surcharges at Current Fee Level					19,514,976
(9) Projected 2024-2025 Undiscounted Losses					23,532,823
(10) Projected Loss Adjustment Expenses as a Percentage of Losses Paid					8.2%
(11) Discount Factor at 3.5% Yield					0.838
(12) Projected Office Expenses as a Percentage of Surcharges Collected					1.6%
(13) Projected 2025-2026 Income Requirements					21,680,456
(14) Indicated Assessment Level Change on January 1, 2025					11.1%

Column / Row	Note
(2)	Based on data provided by client
(3)	Exhibit 2, Col (8)
(4)	Based on industry data
(5)	[Col (3) x Col (4)] x [1 + selected trend rate of 5.0%] ^ (2025 - Col (1))
(6)	Col (5) / Col (2)
(8)	Most current surcharge
(9)	Row (7) x Row (8)
(10)	From Exhibit 7
(11)	Based on data provided by client
(12)	From Exhibit 7
(13)	[Row (9) x [1 + Row (10)] x Row (11)] / [1 - Row (12)]
(14)	Row (13) / Row (8) - 1

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Indicated Rate Change Effective 1/1/25 through 1/1/26**  
**Using Expected Value Losses with Risk Load**  
**Independent Physicians & Surgeons**

Accident Year (1)	Practitioner Surcharges @ 01/01/24 Level (2)	Projected Ultimate Losses @ Historical Levels (3)	Increased Limits Factor (4)	Trended Ultimate Losses @ 01/01/24 Level (5)	Trended Ultimate Loss Ratio (6)
2014	19,413,637	14,113,099	1.130	27,278,221	140.5%
2015	20,318,595	6,243,096	1.130	11,492,232	56.6%
2016	17,385,803	8,999,236	1.130	15,776,865	90.7%
2017	23,035,247	21,257,203	1.130	35,492,115	154.1%
2018	16,217,104	18,258,276	1.130	29,033,288	179.0%
2019	16,600,907	15,913,636	1.130	24,099,975	145.2%
2020	16,147,228	11,646,896	1.130	16,798,406	104.0%
2021	16,673,643	13,612,594	1.130	18,698,615	112.1%
2022	19,629,381	17,980,091	1.112	23,138,376	117.9%
2023	19,514,976	19,898,018	1.050	23,026,755	118.0%
All Years	184,936,520	147,922,143		224,834,848	121.6%
2014 - 2021	145,792,164	110,044,035		178,669,717	122.6%
2017 - 2021	88,674,128	80,688,604		124,122,399	140.0%
2019 - 2021	49,421,778	41,173,126		59,596,996	120.6%
(7) Projected 2024-2025 Undiscounted Loss Ratio (Selected Based on Col (6))					120.6%
(8) Projected 2024-2025 Surcharges at Current Fee Level					19,514,976
(9) Projected 2024-2025 Undiscounted Losses					23,532,823
(10) Projected Loss Adjustment Expenses as a Percentage of Losses Paid					8.2%
(11) Discount Factor at 3.5% Yield					0.838
(12) Risk Margin Factor at 75% Confidence Level					1.085
(13) Projected Office Expenses as a Percentage of Surcharges Collected					1.6%
(14) Projected 2025-2026 Income Requirements @ 75%					23,523,295
(15) Indicated Assessment Level Change on January 1, 2025					20.5%

Column / Row	Note
(2)	Based on data provided by client
(3)	Exhibit 2, Col (8)
(4)	Based on industry data
(5)	[Col (3) x Col (4)] x [1 + selected trend rate of 5.0%] ^ (2025 - Col (1))
(6)	Col (5) / Col (2)
(8)	Most current surcharge
(9)	Row (7) x Row (8)
(10)	From Exhibit 7
(11)	Based on data provided by client
(12)	Based on stochastic modeling using client data
(13)	From Exhibit 7
(14)	[Row (9) x [1 + Row (10)] x Row (11) x Row (12)] / [1 - Row (13)]
(15)	Row (14) / Row (8) - 1

# New Mexico Patients' Compensation Fund

Exhibit 5

## Reserves as of 12/31/2023

### Hospitals

#### Selected Ultimate Losses

Accident Year	Hospital Surcharges	Paid Losses	Indicated Ultimate Losses			Selected Ultimate Losses	Loss Ratio
			B-F Method	Expected Loss Ratio Method	Paid Development Method		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2009	918,297	2,075,000	2,075,000	1,147,871	2,075,000	2,075,000	226.0%
2010	1,680,228	2,005,000	2,005,000	2,100,285	2,005,000	2,005,000	119.3%
2011	1,825,004	2,547,500	2,547,500	2,281,255	2,547,500	2,547,500	139.6%
2012	1,817,812	3,475,000	3,481,796	2,272,265	3,485,425	3,485,425	191.7%
2013	1,992,604	2,607,237	2,624,581	2,490,755	2,625,519	2,625,519	131.8%
2014	2,146,331	6,688,260	6,728,086	2,682,913	6,789,039	6,789,039	316.3%
2015	2,224,828	5,624,980	5,693,389	2,781,035	5,766,835	5,766,835	259.2%
2016	6,374,245	10,425,179	10,713,331	7,967,807	10,816,347	10,816,347	169.7%
2017	21,561,182	20,216,636	22,190,429	26,951,478	21,814,200	22,002,315	102.0%
2018	31,292,438	24,513,405	38,100,137	39,115,547	37,559,724	37,829,931	120.9%
2019	31,872,010	13,785,125	34,364,664	39,840,012	28,514,334	37,102,338	116.4%
2020	31,731,360	10,216,278	40,961,652	39,664,200	45,434,285	42,079,810	132.6%
2021	32,655,867	3,272,000	40,492,352	40,819,834	37,106,027	40,656,093	124.5%
2022	37,653,051	1,970,286	48,114,311	47,066,313	100,547,871	47,590,312	126.4%
2023	48,224,599	0	60,075,317	60,280,749	0	60,280,749	125.0%
Total	253,969,856	109,421,887	320,167,546	317,462,320	307,087,106	323,652,214	127.4%

Column	Note
(2), (3)	Based on data provided by client; excludes deficit surcharge
(4)	Appendix 7, Page 1, Col (6)
(5)	Appendix 7, Page 2, Col (6)
(6)	Appendix 8, Col (5)
(7)	Judgmental selection based on Cols (4) - (6)
(8)	Col (7) / Col (2)

**New Mexico Patients' Compensation Fund  
Reserves as of 12/31/2023  
Indicated Rate Change Effective 1/1/25 through 1/1/26  
Hospitals**

	Indicated Assessment Level Change on January 1, 2025 (1)	Increased Limits Factor to \$500,000 xs \$250,000 (2)	Indicated Rate Change (3)	Deficit Surcharge as a % of Surcharge (4)	Indicated Rate Change w/ Deficit Surcharge (5)
w/o Risk Margin	-1.9%	0.0%	-1.9%	25.8%	23.4%
w/ Risk Margin	6.5%	0.0%	6.5%	25.8%	33.9%

Column

- (1) Exhibit 6, Pages 2-3, Row (14) & (15), respectively
- (2) Based on Pinnacle analysis of industry data
- (3)  $[(1 + \text{Col (1)}) \times (1 + \text{Col (2)}) - 1]$
- (4) From Fund Summary, Page 1, Row (15) for 2025
- (5)  $[(1 + \text{Col (3)}) \times (1 + \text{Col (4)}) - 1]$

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Indicated Rate Change Effective 1/1/25 through 1/1/26**  
**Using Expected Value Losses**  
**Hospitals**

Accident Year (1)	Hospital Surcharges @ 01/01/24 Level (2)	Projected Ultimate Losses @ Historical Levels (3)	Increased Limits Factor (4)	Trended Ultimate Losses @ 01/01/24 Level (5)	Trended Ultimate Loss Ratio (6)
2014	4,045,782	6,789,039	0.965	11,203,898	276.9%
2015	4,193,665	5,766,835	0.965	9,063,774	216.1%
2016	11,996,904	10,816,347	0.965	16,190,596	135.0%
2017	38,691,632	22,002,315	0.965	31,366,157	81.1%
2018	51,879,750	37,829,931	0.965	51,361,675	99.0%
2019	50,779,336	37,102,338	0.965	47,975,070	94.5%
2020	48,965,975	42,079,810	0.965	51,820,167	105.8%
2021	45,990,778	40,656,093	0.965	47,682,759	103.7%
2022	50,380,372	47,590,312	1.000	55,091,735	109.4%
2023	57,606,484	60,280,749	1.000	66,459,526	115.4%
All Years	364,530,679	310,913,769		388,215,356	106.5%
2014 - 2021	256,543,822	203,042,708		266,664,095	103.9%
2017 - 2021	236,307,471	179,670,487		230,205,827	97.4%
2019 - 2021	145,736,089	119,838,242		147,477,995	101.2%
(7) Projected 2024-2025 Undiscounted Loss Ratio (Selected Based on Col (6))					106.5%
(8) Projected 2024-2025 Surcharges at Current Fee Level					57,606,484
(9) Projected 2024-2025 Undiscounted Losses					61,349,354
(10) Projected Loss Adjustment Expenses as a Percentage of Losses Paid					8.2%
(11) Discount Factor at 3.5% Yield					0.838
(12) Projected Office Expenses as a Percentage of Surcharges Collected					1.6%
(13) Projected 2025-2026 Income Requirements					56,520,292
(14) Indicated Assessment Level Change on January 1, 2025					-1.9%

Column / Row	Note
(2)	Based on data provided by client; excludes deficit surcharge
(3)	Exhibit 5, Col (7)
(4)	Based on industry data
(5)	[Col (3) x Col (4)] x [1 + selected trend rate of 5.0%] ^ (2025 - Col (1))
(6)	Col (5) / Col (2)
(8)	Most current surcharge
(9)	Row (7) x Row (8)
(10)	From Exhibit 7
(11)	Based on data provided by client
(12)	From Exhibit 7
(13)	[Row (9) x [1 + Row (10)] x Row (11)] / [1 - Row (12)]
(14)	Row (13) / Row (8) - 1

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Indicated Rate Change Effective 1/1/25 through 1/1/26**  
**Using Expected Value Losses with Risk Load**  
**Hospitals**

Accident Year	Hospital Surcharges @ 01/01/24 Level	Projected Ultimate Losses @ Historical Levels	Increased Limits Factor	Trended Ultimate Losses @ 01/01/24 Level	Trended Ultimate Loss Ratio
(1)	(2)	(3)	(4)	(5)	(6)
2014	4,045,782	6,789,039	0.965	11,203,898	276.9%
2015	4,193,665	5,766,835	0.965	9,063,774	216.1%
2016	11,996,904	10,816,347	0.965	16,190,596	135.0%
2017	38,691,632	22,002,315	0.965	31,366,157	81.1%
2018	51,879,750	37,829,931	0.965	51,361,675	99.0%
2019	50,779,336	37,102,338	0.965	47,975,070	94.5%
2020	48,965,975	42,079,810	0.965	51,820,167	105.8%
2021	45,990,778	40,656,093	0.965	47,682,759	103.7%
2022	50,380,372	47,590,312	1.000	55,091,735	109.4%
2023	57,606,484	60,280,749	1.000	66,459,526	115.4%
All Years	364,530,679	310,913,769		388,215,356	106.5%
2014 - 2021	256,543,822	203,042,708		266,664,095	103.9%
2017 - 2021	236,307,471	179,670,487		230,205,827	97.4%
2019 - 2021	145,736,089	119,838,242		147,477,995	101.2%
(7) Projected 2024-2025 Undiscounted Loss Ratio (Selected Based on Col (6))					106.5%
(8) Projected 2024-2025 Surcharges at Current Fee Level					57,606,484
(9) Projected 2024-2025 Undiscounted Losses					61,349,354
(10) Projected Loss Adjustment Expenses as a Percentage of Losses Paid					8.2%
(11) Discount Factor at 3.5% Yield					0.838
(12) Risk Margin Factor at 75% Confidence Level					1.085
(13) Projected Office Expenses as a Percentage of Surcharges Collected					1.6%
(14) Projected 2025-2026 Income Requirements @ 75%					61,324,516
(15) Indicated Assessment Level Change on January 1, 2025					6.5%

Column / Row	Note
(2)	Based on data provided by client; excludes deficit surcharge
(3)	Exhibit 5, Col (7)
(4)	Based on industry data
(5)	[Col (3) x Col (4)] x [1 + selected trend rate of 5.0%] ^ (2025 - Col (1))
(6)	Col (5) / Col (2)
(8)	Most current surcharge
(9)	Row (7) x Row (8)
(10)	From Exhibit 7
(11)	Based on data provided by client
(12)	Based on stochastic modeling using client data
(13)	From Exhibit 7
(14)	[Row (9) x [1 + Row (10)] x Row (11) x Row (12)] / [1 - Row (13)]
(15)	Row (14) / Row (8) - 1

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Expense Analysis**

Exhibit 7  
Page 1

Loss Adjustment Expenses as a Percentage of Losses Paid

Calendar Year	NM Med Soc/ Medical Panel Expenses	Directors	Contracts and Consultants	Batch Claim Expected Loss*	Paid Losses
(1)	(2)	(3)	(4)	(5)	(6)
2019	313,667	0	244,314	934,087	23,265,051
2020	401,706	44,422	413,385	1,036,126	33,473,168
2021	300,543	19,434	525,416	1,291,180	46,578,556
2022	283,967	0	1,165,086	1,503,824	36,285,592
2023	279,539	0	1,595,707	1,881,999	45,210,781
Total	1,579,422	63,856	3,943,908	6,647,216	184,813,148

Loss Adjustment Expenses as a Percentage of Losses Paid

2019	1.3%	0.0%	1.1%	4.0%	
2020	1.2%	0.1%	1.2%	3.1%	
2021	0.6%	0.0%	1.1%	2.8%	
2022	0.8%	0.0%	3.2%	4.1%	
2023	0.6%	0.0%	3.5%	4.2%	
Total	0.9%	0.0%	2.1%	3.6%	6.6%

Selected Ratio of Expenses to Losses Paid

Average 2019 - 2023	0.9%	0.0%	2.0%	3.6%	6.6%
Average 2020 - 2023	0.8%	0.0%	2.3%	3.5%	6.7%
Average 2019 - 2022	1.0%	0.0%	1.7%	3.5%	6.2%
Average 2022 - 2023	0.7%	0.0%	3.4%	4.2%	8.2%
Selected					8.2%

Notes: (2) - (6) Based on data provided by client

\* Based on Batch Claim Reinsurance paid and judgemental ELR of 50% for 2022 & prior; 2021 and 2022 are annualized



**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Expense Analysis**

Exhibit 7  
Page 2

Office Expenses as a Percentage of Surcharges collected

Calendar Year	IT Services	PCF Employee Services	Rent	Intra-Agency Transfer	Misc. & Prior Year	Participant Surcharges
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2019	(15,186)	156,425	6,225	616,700	0	42,042,473
2020	0	265,951	12,837	816,500	0	41,967,369
2021	36,043	175,356	17,852	(129,400)	0	28,467,389
2022	0	50,373	7,438	816,500	140,877	54,800,255
2023	0	42,172	0	816,500	91,502	74,707,553
<b>Total</b>	<b>20,857</b>	<b>690,277</b>	<b>44,352</b>	<b>2,936,800</b>	<b>232,379</b>	<b>241,985,040</b>

Operating Expenses as a Percentage of Premiums

2019	0.0%	0.4%	0.0%	1.5%	0.0%	
2020	0.0%	0.6%	0.0%	1.9%	0.0%	
2021	0.1%	0.6%	0.1%	-0.5%	0.0%	
2022	0.0%	0.1%	0.0%	1.5%	0.3%	
2023	0.0%	0.1%	0.0%	1.1%	0.1%	
<b>Total</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>1.2%</b>	<b>0.1%</b>	<b>1.6%</b>

Selected Ratio of Expenses to Premiums

Average 2019 - 2023	0.0%	0.4%	0.0%	1.1%	0.1%	1.6%
Average 2020 - 2023	0.0%	0.3%	0.0%	1.0%	0.1%	1.5%
Average 2019 - 2022	0.0%	0.4%	0.0%	1.1%	0.1%	1.7%
Average 2022 - 2023	0.0%	0.1%	0.0%	1.3%	0.2%	1.6%
<b>Selected</b>						<b>1.6%</b>

Notes: (2) - (7) Based on data provided by client

## Appendix

<b>APPENDIX</b>	<b>DESCRIPTION</b>
1	Ind. Physicians & Surgeons - B-F and Expected Loss Ratio Methods
2	Ind. Physicians & Surgeons - Paid Loss Development Method
3	Ind. Physicians & Surgeons - Frequency and Severity Method
4	Ind. Physicians & Surgeons - Paid Claim Projection Based on B-F Method
5	Ind. Physicians & Surgeons - Paid Claim Projection Based on Frequency Method
6	Ind. Physicians & Surgeons - Paid Claim Development Method
7	Hospitals - B-F and Expected Loss Ratio Methods
8	Hospitals - Paid Loss Development Method
9	Historical Paid Loss Development - Combined
10	Historical Claim Count Development - Combined
11	Development of Classification Assignments
12	Surcharge Impact of Classification Assignments
13	Review of Classification Factors
14	Surcharge Impact of New Relativities by Allied Class
15	Entity Coverage Evaluation
16	Allocation of Estimated Ultimate & Outstanding Losses by Hospital

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Bornhuetter-Ferguson Method**

Appendix 1

Page 1

Accident Year	Practitioner Surcharges	Expected Loss Ratio	Paid Loss	Percentage of Ultimate Paid	Indicated Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)
2000	8,238,309	117.5%	6,560,000	100.0%	6,560,000
2001	9,181,946	117.5%	9,261,652	100.0%	9,261,652
2002	9,421,675	117.5%	9,309,500	100.0%	9,309,500
2003	9,924,688	117.5%	6,596,189	100.0%	6,596,189
2004	9,283,270	117.5%	5,482,500	100.0%	5,482,500
2005	9,151,210	117.5%	9,776,657	100.0%	9,776,657
2006	9,067,465	117.5%	8,140,629	100.0%	8,140,629
2007	8,810,595	117.5%	19,005,969	100.0%	19,005,969
2008	9,696,249	117.5%	19,398,176	100.0%	19,398,176
2009	11,325,257	117.5%	11,817,704	100.0%	11,817,704
2010	10,410,307	117.5%	17,814,906	100.0%	17,814,906
2011	11,380,891	117.5%	19,354,469	100.0%	19,354,469
2012	9,765,990	117.5%	8,284,408	99.7%	8,318,730
2013	9,596,773	117.5%	6,900,000	99.3%	6,978,518
2014	10,065,996	117.5%	13,920,435	98.5%	14,096,008
2015	10,535,218	117.5%	6,015,000	97.5%	6,319,501
2016	9,039,070	117.5%	8,645,000	96.4%	9,029,099
2017	12,725,963	117.5%	19,922,500	92.7%	21,017,584
2018	9,835,929	117.5%	11,916,289	65.3%	15,930,672
2019	10,170,463	117.5%	7,693,375	48.3%	13,866,354
2020	10,236,009	117.5%	1,182,782	22.5%	10,505,652
2021	11,585,186	117.5%	0	8.8%	12,412,239
2022	15,302,205	117.5%	85,714	2.0%	17,713,476
2023	16,934,483	117.5%	0	0.3%	19,830,207
Total	251,685,148		227,083,853		298,536,390
2010-23	157,584,484		121,734,878		193,187,415

Column	Note
(2), (4)	Based on data provided by client
(3)	Appendix 1, Page 2, Col (5)
(5)	Appendix 9
(6)	Col (2) x Col (3) x [1 - Col (5)] + Col (4)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Expected Loss Ratio Method**

Appendix 1

Page 2

Accident Year	Practitioner Surcharges	Indicated Ultimate Losses From Paid Loss Dev Method	Indicated Loss Ratio	Expected Loss Ratio	Indicated Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)
2000	8,238,309	6,560,000	79.6%		9,680,013
2001	9,181,946	9,261,652	100.9%		10,788,786
2002	9,421,675	9,309,500	98.8%		11,070,468
2003	9,924,688	6,596,189	66.5%		11,661,508
2004	9,283,270	5,482,500	59.1%		10,907,842
2005	9,151,210	9,776,657	106.8%		10,752,672
2006	9,067,465	8,140,629	89.8%		10,654,271
2007	8,810,595	19,005,969	215.7%		10,352,449
2008	9,696,249	19,398,176	200.1%		11,393,093
2009	11,325,257	11,817,704	104.3%		13,307,177
2010	10,410,307	17,814,906	171.1%		12,232,111
2011	11,380,891	19,354,469	170.1%		13,372,547
2012	9,765,990	8,309,261	85.1%		11,475,038
2013	9,596,773	6,948,383	72.4%		11,276,209
2014	10,065,996	14,130,189	140.4%		11,827,545
2015	10,535,218	6,166,691	58.5%		12,378,881
2016	9,039,070	8,969,373	99.2%		10,620,907
2017	12,725,963	21,496,821	168.9%		14,953,007
2018	9,835,929	18,258,276	185.6%		11,557,217
2019	10,170,463	15,913,636	156.5%		11,950,294
2020	10,236,009	5,260,122	51.4%		12,027,311
2021	11,585,186	0	0.0%		13,612,594
2022	15,302,205	4,374,182	28.6%		17,980,091
2023	16,934,483	0	0.0%		19,898,018
Total	251,685,148	252,345,284	100.3%	117.5%	295,730,049
2000-17	177,620,872	208,539,067	117.4%		
2012-19	81,735,402	100,192,630	122.6%		

Column	Note
(2)	Based on data provided by client
(3)	Appendix 2, Col (5)
(4)	Col (3) / Col (2)
(5)	Judgment
(6)	Col (2) x Col (5)

# New Mexico Patients' Compensation Fund

Appendix 2

Reserves as of 12/31/2023

Independent Physicians & Surgeons

Including Batch Claims

Paid Loss Development Method

Accident Year	Paid Losses	Month of Development	Cumulative Development Factor	Indicated Ultimate Losses
(1)	(2)	(3)	(4)	(5)
2000	6,560,000	288	1.000	6,560,000
2001	9,261,652	276	1.000	9,261,652
2002	9,309,500	264	1.000	9,309,500
2003	6,596,189	252	1.000	6,596,189
2004	5,482,500	240	1.000	5,482,500
2005	9,776,657	228	1.000	9,776,657
2006	8,140,629	216	1.000	8,140,629
2007	19,005,969	204	1.000	19,005,969
2008	19,398,176	192	1.000	19,398,176
2009	11,817,704	180	1.000	11,817,704
2010	17,814,906	168	1.000	17,814,906
2011	19,354,469	156	1.000	19,354,469
2012	8,284,408	144	1.003	8,309,261
2013	6,900,000	132	1.007	6,948,383
2014	13,920,435	120	1.015	14,130,189
2015	6,015,000	108	1.025	6,166,691
2016	8,645,000	96	1.038	8,969,373
2017	19,922,500	84	1.079	21,496,821
2018	11,916,289	72	1.532	18,258,276
2019	7,693,375	60	2.068	15,913,636
2020	1,182,782	48	4.447	5,260,122
2021	0	36	11.340	0
2022	85,714	24	51.032	4,374,182
2023	0	12	293.435	0
Total	227,083,853			252,345,284

Column	Note
(2)	Based on data provided by client
(4)	Appendix 9
(5)	Col (2) x Col (4)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Frequency and Severity Method**

Appendix 3

Page 1

Accident Year	Selected Ultimate Claims Closed with Payment	Selected Ultimate Severity	Indicated Ultimate Losses
(1)	(2)	(3)	(4)
2000	19	224,644	4,268,240
2001	32	235,876	7,548,045
2002	26	247,670	6,439,426
2003	26	260,054	6,761,397
2004	23	273,056	6,280,298
2005	33	286,709	9,461,405
2006	23	301,045	6,924,028
2007	61	316,097	19,281,914
2008	74	331,902	24,560,733
2009	37	348,497	12,894,385
2010	48	365,922	17,564,243
2011	32	384,218	12,294,970
2012	20	403,429	8,068,574
2013	14	423,600	5,930,402
2014	29	444,780	12,898,624
2015	12	467,019	5,604,230
2016	28	490,370	13,730,363
2017	38	514,889	19,565,768
2018	42	540,633	22,706,588
2019	40	567,665	22,706,588
2020	28	596,048	16,689,342
2021	29	625,850	18,149,660
2022	36	657,143	23,657,143
2023	36	690,000	24,840,000
Total	786		328,826,368

<u>Column</u>	<u>Note</u>
(2)	Appendix 3, Page 3, Col (6)
(3)	Appendix 3, Page 2, Col (10)
(4)	Col (2) x Col (3)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Severity Trend for Paid Losses Excess of Retention**

Accident Year	Paid Loss	Claims Closed With Payment	Paid Severity	Indicated Trend	R <sup>2</sup>	Selected Trend	Trended Severity to 2023	Selected Severity	Detrended Severity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2000	6,560,000	19	345,263				1,060,484		224,644
2001	9,261,652	32	289,427				846,648		235,876
2002	9,309,500	26	358,058				997,535		247,670
2003	6,596,189	26	253,700				673,140		260,054
2004	5,482,500	23	238,370				602,348		273,056
2005	9,776,657	33	296,262				712,991		286,709
2006	8,140,629	23	353,940				811,238		301,045
2007	19,005,969	61	311,573				680,125		316,097
2008	19,398,176	74	262,138				544,965		331,902
2009	11,817,704	37	319,397				632,385		348,497
2010	17,814,906	48	371,144				699,847		365,922
2011	19,354,469	32	604,827				1,086,183		384,218
2012	8,284,408	20	414,220				708,457		403,429
2013	6,900,000	14	492,857				802,812		423,600
2014	13,920,435	29	480,015				744,661		444,780
2015	6,015,000	12	501,250				740,575		467,019
2016	8,645,000	27	320,185				450,533		490,370
2017	19,922,500	35	569,214				762,802		514,889
2018	11,916,289	35	340,465				434,530		540,633
2019	7,693,375	27	284,940				346,346		567,665
2020	1,182,782	5	236,556				273,844		596,048
2021	0	0	0				0		625,850
2022	85,714	2	42,857				45,000		657,143
2023	0	0	0				0		690,000
Total	227,083,853	640	354,819				689,151		369,665
2008-17	100,856,718	217	464,778	5.0%	0.281	5.0%	691,552	690,000	399,626

Column	Note
(2), (3)	Based on data provided by client
(4)	Col (2) / Col (3)
(7)	Client data does not produce a good fit; trend factor selected based on industry data
(8)	Col (4) trended forward with selected trend in Col (7)
(10)	Selected severity in Col (9) detrended with selected trend in Col (7)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Closed With Payment Projection Summary**

Appendix 3

Page 3

Accident Year	Claims Closed With Payment	Indicated Ultimate Claims Closed With Payment			Selected Ultimate Closed With Payment
		B-F Method	Frequency Method	Claim Development Method	
(1)	(2)	(3)	(4)	(5)	(6)
2000	19	19	40	19	19
2001	32	32	42	32	32
2002	26	26	42	26	26
2003	26	26	44	26	26
2004	23	23	41	23	23
2005	33	33	40	33	33
2006	23	23	40	23	23
2007	61	61	38	61	61
2008	74	74	40	74	74
2009	37	37	45	37	37
2010	48	48	39	48	48
2011	32	32	42	32	32
2012	20	20	36	20	20
2013	14	14	35	14	14
2014	29	29	36	29	29
2015	12	13	38	12	12
2016	27	28	32	28	28
2017	35	38	43	38	38
2018	35	42	30	46	42
2019	27	40	31	47	40
2020	5	26	30	16	28
2021	0	27	31	0	29
2022	2	37	36	60	36
2023	0	36	36	0	36
Total	640	784	907	744	786

Column	Note
(2)	Based on data provided by client
(3)	Appendix 4, Col (5)
(4)	Appendix 5, Col (7)
(5)	Appendix 6, Col (5)
(6)	Judgmental selection based on Cols (3) - (5)



**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Bornhuetter-Ferguson Method**

Appendix 4

Accident Year	Claims Closed With Payment	Frequency Mtd. Indicated Ultimate Claims Closed With Payment	Percent of Ultimate Closed With Payment	Indicated Ultimate Closed With Payment
(1)	(2)	(3)	(4)	(5)
2000	19	40	100.0%	19
2001	32	42	100.0%	32
2002	26	42	100.0%	26
2003	26	44	100.0%	26
2004	23	41	100.0%	23
2005	33	40	100.0%	33
2006	23	40	100.0%	23
2007	61	38	100.0%	61
2008	74	40	100.0%	74
2009	37	45	100.0%	37
2010	48	39	100.0%	48
2011	32	42	100.0%	32
2012	20	36	99.7%	20
2013	14	35	99.3%	14
2014	29	36	98.8%	29
2015	12	38	98.1%	13
2016	27	32	97.3%	28
2017	35	43	92.3%	38
2018	35	30	76.9%	42
2019	27	31	57.0%	40
2020	5	30	30.6%	26
2021	0	31	13.6%	27
2022	2	36	3.3%	37
2023	0	36	0.8%	36
Total	640	907		784

Column	Note
(2)	Based on data provided by client
(3)	Appendix 5, Col (7)
(4)	Appendix 10
(5)	Col (2) + Col (3) x [1 - Col (4)]

# New Mexico Patients' Compensation Fund

## Reserves as of 12/31/2023

### Independent Physicians & Surgeons

#### Including Batch Claims

#### Paid Claim Projection Based on Frequency Method

Accident Year	Claims Closed With Payment	Development Mtd. Indicated Ultimate Claims Closed With Payment	Practitioner Surcharges at Current Rate Level	Indicated Ultimate Claim Frequency Per \$1M in Surcharges	Selected Frequency	Indicated Ultimate Claims Closed With Payment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2000	19	19	21,693,298	0.88		40
2001	32	32	22,660,195	1.41		42
2002	26	26	22,484,654	1.16		42
2003	26	26	23,685,086	1.10		44
2004	23	23	22,154,353	1.04		41
2005	33	33	21,839,195	1.51		40
2006	23	23	21,639,339	1.06		40
2007	61	61	20,779,566	2.94		38
2008	74	74	21,364,035	3.46		40
2009	37	37	24,553,080	1.51		45
2010	48	48	21,127,503	2.27		39
2011	32	32	22,651,977	1.41		42
2012	20	20	19,418,337	1.03		36
2013	14	14	18,671,511	0.75		35
2014	29	29	19,413,637	1.49		36
2015	12	12	20,318,595	0.59		38
2016	27	28	17,385,803	1.61		32
2017	35	38	23,035,247	1.65		43
2018	35	46	16,217,104	2.84		30
2019	27	47	16,600,907	2.83		31
2020	5	16	16,147,228	0.99		30
2021	0	0	16,673,643	0.00		31
2022	2	60	19,629,381	3.06		36
2023	0	0	19,514,976	0.00		36
Total	640	744	489,658,650	1.52	1.85	907
2012-19	199	234	151,061,142	1.55		
2014-19	165	200	112,971,293	1.77		
2016-19	124	159	73,239,061	2.17		

Column	Note
(2)	Appendix 6, Col (2)
(3)	Appendix 6, Col (5)
(4)	Based on data provided by client
(5)	Col (3) / Col (4) x 1,000,000
(6)	Judgmentally selected based on Col (5)
(7)	Col (4) x Col (6) / 1,000,000

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Independent Physicians & Surgeons**  
**Including Batch Claims**  
**Closed With Payment Claim Development Method**

Appendix 6

<u>Accident Year</u>	<u>Claims Closed With Payment</u>	<u>Month of Development</u>	<u>Cumulative Development Factor</u>	<u>Indicated Ultimate Claims Closed With Payment</u>
(1)	(2)	(3)	(4)	(5)
2000	19	288	1.000	19
2001	32	276	1.000	32
2002	26	264	1.000	26
2003	26	252	1.000	26
2004	23	240	1.000	23
2005	33	228	1.000	33
2006	23	216	1.000	23
2007	61	204	1.000	61
2008	74	192	1.000	74
2009	37	180	1.000	37
2010	48	168	1.000	48
2011	32	156	1.000	32
2012	20	144	1.003	20
2013	14	132	1.007	14
2014	29	120	1.012	29
2015	12	108	1.019	12
2016	27	96	1.027	28
2017	35	84	1.084	38
2018	35	72	1.301	46
2019	27	60	1.756	47
2020	5	48	3.266	16
2021	0	36	7.348	0
2022	2	24	30.126	60
2023	0	12	120.503	0
Total	640			744

<u>Column</u>	<u>Note</u>
(2)	Based on data provided by client
(4)	Appendix 10
(5)	Col (2) x Col (4)

**New Mexico Patients' Compensation Fund  
Reserves as of 12/31/2023**

**Hospitals  
Bornhuetter-Ferguson Method**

<u>Accident Year</u>	<u>Hospital Surcharges</u>	<u>Expected Loss Ratio</u>	<u>Paid Loss</u>	<u>Percentage of Ultimate Paid</u>	<u>Indicated Ultimate Losses</u>
(1)	(2)	(3)	(4)	(5)	(6)
2009	918,297	125.0%	2,075,000	100.0%	2,075,000
2010	1,680,228	125.0%	2,005,000	100.0%	2,005,000
2011	1,825,004	125.0%	2,547,500	100.0%	2,547,500
2012	1,817,812	125.0%	3,475,000	99.7%	3,481,796
2013	1,992,604	125.0%	2,607,237	99.3%	2,624,581
2014	2,146,331	125.0%	6,688,260	98.5%	6,728,086
2015	2,224,828	125.0%	5,624,980	97.5%	5,693,389
2016	6,374,245	125.0%	10,425,179	96.4%	10,713,331
2017	21,561,182	125.0%	20,216,636	92.7%	22,190,429
2018	31,292,438	125.0%	24,513,405	65.3%	38,100,137
2019	31,872,010	125.0%	13,785,125	48.3%	34,364,664
2020	31,731,360	125.0%	10,216,278	22.5%	40,961,652
2021	32,655,867	125.0%	3,272,000	8.8%	40,492,352
2022	37,653,051	125.0%	1,970,286	2.0%	48,114,311
2023	48,224,599	125.0%	0	0.3%	60,075,317
Total	253,969,856		109,421,887		320,167,546

<u>Column</u>	<u>Note</u>
(2)	Based on data provided by client; excludes deficit surcharge
(3)	Appendix 7, Page 2, Col (5)
(4)	Based on data provided by client
(5)	Appendix 9
(6)	Col (2) x Col (3) x [1 - Col (5)] + Col (4)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Hospitals**  
**Expected Loss Ratio Method**

<u>Accident Year</u>	<u>Hospital Surcharges</u>	<u>Indicated Ultimate Losses From Paid Loss Dev Method</u>	<u>Indicated Loss Ratio</u>	<u>Expected Loss Ratio</u>	<u>Indicated Ultimate Losses</u>
(1)	(2)	(3)	(4)	(5)	(6)
2009	918,297	2,075,000	226.0%		1,147,871
2010	1,680,228	2,005,000	119.3%		2,100,285
2011	1,825,004	2,547,500	139.6%		2,281,255
2012	1,817,812	3,485,425	191.7%		2,272,265
2013	1,992,604	2,625,519	131.8%		2,490,755
2014	2,146,331	6,789,039	316.3%		2,682,913
2015	2,224,828	5,766,835	259.2%		2,781,035
2016	6,374,245	10,816,347	169.7%		7,967,807
2017	21,561,182	21,814,200	101.2%		26,951,478
2018	31,292,438	37,559,724	120.0%		39,115,547
2019	31,872,010	28,514,334	89.5%		39,840,012
2020	31,731,360	45,434,285	143.2%		39,664,200
2021	32,655,867	37,106,027	113.6%		40,819,834
2022	37,653,051	100,547,871	267.0%		47,066,313
2023	48,224,599	0	0.0%		60,280,749
Total	253,969,856	307,087,106	120.9%	125.0%	317,462,320
2009-18	71,832,969	95,484,590	132.9%		
2009-20	135,436,339	169,433,208	125.1%		
2017-20	116,456,990	133,322,543	114.5%		

<u>Column</u>	<u>Note</u>
(2)	Based on data provided by client; excludes deficit surcharge
(3)	Appendix 8, Col (5)
(4)	Col (3) / Col (2)
(5)	Judgment
(6)	Col (2) x Col (5)

# New Mexico Patients' Compensation Fund

Reserves as of 12/31/2023

Hospitals

Paid Loss Development Method

Appendix 8

Accident Year	Paid Losses	Month of Development	Cumulative Development Factor	Indicated Ultimate Losses
(1)	(2)	(3)	(4)	(5)
2009	2,075,000	180	1.000	2,075,000
2010	2,005,000	168	1.000	2,005,000
2011	2,547,500	156	1.000	2,547,500
2012	3,475,000	144	1.003	3,485,425
2013	2,607,237	132	1.007	2,625,519
2014	6,688,260	120	1.015	6,789,039
2015	5,624,980	108	1.025	5,766,835
2016	10,425,179	96	1.038	10,816,347
2017	20,216,636	84	1.079	21,814,200
2018	24,513,405	72	1.532	37,559,724
2019	13,785,125	60	2.068	28,514,334
2020	10,216,278	48	4.447	45,434,285
2021	3,272,000	36	11.340	37,106,027
2022	1,970,286	24	51.032	100,547,871
2023	0	12	293.435	0
Total	109,421,887			307,087,106

Column   Note

- (2) Based on data provided by client
- (4) Appendix 9
- (5) Col (2) x Col (4)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Historical Paid Loss Development**  
**Paid Losses - Hospital & Practitioner Combined (Excluding Batch Claims)**

Accident Year	Months of Development																					
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
1995	0	0	0	0	0	2,520,000	2,920,000	2,995,000	2,995,000	2,995,000	2,995,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000	4,045,000
1996	0	0	0	0	925,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000
1997	0	0	0	2,060,000	4,360,000	5,162,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000	5,462,000
1998	0	0	600,000	1,255,000	1,895,000	2,005,000	2,305,000	2,305,000	2,305,000	2,305,000	2,305,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000	2,730,000
1999	0	125,000	993,000	1,530,500	2,437,000	3,462,000	4,887,000	5,187,000	5,187,000	5,282,000	5,282,000	5,284,209	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956	5,285,956
2000	0	1,500,000	2,295,000	2,745,000	5,845,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000	6,560,000
2001	125,000	745,000	2,332,152	3,282,152	6,024,152	8,226,652	9,226,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652	9,261,652
2002	290,000	890,000	990,000	2,932,000	4,819,500	6,144,500	8,994,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500	9,309,500
2003	0	275,000	1,950,000	2,997,500	4,137,500	5,032,500	5,707,500	6,196,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189	6,596,189
2004	0	0	1,197,500	1,527,500	2,870,000	4,607,500	4,657,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500	5,482,500
2005	300,000	575,000	1,035,000	1,410,000	4,911,086	6,873,180	7,741,254	8,341,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254	8,791,254
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	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	12,027,000	12,677,000	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500	13,124,500
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	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	10,067,342	10,067,342	10,067,342	10,067,342	10,067,342	10,067,342	10,067,342	10,067,342	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	16,902,567	17,602,567	17,727,567	17,727,567	17,727,567	18,127,567	18,127,567	18,127,567	18,127,567	18,127,567	18,127,567	18,127,567	18,127,567
2011	0	1,365,000	1,965,000	4,793,000	9,990,312	17,266,228	19,398,728	21,013,728	21,013,728	21,866,969	21,866,969	21,866,969	21,866,969	21,866,969	21,941,969	21,941,969	21,941,969	21,941,969	21,941,969	21,941,969	21,941,969	21,941,969
2012	0	50,000	850,000	2,614,408	4,324,408	7,529,408	11,629,408	11,779,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408	11,809,408
2013	0	450,000	750,000	875,000	4,575,000	6,407,148	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237	9,507,237
2014	0	480,000	2,370,000	4,945,000	7,573,260	14,280,445	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695	20,608,695
2015	0	0	1,112,868	1,977,868	4,402,868	5,465,368	10,508,363	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980	11,639,980
2016	0	700,000	2,625,000	4,830,000	7,850,000	11,727,500	17,640,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179	18,440,179
2017	0	675,000	4,015,000	12,447,184	29,142,497	32,580,149	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136	40,139,136
2018	0	650,000	5,093,523	12,504,086	27,552,231	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694	36,429,694
2019	0	1,270,000	4,156,000	10,361,000	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500	21,478,500
2020	0	886,000	3,936,500	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061	11,099,061
2021	0	0	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000	3,272,000
2022	0	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000	2,056,000
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Historical Paid Loss Development**  
**Paid Losses - Hospital & Practitioner Combined (Excluding Batch Claims)**

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	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264- Ult.
1995						1.159	1.026	1.000	1.000	1.000	1.351	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996					1.719	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997				2.117	1.184	1.058	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998			2.092	1.510	1.058	1.150	1.000	1.000	1.000	1.000	1.184	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999		7.944	1.541	1.592	1.421	1.412	1.061	1.000	1.018	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000		1.530	1.196	2.129	1.122	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	5.960	3.130	1.407	1.835	1.366	1.122	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	3.069	1.112	2.962	1.644	1.275	1.464	1.035	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003		7.091	1.537	1.380	1.216	1.134	1.086	1.065	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004		1.276	1.879	1.605	1.011	1.177	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.917	1.800	1.362	3.483	1.400	1.126	1.078	1.054	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006		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	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007		3.950	1.598	1.525	1.054	1.035	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008		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	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009		5.795	1.174	1.248	1.961	1.000	1.015	1.000	1.000	1.203	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010		4.530	1.748	1.578	1.670	1.020	1.024	1.000	1.041	1.007	1.000	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011		1.440	2.439	2.084	1.728	1.124	1.083	1.000	1.041	1.000	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012		17.000	3.076	1.654	1.741	1.545	1.013	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013		1.667	1.167	5.229	1.400	1.484	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014		4.938	2.086	1.531	1.886	1.443	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015		1.777	2.226	1.241	1.923	1.108	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016		3.750	1.840	1.625	1.494	1.504	1.045	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017		5.948	3.100	2.341	1.118	1.232	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2018		7.836	2.455	2.203	1.322	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2019		3.272	2.493	2.073	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2020		4.443	2.820	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2021		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2022		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg	3.649	4.896	2.281	1.981	1.430	1.228	1.040	1.009	1.005	1.011	1.030	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
W Avg	19.527	4.364	2.252	1.914	1.405	1.228	1.039	1.007	1.009	1.011	1.009	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5 yr W Avg		5.881	2.585	2.147	1.313	1.397	1.030	1.000	1.019	1.026	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7 yr W Avg		5.791	2.495	2.140	1.339	1.359	1.039	1.000	1.016	1.019	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5 yr Avg x Hi/Lo		4.714	2.589	2.168	1.352	1.477	1.019	1.000	1.014	1.002	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7 yr Avg x Hi/Lo		4.470	2.339	2.094	1.440	1.442	1.033	1.000	1.008	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	5.750	4.500	2.400	2.150	1.470	1.420	1.040	1.015	1.012	1.009	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	5.750	4.500	2.550	2.150	1.350	1.420	1.040	1.012	1.010	1.008	1.004	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
LDF to Ultimate	293.435	51.032	11.340	4.447	2.068	1.532	1.079	1.038	1.025	1.015	1.007	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
% of Ultimate	0.3%	2.0%	8.8%	22.5%	48.3%	65.3%	92.7%	96.4%	97.5%	98.5%	99.3%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



**New Mexico Patients' Compensation Fund**

**Reserves as of 12/31/2023**

**Historical Claim Count Development**

**Claims Closed With Payment - Hospital & Practitioner Combined (Excluding Batch Claims)**

Accident Year	Months of Development																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1995	0	0	0	0	0	3	4	5	5	5	5	6	6	6	6	6	6	6	6	6	6
1996	0	0	0	0	4	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
1997	0	0	0	6	10	13	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
1998	0	0	2	6	8	10	12	12	12	12	12	13	13	13	13	13	13	13	13	13	13
1999	0	1	3	6	11	15	18	19	19	20	20	20	20	20	20	20	20	20	20	20	20
2000	0	3	7	10	16	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
2001	1	5	10	14	22	28	31	32	32	32	32	32	32	32	32	32	32	32	32	32	32
2002	1	2	3	10	15	21	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26
2003	0	1	7	12	18	20	22	25	26	26	26	26	26	26	26	26	26	26	26	26	26
2004	0	0	6	8	14	20	21	23	23	23	23	23	23	23	23	23	23	23	23	23	23
2005	1	2	4	7	16	23	26	27	29	29	29	29	29	29	29	29	29	29	29	29	29
2006	0	0	2	7	11	13	15	16	17	17	17	17	17	17	17	17	17	17	17	17	17
2007	0	0	2	13	20	25	27	29	29	29	29	29	29	29	29	29	29	29	29	29	29
2008	0	0	6	15	21	27	33	34	34	34	34	34	34	34	34	34	34	34	34	34	34
2009	0	2	7	9	13	20	20	21	21	21	22	22	22	22	22	22	22	22	22	22	22
2010	0	2	9	16	24	38	40	41	41	42	43	43	44	44	44	44	44	44	44	44	44
2011	0	2	5	11	21	29	34	38	38	39	39	39	40	40	40	40	40	40	40	40	40
2012	0	1	3	8	12	19	22	23	24	24	24	24	24	24	24	24	24	24	24	24	24
2013	0	1	2	3	10	15	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
2014	0	1	6	12	17	24	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
2015	0	0	2	5	10	13	18	20	20	20	20	20	20	20	20	20	20	20	20	20	20
2016	0	2	7	14	21	29	32	34	34	34	34	34	34	34	34	34	34	34	34	34	34
2017	0	2	9	18	36	44	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
2018	0	1	12	26	55	71	71	71	71	71	71	71	71	71	71	71	71	71	71	71	71
2019	0	2	9	23	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43
2020	1	3	11	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
2021	0	0	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
2022	0	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**New Mexico Patients' Compensation Fund**

**Reserves as of 12/31/2023**

**Historical Claim Count Development**

**Claims Closed With Payment - Hospital & Practitioner Combined (Excluding Batch Claims)**

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	180-192	192-204	204-216	216-228	228-240	240-252	252-264	
1995						1.333	1.250	1.000	1.000	1.000	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996					2.250	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997				1.667	1.300	1.077	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998			3.000	1.333	1.250	1.200	1.000	1.000	1.000	1.000	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999		3.000	2.000	1.833	1.364	1.200	1.056	1.000	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000		2.333	1.429	1.600	1.188	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001	5.000	2.000	1.400	1.571	1.273	1.107	1.032	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2002	2.000	1.500	3.333	1.500	1.400	1.190	1.040	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003		7.000	1.714	1.500	1.111	1.100	1.136	1.040	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004			1.333	1.750	1.429	1.050	1.095	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005	2.000	2.000	1.750	2.286	1.438	1.130	1.038	1.074	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006			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	1.000	1.000	1.000	1.000	1.000	1.000	
2007			6.500	1.538	1.250	1.080	1.074	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008			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	1.000	1.000	1.000	1.000	1.000	1.000	
2009		3.500	1.286	1.444	1.538	1.000	1.050	1.000	1.000	1.048	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010		4.500	1.778	1.500	1.583	1.053	1.025	1.000	1.024	1.024	1.000	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2011		2.500	2.200	1.909	1.381	1.172	1.118	1.000	1.026	1.000	1.000	1.026	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2012		3.000	2.667	1.500	1.583	1.158	1.045	1.043	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2013		2.000	1.500	3.333	1.500	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2014		6.000	2.000	1.417	1.412	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2015			2.500	2.000	1.300	1.385	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2016		3.500	2.000	1.500	1.381	1.103	1.063	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2017		4.500	2.000	2.000	1.222	1.273	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2018		12.000	2.167	2.115	1.291	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2019		4.500	2.556	1.870	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2020	3.000	3.667	2.455	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2021																						
2022																						
Avg	3.000	3.971	2.329	1.745	1.387	1.142	1.056	1.010	1.005	1.004	1.016	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
W Avg	9.500	4.333	2.134	1.730	1.353	1.136	1.051	1.010	1.006	1.005	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
5 yr W Avg		6.250	2.250	1.919	1.302	1.200	1.043	1.008	1.014	1.014	1.000	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7 yr W Avg		5.900	2.232	1.901	1.335	1.191	1.053	1.005	1.010	1.010	1.000	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
5 yr Avg x Hi/Lo		4.222	2.207	1.957	1.324	1.192	1.036	1.000	1.008	1.008	1.000	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7 yr Avg x Hi/Lo		4.433	2.224	1.897	1.377	1.181	1.049	1.000	1.005	1.005	1.000	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Prior	4.000	4.100	2.200	1.850	1.380	1.170	1.055	1.010	1.010	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	4.000	4.100	2.250	1.860	1.350	1.200	1.055	1.008	1.007	1.005	1.004	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
LDF to Ultimate	120.503	30.126	7.348	3.266	1.756	1.301	1.084	1.027	1.019	1.012	1.007	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
% of Ultimate	0.8%	3.3%	13.6%	30.6%	57.0%	76.9%	92.3%	97.3%	98.1%	98.8%	99.3%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

<u>264</u>
6
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264- Ult.

1.000  
1.000  
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**New Mexico Patient's Compensation Fund**

Development of Classification Assignments by Specialty - Review of Assigned Factors

NM Class	Code	Specialty	Current Class	Proposed Class	Current Rate Factors				Proposed Factor	Indicated Change	
					Patient Compensation Funds			NM Primary Carriers			
					NM	IN	WI	TDC			MedPro
10002	Aerospace Medicine / Medical Director	1	1	0.75	0.70	1.00	N/A	0.85	0.75	0.0%	
10003	Allergy/Immunology - No Surgery	1	1	0.75	0.70	1.00	0.46	0.44	0.75	0.0%	
10026	Diabetes - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%	
10031	Endocrinology - No Surgery	1	1	0.75	1.00	1.00	0.61	0.50	0.75	0.0%	
10033	Family Practitioners - No Ob/ No Surgery	1	1	0.75	1.00	N/A	0.81	0.89	0.75	0.0%	
10034	Forensic Medicine / Legal Medicine	1	1	0.75	0.70	1.00	N/A	0.69	0.75	0.0%	
10039	General Practitioners - No Ob/ No Major Surgery	1	1	0.75	1.00	N/A	1.13	1.19	0.75	0.0%	
10041	General Practitioners or Family Physicians - No Surgery - No Ob	1	1	0.75	1.00	1.00	0.81	0.89	0.75	0.0%	
10042	General Preventive Medicine - No Surgery / No Ob	1	1	0.75	0.70	1.00	0.71	0.89	0.75	0.0%	
10047	Geriatrics - No Surgery	1	1	0.75	1.00	1.00	N/A	0.85	0.75	0.0%	
10050	Gynecology - No Surgery	1	1	0.75	1.00	1.00	0.81	0.85	0.75	0.0%	
<b>10055</b>	<b>Hematology - No Surgery</b>	<b>1</b>	<b>2</b>	<b>0.75</b>	<b>1.00</b>	<b>1.00</b>	<b>0.97</b>	<b>0.89</b>	<b>1.00</b>	<b>33.3%</b>	
10057	Hypnosis	1	1	0.75	N/A	1.00	N/A	0.59	0.75	0.0%	
10059	Infectious Diseases - No Surgery	1	1	0.75	1.00	1.00	0.62	1.19	0.75	0.0%	
10066	Laryngology - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%	
10068	Manipulator	1	1	0.75	N/A	1.00	N/A	N/A	0.75	0.0%	
10072	Neoplastic Diseases - No Surgery	1	1	0.75	1.00	1.00	0.93	0.89	0.75	0.0%	
10082	Nuclear Medicine - Excluding Radiation Therapy	1	1	0.75	1.00	1.00	0.92	0.76	0.75	0.0%	
10084	Nutrition	1	1	0.75	0.70	1.00	N/A	N/A	0.75	0.0%	
10087	Occupational Medicine	1	1	0.75	0.70	1.00	0.60	0.59	0.75	0.0%	
10092	Ophthalmology - No Surgery	1	1	0.75	0.70	1.00	0.48	0.59	0.75	0.0%	
10096	Otology - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%	
10099	Otorhinolaryngology - No Surgery	1	1	0.75	1.00	1.00	N/A	0.81	0.75	0.0%	
10101	Pathology - All Other	1	1	0.75	1.00	1.00	0.76	0.89	0.75	0.0%	
10103	Pathology - Blood Banking/Transfusion Medicine - No Surgery	1	1	0.75	1.00	1.00	0.76	0.89	0.75	0.0%	
10105	Pathology - Cytopathology - No Surgery	1	1	0.75	1.00	1.00	0.76	0.89	0.75	0.0%	
10107	Pathology - No Surgery	1	1	0.75	1.00	1.00	0.76	0.89	0.75	0.0%	
10111	Pharmacology - Clinical	1	1	0.75	0.70	1.00	N/A	0.85	0.75	0.0%	
10112	Physical Medicine and Rehabilitation - All Other	1	1	0.75	N/A	N/A	0.76	N/A	0.75	0.0%	
10114	Physical Medicine and Rehabilitation / Physiatry	1	1	0.75	1.00	1.00	1.10	0.83	0.75	0.0%	
10125	Preventive Medicine - No Surgery - Aerospace Medicine	1	1	0.75	N/A	N/A	N/A	0.85	0.75	0.0%	
10126	Preventive Medicine - No Surgery - Medical Toxicology	1	1	0.75	N/A	N/A	N/A	0.89	0.75	0.0%	
10127	Preventive Medicine - No Surgery - Occupational Medicine	1	1	0.75	N/A	N/A	0.60	0.59	0.75	0.0%	
10128	Preventive Medicine - No Surgery - Public/General Health Medicine	1	1	0.75	N/A	N/A	0.71	0.69	0.75	0.0%	
10129	Preventive Medicine - No Surgery - Undersea/Hyperbaric Medicine	1	1	0.75	N/A	N/A	N/A	0.89	0.75	0.0%	
10130	Psychiatry - Addiction Psychiatry	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10131	Psychiatry - All Other	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10132	Psychiatry - Child and Adolescent Psychiatry	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10133	Psychiatry - Forensic Psychiatry	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10134	Psychiatry - Geriatric Psychiatry	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10135	Psychiatry - Including Child	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10136	Psychoanalysis	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10137	Psychosomatic Medicine	1	1	0.75	0.70	1.00	0.76	0.59	0.75	0.0%	
10138	Public Health	1	1	0.75	0.70	1.00	N/A	0.69	0.75	0.0%	
10149	Rheumatology - No Surgery	1	1	0.75	1.00	1.00	0.62	0.59	0.75	0.0%	
10151	Rhinology - No Surgery	1	1	0.75	1.00	1.00	N/A	0.81	0.75	0.0%	
10156	Shock Therapy - by Employed Physicians or Surgeons Involved with Major Surgery	1	1	0.75	N/A	4.00	N/A	N/A	0.75	0.0%	
10155	Shock Therapy - by Insured Physicians or Surgeons Involved with Major Surgery	1	1	0.75	N/A	1.00	N/A	N/A	0.75	0.0%	
10160	Teaching Physicians - No Surgery	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%	
<b>10001</b>	<b>Acupuncture - Other than Acupuncture Anesthesia</b>	<b>2</b>	<b>3</b>	<b>1.00</b>	<b>N/A</b>	<b>1.80</b>	<b>N/A</b>	<b>1.58</b>	<b>1.20</b>	<b>20.0%</b>	
10012	Cardiovascular Disease - No Surgery	2	2	1.00	1.00	1.00	0.79	1.31	1.00	0.0%	
<b>10024</b>	<b>Dermatology - No Surgery</b>	<b>2</b>	<b>1</b>	<b>1.00</b>	<b>0.70</b>	<b>1.00</b>	<b>0.48</b>	<b>0.62</b>	<b>0.75</b>	<b>-25.0%</b>	
10027	Discograms / Myelography / Pneumoencephalography	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%	
<b>10056</b>	<b>Hospitalism</b>	<b>2</b>	<b>3</b>	<b>1.00</b>	<b>N/A</b>	<b>1.80</b>	<b>1.45</b>	<b>N/A</b>	<b>1.20</b>	<b>20.0%</b>	
10062	Internal Medicine - No Surgery	2	2	1.00	1.00	1.00	1.00	1.00	1.00	0.0%	
10063	Laparoscopy (Peritonescopy)	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%	
10069	Needle Biopsy	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%	
10076	Nephrology - No Surgery	2	2	1.00	1.00	1.00	0.59	0.93	1.00	0.0%	
<b>10078</b>	<b>Neurology - Including Child - No Surgery</b>	<b>2</b>	<b>3</b>	<b>1.00</b>	<b>1.30</b>	<b>1.00</b>	<b>1.22</b>	<b>1.35</b>	<b>1.20</b>	<b>20.0%</b>	
<b>10079</b>	<b>Neurology - Including Child - No Surgery - All Other</b>	<b>2</b>	<b>3</b>	<b>1.00</b>	<b>N/A</b>	<b>N/A</b>	<b>1.22</b>	<b>1.35</b>	<b>1.20</b>	<b>20.0%</b>	
<b>10080</b>	<b>Neurology - Including Child - No Surgery - Pain Management</b>	<b>2</b>	<b>3</b>	<b>1.00</b>	<b>N/A</b>	<b>1.80</b>	<b>1.22</b>	<b>1.29</b>	<b>1.20</b>	<b>20.0%</b>	
10089	Oncology - No Surgery	2	2	1.00	N/A	1.00	0.93	N/A	1.00	0.0%	
10091	Ophthalmology - Minor Surgery	2	2	1.00	1.30	1.80	0.96	0.89	1.00	0.0%	
10140	Radiation Therapy - by Employed Physicians or Surgeons Involved with Major Surgery	2	2	1.00	1.70	4.00	0.67	0.93	1.00	0.0%	
10141	Radiation Therapy - by Insured Physicians or Surgeons Involved with Major Surgery	2	2	1.00	N/A	1.80	0.67	0.93	1.00	0.0%	
10147	Radiology - Therapeutic - No Surgery	2	2	1.00	N/A	N/A	0.67	0.93	1.00	0.0%	
10154	Shock Therapy	2	2	1.00	1.30	1.00	N/A	N/A	1.00	0.0%	
10158	Sports Medicine - No Surgery	2	2	1.00	N/A	N/A	N/A	N/A	1.00	0.0%	
10159	Teaching Physicians - Minor Surgery	2	2	1.00	N/A	N/A	N/A	N/A	1.00	0.0%	
10167	Urology - No Surgery	2	2	1.00	N/A	1.00	2.14	N/A	1.00	0.0%	
10007	Anesthesiology - Pain Management	3	3	1.20	N/A	1.80	N/A	1.19	1.20	0.0%	
	Certified Nurse Midwife	3	3	1.20	N/A	N/A	N/A	N/A	1.20	0.0%	
10018	Colonoscopy/ERCP/Pneumatic or Mechanical Esophageal Dilation	3	3	1.20	N/A	1.80	N/A	N/A	1.20	0.0%	
10020	Dermatology - All Other	3	3	1.20	N/A	N/A	1.27	0.89	1.20	0.0%	
10021	Dermatology - Clinical and Dermatological Immunology	3	3	1.20	N/A	N/A	1.27	1.29	1.20	0.0%	
10022	Dermatology - Dermatopathology	3	3	1.20	N/A	1.80	1.27	1.77	1.20	0.0%	
10023	Dermatology - including X-Ray Therapy / Radiation Therapy	3	3	1.20	1.30	1.80	1.27	0.89	1.20	0.0%	
10025	Diabetes - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%	
10030	Endocrinology - Minor Surgery	3	3	1.20	1.70	1.80	0.61	1.35	1.20	0.0%	
10036	Gastroenterology - No Surgery	3	3	1.20	1.00	1.00	1.45	1.41	1.20	0.0%	
10040	General Practitioners or Family Physicians - Minor Surgery - No Ob	3	3	1.20	1.70	1.80	1.13	1.19	1.20	0.0%	
10046	Geriatrics - Minor Surgery	3	3	1.20	1.70	1.80	N/A	1.07	1.20	0.0%	
10054	Hematology - Minor Surgery	3	3	1.20	1.70	1.80	0.97	1.35	1.20	0.0%	
10058	Infectious Diseases - Minor Surgery	3	3	1.20	1.70	1.80	0.62	1.35	1.20	0.0%	
10065	Laryngology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%	
10071	Neoplastic Diseases - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%	
10093	Ophthalmology Surgery	3	3	1.20	1.70	1.80	1.07	0.93	1.20	0.0%	

**New Mexico Patient's Compensation Fund**

Development of Classification Assignments by Specialty - Review of Assigned Factors

NM Class	Code	Specialty	Current Class	Proposed Class	Current Rate Factors					Proposed Factor	Indicated Change
					Patient Compensation Funds			NM Primary Carriers			
					NM	IN	WI	TDC	MedPro		
10095	Otology - Minor Surgery		3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
10102	Pathology - Blood Banking/Transfusion Medicine - Minor Surgery		3	3	1.20	N/A	N/A	0.76	1.35	1.20	0.0%
10104	Pathology - Cytopathology - Minor Surgery		3	3	1.20	N/A	N/A	0.76	1.35	1.20	0.0%
10106	Pathology - Minor Surgery		3	3	1.20	1.30	1.80	0.76	1.35	1.20	0.0%
10109	Pediatrics - Minor Surgery		3	3	1.20	1.70	1.80	0.87	1.19	1.20	0.0%
<b>10110</b>	<b>Pediatrics - No Surgery</b>		<b>3</b>	<b>2</b>	<b>1.20</b>	<b>1.00</b>	<b>1.00</b>	<b>0.87</b>	<b>0.72</b>	<b>1.00</b>	<b>-16.7%</b>
10113	Physical Medicine and Rehabilitation - Pain Management		3	3	1.20	N/A	1.00	1.82	1.29	1.20	0.0%
10115	Physicians - Minor Surgery - No Ob		3	3	1.20	1.70	1.80	N/A	1.35	1.20	0.0%
10144	Radiology - Diagnostic - No Surgery		3	3	1.20	1.30	1.00	1.39	1.66	1.20	0.0%
10150	Rhinology - Minor Surgery		3	3	1.20	1.70	1.80	N/A	1.29	1.20	0.0%
10153	Sclerotherapy		3	3	1.20	N/A	N/A	N/A	1.19	1.20	0.0%
10164	Urgent Care - No Surgery - No Ob		3	3	1.20	1.00	1.00	N/A	1.19	1.20	0.0%
10009	Broncho-Esophagology		4A	4A	1.50	2.00	1.80	N/A	N/A	1.50	0.0%
10035	Gastroenterology - Minor Surgery		4A	4A	1.50	1.70	1.80	1.45	1.51	1.50	0.0%
10067	Lymphangiography / Phlebography		4A	4A	1.50	N/A	1.80	N/A	1.19	1.50	0.0%
<b>10139</b>	<b>Pulmonary Diseases - No Surgery</b>		<b>4A</b>	<b>3</b>	<b>1.50</b>	<b>1.00</b>	<b>1.00</b>	<b>0.99</b>	<b>1.58</b>	<b>1.20</b>	<b>-20.0%</b>
10157	Sports Medicine - Minor Surgery		4A	4A	1.50	N/A	N/A	N/A	N/A	1.50	0.0%
10166	Urology - Minor Surgery		4A	4A	1.50	N/A	1.00	2.14	1.35	1.50	0.0%
10008	Angiography / Arteriography / Catheterization		4	4	1.80	1.70	1.80	N/A	1.96	1.80	0.0%
10011	Cardiovascular Disease - Minor Surgery		4	4	1.80	1.70	1.80	N/A	1.81	1.80	0.0%
10019	Cryosurgery		4	4	1.80	N/A	N/A	N/A	N/A	1.80	0.0%
10049	Gynecology - Minor Surgery (including 1st trimester abortions)		4	4	1.80	2.00	1.80	2.50	1.51	1.80	0.0%
10060	Intensive Care Medicine		4	4	1.80	1.70	1.80	N/A	1.66	1.80	0.0%
10061	Internal Medicine - Minor Surgery		4	4	1.80	1.70	1.80	1.06	1.41	1.80	0.0%
10070	Neonatal/Perinatal Medicine		4	4	1.80	N/A	N/A	2.46	1.19	1.80	0.0%
10074	Nephrology - Including Child - Minor Surgery		4	4	1.80	1.70	1.80	N/A	1.48	1.80	0.0%
10075	Nephrology - Minor Surgery		4	4	1.80	1.70	1.80	N/A	1.29	1.80	0.0%
10098	Otorhinolaryngology - Minor Surgery		4	4	1.80	1.70	1.80	N/A	1.29	1.80	0.0%
<b>10124</b>	<b>Podiatrists/Chiropodists - No Surgery</b>		<b>4</b>	<b>3</b>	<b>1.80</b>	<b>0.93</b>	<b>N/A</b>	<b>0.53</b>	<b>N/A</b>	<b>1.20</b>	<b>-33.3%</b>
10148	Radiopaque Dye Injections		4	4	1.80	N/A	1.00	N/A	1.66	1.80	0.0%
10044	General/Family Practitioners - No Major Surgery - < 40 Non-High-Risk Deliveries Yearly		5A	5A	1.70	1.70	N/A	2.22	1.76	1.70	0.0%
10088	Oncology - Minor Surgery		5A	5A	1.70	N/A	1.80	0.93	1.35	1.70	0.0%
10142	Radiation Therapy / Lasers - Used in Therapy		5A	5A	1.70	1.30	1.80	0.67	0.93	1.70	0.0%
10029	Emergency Medicine - No Major Surgery		5	5	2.20	2.75	1.80	2.03	2.62	2.20	0.0%
10038	General Practice or Family Practice Surgery		5	5	2.20	2.00	1.80	1.61	1.66	2.20	0.0%
10045	General/Family Practitioners - No Major Surgery - High-Risk or > 40 Deliveries Yearly		5	5	2.20	1.70	N/A	2.22	1.19	2.20	0.0%
10143	Radiology - Diagnostic - Minor Surgery		5	5	2.20	1.30	1.80	2.83	2.05	2.20	0.0%
10145	Radiology - Interventional		5	5	2.20	N/A	N/A	2.83	2.05	2.20	0.0%
<b>10146</b>	<b>Radiology - Therapeutic - Minor Surgery</b>		<b>5</b>	<b>5A</b>	<b>2.20</b>	<b>N/A</b>	<b>N/A</b>	<b>0.67</b>	<b>0.93</b>	<b>1.70</b>	<b>-22.7%</b>
10165	Urological Surgery		5	5	2.20	2.00	1.80	2.14	2.03	2.20	0.0%
10017	Colon and Rectal Surgery		6	6	2.60	2.00	1.80	2.99	2.85	2.60	0.0%
10037	Gastroenterology Surgery		6	6	2.60	2.75	1.80	1.45	3.81	2.60	0.0%
10052	Hand Surgery		6	6	2.60	4.25	4.00	1.64	1.96	2.60	0.0%
10100	Otorhinolaryngology Surgery		6	6	2.60	2.75	4.00	2.00	1.74	2.60	0.0%
10004	Anesthesiology		7A	7A	3.00	1.70	1.80	1.34	1.25	3.00	0.0%
10005	Anesthesiology - All Other		7A	7A	3.00	1.70	1.80	1.34	1.25	3.00	0.0%
10006	Anesthesiology - Critical Care Medicine		7A	7A	3.00	1.70	1.80	1.34	1.25	3.00	0.0%
10028	Emergency Medicine - Including Major Surgery		7A	7A	3.00	4.25	4.00	2.03	3.81	3.00	0.0%
10053	Head and Neck Surgery		7A	7A	3.00	4.25	4.00	4.40	3.81	3.00	0.0%
10064	Laryngology Surgery		7A	7A	3.00	2.75	4.00	4.40	3.81	3.00	0.0%
10073	Neoplastic Surgery		7A	7A	3.00	2.75	1.80	4.40	3.81	3.00	0.0%
10077	Nephrology Surgery		7A	7A	3.00	2.00	1.80	4.40	3.81	3.00	0.0%
10097	Otology Surgery		7A	7A	3.00	2.75	4.00	4.40	3.81	3.00	0.0%
10152	Rhinology Surgery		7A	7A	3.00	2.75	4.00	4.40	1.74	3.00	0.0%
10161	Teaching Physicians or Surgeons - Major Surgery		7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%
10122	Podiatrists - Surgery		7	7	3.50	1.45	4.25	1.89	N/A	3.50	0.0%
10010	Cardiac Surgery		8	8	4.75	6.00	4.00	3.82	3.81	4.75	0.0%
10048	Geriatrics Surgery		8	8	4.75	2.75	1.80	4.40	1.58	4.75	0.0%
10051	Gynecology Surgery		8	8	4.75	6.00	4.00	1.65	2.28	4.75	0.0%
10086	Obstetrics Surgery (c-sections only)		8	8	4.75	7.50	6.60	4.52	4.38	4.75	0.0%
10090	Oncology Surgery		8	8	4.75	N/A	N/A	4.40	3.81	4.75	0.0%
10108	Pediatric Surgery		8	8	4.75	N/A	4.00	4.40	N/A	4.75	0.0%
10120	Plastic Surgery		8	8	4.75	4.25	4.00	2.39	1.96	4.75	0.0%
10121	Plastic-otorhino-laryngology Surgery		8	8	4.75	2.75	4.00	2.50	1.96	4.75	0.0%
10000	Abdominal Surgery		9	9	5.75	4.25	4.00	4.40	3.81	5.75	0.0%
10013	Cardiovascular Disease Surgery		9	9	5.75	6.00	4.00	1.30	3.81	5.75	0.0%
10032	Endocrinology Surgery		9	9	5.75	2.75	1.80	4.40	3.81	5.75	0.0%
10043	General Surgery		9	9	5.75	4.25	4.00	4.40	3.81	5.75	0.0%
10094	Orthopedic Surgery		9	9	5.75	6.00	4.00	2.63	3.36	5.75	0.0%
10162	Thoracic Surgery		9	9	5.75	6.00	4.00	3.82	3.81	5.75	0.0%
10163	Traumatic Surgery		9	9	5.75	6.00	4.00	4.40	4.00	5.75	0.0%
10168	Vascular Surgery		9	9	5.75	6.00	4.00	4.40	4.00	5.75	0.0%
10081	Neurology Surgery - Including Child		10	10	6.50	8.50	6.60	7.10	5.76	6.50	0.0%
10085	Obstetrics Surgery / Gynecology Surgery		10	10	6.50	7.50	6.60	3.84	4.38	6.50	0.0%

New Mexico Patient's Compensation Fund

Surcharge Impact of Classification Assignments

NM Class		Current	Proposed		Current	Proposed	Proposed	Indicated	% of
Code	Specialty	Class	Class	Exposures	Rate	Rate	Factor	Surcharge Impact	Surcharge Impact
10002	Aerospace Medicine / Medical Director	1	1	1	\$4,761	\$4,761	0.75	\$0	0.0%
10003	Allergy/Immunology - No Surgery	1	1	14	4,761	4,761	0.75	0	0.0%
10026	Diabetes - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10031	Endocrinology - No Surgery	1	1	12	4,761	4,761	0.75	0	0.0%
10033	Family Practitioners - No Ob/ No Surgery	1	1	22	4,761	4,761	0.75	0	0.0%
10034	Forensic Medicine / Legal Medicine	1	1	0	4,761	4,761	0.75	0	0.0%
10039	General Practitioners - No Ob/ No Major Surgery	1	1	1	4,761	4,761	0.75	0	0.0%
10041	General Practitioners or Family Physicians - No Surgery - No Ob	1	1	407	4,761	4,761	0.75	0	0.0%
10042	General Preventive Medicine - No Surgery / No Ob	1	1	3	4,761	4,761	0.75	0	0.0%
10047	Geriatrics - No Surgery	1	1	5	4,761	4,761	0.75	0	0.0%
10050	Gynecology - No Surgery	1	1	4	4,761	4,761	0.75	0	0.0%
10055	Hematology - No Surgery	1	2	9	4,761	6,348	1.00	14,283	33.3%
10057	Hypnosis	1	1	0	4,761	4,761	0.75	0	0.0%
10059	Infectious Diseases - No Surgery	1	1	17	4,761	4,761	0.75	0	0.0%
10066	Laryngology - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10068	Manipulator	1	1	0	4,761	4,761	0.75	0	0.0%
10072	Neoplastic Diseases - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10082	Nuclear Medicine - Excluding Radiation Therapy	1	1	1	4,761	4,761	0.75	0	0.0%
10084	Nutrition	1	1	0	4,761	4,761	0.75	0	0.0%
10087	Occupational Medicine	1	1	2	4,761	4,761	0.75	0	0.0%
10092	Ophthalmology - No Surgery	1	1	9	4,761	4,761	0.75	0	0.0%
10096	Otology - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10099	Otorhinolaryngology - No Surgery	1	1	4	4,761	4,761	0.75	0	0.0%
10101	Pathology - All Other	1	1	41	4,761	4,761	0.75	0	0.0%
10103	Pathology - Blood Banking/Transfusion Medicine - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10105	Pathology - Cytopathology - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10107	Pathology - No Surgery	1	1	6	4,761	4,761	0.75	0	0.0%
10111	Pharmacology - Clinical	1	1	2	4,761	4,761	0.75	0	0.0%
10112	Physical Medicine and Rehabilitation - All Other	1	1	17	4,761	4,761	0.75	0	0.0%
10114	Physical Medicine and Rehabilitation / Physiatry	1	1	7	4,761	4,761	0.75	0	0.0%
10125	Preventive Medicine - No Surgery - Aerospace Medicine	1	1	0	4,761	4,761	0.75	0	0.0%
10126	Preventive Medicine - No Surgery - Medical Toxicology	1	1	0	4,761	4,761	0.75	0	0.0%
10127	Preventive Medicine - No Surgery - Occupational Medicine	1	1	5	4,761	4,761	0.75	0	0.0%
10128	Preventive Medicine - No Surgery - Public/General Health Medicine	1	1	0	4,761	4,761	0.75	0	0.0%
10129	Preventive Medicine - No Surgery - Undersea/Hyperbaric Medicine	1	1	0	4,761	4,761	0.75	0	0.0%
10130	Psychiatry - Addiction Psychiatry	1	1	1	4,761	4,761	0.75	0	0.0%
10131	Psychiatry - All Other	1	1	14	4,761	4,761	0.75	0	0.0%
10132	Psychiatry - Child and Adolescent Psychiatry	1	1	3	4,761	4,761	0.75	0	0.0%
10133	Psychiatry - Forensic Psychiatry	1	1	0	4,761	4,761	0.75	0	0.0%
10134	Psychiatry - Geriatric Psychiatry	1	1	0	4,761	4,761	0.75	0	0.0%
10135	Psychiatry - Including Child	1	1	52	4,761	4,761	0.75	0	0.0%
10136	Psychoanalysis	1	1	1	4,761	4,761	0.75	0	0.0%
10137	Psychosomatic Medicine	1	1	0	4,761	4,761	0.75	0	0.0%
10138	Public Health	1	1	0	4,761	4,761	0.75	0	0.0%
10149	Rheumatology - No Surgery	1	1	26	4,761	4,761	0.75	0	0.0%
10151	Rhinology - No Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10156	Shock Therapy - by Employed Physicians or Surgeons Involved with Major Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10155	Shock Therapy - by Insured Physicians or Surgeons Involved with Major Surgery	1	1	0	4,761	4,761	0.75	0	0.0%
10160	Teaching Physicians - No Surgery	1	1	2	4,761	4,761	0.75	0	0.0%
10001	Acupuncture - Other than Acupuncture Anesthesia	2	3	0	6,348	7,617	1.20	0	0.0%
10012	Cardiovascular Disease - No Surgery	2	2	33	6,348	6,348	1.00	0	0.0%
10024	Dermatology - No Surgery	2	1	40	6,348	4,761	0.75	(63,480)	-25.0%
10027	Discograms / Myleography / Pneumoencephalography	2	2	0	6,348	6,348	1.00	0	0.0%
10056	Hospitalism	2	3	277	6,348	7,617	1.20	351,513	20.0%
10062	Internal Medicine - No Surgery	2	2	257	6,348	6,348	1.00	0	0.0%
10063	Laparoscopy (Peritonescopy)	2	2	0	6,348	6,348	1.00	0	0.0%
10069	Needle Biopsy	2	2	0	6,348	6,348	1.00	0	0.0%
10076	Nephrology - No Surgery	2	2	42	6,348	6,348	1.00	0	0.0%
10078	Neurology - Including Child - No Surgery	2	3	18	6,348	7,617	1.20	22,842	20.0%
10079	Neurology - Including Child - No Surgery - All Other	2	3	13	6,348	7,617	1.20	16,497	20.0%
10080	Neurology - Including Child - No Surgery - Pain Management	2	3	14	6,348	7,617	1.20	17,766	20.0%
10089	Oncology - No Surgery	2	2	28	6,348	6,348	1.00	0	0.0%
10091	Ophthalmology - Minor Surgery	2	2	4	6,348	6,348	1.00	0	0.0%
10140	Radiation Therapy - by Employed Physicians or Surgeons Involved with Major Surgery	2	2	5	6,348	6,348	1.00	0	0.0%
10141	Radiation Therapy - by Insured Physicians or Surgeons Involved with Major Surgery	2	2	0	6,348	6,348	1.00	0	0.0%
10147	Radiology - Therapeutic - No Surgery	2	2	1	6,348	6,348	1.00	0	0.0%
10154	Shock Therapy	2	2	0	6,348	6,348	1.00	0	0.0%
10158	Sports Medicine - No Surgery	2	2	0	6,348	6,348	1.00	0	0.0%
10159	Teaching Physicians - Minor Surgery	2	2	0	6,348	6,348	1.00	0	0.0%
10167	Urology - No Surgery	2	2	0	6,348	6,348	1.00	0	0.0%
10007	Anesthesiology - Pain Management	3	3	21	7,617	7,617	1.20	0	0.0%
	Certified Nurse Midwife	3	3	65	7,617	7,617	1.20	0	0.0%
10018	Colonoscopy/ERCP/Pneumatic or Mechanical Esophageal Dilation	3	3	0	7,617	7,617	1.20	0	0.0%
10020	Dermatology - All Other	3	3	10	7,617	7,617	1.20	0	0.0%
10021	Dermatology - Clinical and Dermatological Immunology	3	3	0	7,617	7,617	1.20	0	0.0%
10022	Dermatology - Dermatopathology	3	3	0	7,617	7,617	1.20	0	0.0%
10023	Dermatology - including X-Ray Therapy / Radiation Therapy	3	3	1	7,617	7,617	1.20	0	0.0%
10025	Diabetes - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10030	Endocrinology - Minor Surgery	3	3	9	7,617	7,617	1.20	0	0.0%
10036	Gastroenterology - No Surgery	3	3	3	7,617	7,617	1.20	0	0.0%
10040	General Practitioners or Family Physicians - Minor Surgery - No Ob	3	3	25	7,617	7,617	1.20	0	0.0%
10046	Geriatrics - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%

New Mexico Patient's Compensation Fund

Surcharge Impact of Classification Assignments

NM Class		Current	Proposed		Current	Proposed	Proposed	Indicated	% of
Code	Specialty	Class	Class	Exposures	Rate	Rate	Factor	Surcharge Impact	Surcharge Impact
10054	Hematology - Minor Surgery	3	3	12	7,617	7,617	1.20	0	0.0%
10058	Infectious Diseases - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10065	Laryngology - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10071	Neoplastic Diseases - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10093	Ophthalmology Surgery	3	3	56	7,617	7,617	1.20	0	0.0%
10095	Otology - Minor Surgery	3	3	1	7,617	7,617	1.20	0	0.0%
10102	Pathology - Blood Banking/Transfusion Medicine - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10104	Pathology - Cytopathology - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10106	Pathology - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10109	Pediatrics - Minor Surgery	3	3	57	7,617	7,617	1.20	0	0.0%
10110	Pediatrics - No Surgery	3	2	131	7,617	6,348	1.00	(166,239)	-16.7%
10113	Physical Medicine and Rehabilitation - Pain Management	3	3	10	7,617	7,617	1.20	0	0.0%
10115	Physicians - Minor Surgery - No Ob	3	3	16	7,617	7,617	1.20	0	0.0%
10144	Radiology - Diagnostic - No Surgery	3	3	273	7,617	7,617	1.20	0	0.0%
10150	Rhinology - Minor Surgery	3	3	0	7,617	7,617	1.20	0	0.0%
10153	Sclerotherapy	3	3	0	7,617	7,617	1.20	0	0.0%
10164	Urgent Care - No Surgery - No Ob	3	3	33	7,617	7,617	1.20	0	0.0%
10009	Broncho-Esophagology	4A	4A	1	9,521	9,521	1.50	0	0.0%
10035	Gastroenterology - Minor Surgery	4A	4A	31	9,521	9,521	1.50	0	0.0%
10067	Lymphangiography / Phlebography	4A	4A	0	9,521	9,521	1.50	0	0.0%
10139	Pulmonary Diseases - No Surgery	4A	3	30	9,521	7,617	1.20	(57,120)	-20.0%
10157	Sports Medicine - Minor Surgery	4A	4A	0	9,521	9,521	1.50	0	0.0%
10166	Urology - Minor Surgery	4A	4A	2	9,521	9,521	1.50	0	0.0%
10008	Angiography / Arteriography / Catheterization	4	4	1	11,426	11,426	1.80	0	0.0%
10011	Cardiovascular Disease - Minor Surgery	4	4	53	11,426	11,426	1.80	0	0.0%
10019	Cryosurgery	4	4	0	11,426	11,426	1.80	0	0.0%
10049	Gynecology - Minor Surgery (including 1st trimester abortions)	4	4	13	11,426	11,426	1.80	0	0.0%
10060	Intensive Care Medicine	4	4	39	11,426	11,426	1.80	0	0.0%
10061	Internal Medicine - Minor Surgery	4	4	7	11,426	11,426	1.80	0	0.0%
10070	Neonatal/Perinatal Medicine	4	4	22	11,426	11,426	1.80	0	0.0%
10074	Nephrology - Including Child - Minor Surgery	4	4	0	11,426	11,426	1.80	0	0.0%
10075	Nephrology - Minor Surgery	4	4	5	11,426	11,426	1.80	0	0.0%
10098	Otorhinolaryngology - Minor Surgery	4	4	6	11,426	11,426	1.80	0	0.0%
10124	Podiatrists/Chiropodists - No Surgery	4	3	0	11,426	7,617	1.20	0	0.0%
10148	Radiopaque Dye Injections	4	4	0	11,426	11,426	1.80	0	0.0%
10044	General/Family Practitioners - No Major Surgery - < 40 Non-High-Risk Deliveries Yearly	5A	5A	6	10,792	10,792	1.70	0	0.0%
10088	Oncology - Minor Surgery	5A	5A	5	10,792	10,792	1.70	0	0.0%
10142	Radiation Therapy / Lasers - Used in Therapy	5A	5A	6	10,792	10,792	1.70	0	0.0%
10029	Emergency Medicine - No Major Surgery	5	5	329	13,966	13,966	2.20	0	0.0%
10038	General Practice or Family Practice Surgery	5	5	19	13,966	13,966	2.20	0	0.0%
10045	General/Family Practitioners - No Major Surgery - High-Risk or > 40 Deliveries Yearly	5	5	12	13,966	13,966	2.20	0	0.0%
10143	Radiology - Diagnostic - Minor Surgery	5	5	42	13,966	13,966	2.20	0	0.0%
10145	Radiology - Interventional	5	5	11	13,966	13,966	2.20	0	0.0%
10146	Radiology - Therapeutic - Minor Surgery	5	5A	1	13,966	10,792	1.70	(3,174)	-22.7%
10165	Urological Surgery	5	5	24	13,966	13,966	2.20	0	0.0%
10017	Colon and Rectal Surgery	6	6	4	16,504	16,504	2.60	0	0.0%
10037	Gastroenterology Surgery	6	6	35	16,504	16,504	2.60	0	0.0%
10052	Hand Surgery	6	6	5	16,504	16,504	2.60	0	0.0%
10100	Otorhinolaryngology Surgery	6	6	18	16,504	16,504	2.60	0	0.0%
10004	Anesthesiology	7A	7A	23	19,044	19,044	3.00	0	0.0%
10005	Anesthesiology - All Other	7A	7A	54	19,044	19,044	3.00	0	0.0%
10006	Anesthesiology - Critical Care Medicine	7A	7A	1	19,044	19,044	3.00	0	0.0%
10028	Emergency Medicine - Including Major Surgery	7A	7A	16	19,044	19,044	3.00	0	0.0%
10053	Head and Neck Surgery	7A	7A	2	19,044	19,044	3.00	0	0.0%
10064	Laryngology Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10073	Neoplastic Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10077	Nephrology Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10097	Otology Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10152	Rhinology Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10161	Teaching Physicians or Surgeons - Major Surgery	7A	7A	0	19,044	19,044	3.00	0	0.0%
10122	Podiatrists - Surgery	7	7	0	22,218	22,218	3.50	0	0.0%
10010	Cardiac Surgery	8	8	15	30,152	30,152	4.75	0	0.0%
10048	Geriatrics Surgery	8	8	0	30,152	30,152	4.75	0	0.0%
10051	Gynecology Surgery	8	8	15	30,152	30,152	4.75	0	0.0%
10086	Obstetrics Surgery (c-sections only)	8	8	2	30,152	30,152	4.75	0	0.0%
10090	Oncology Surgery	8	8	5	30,152	30,152	4.75	0	0.0%
10108	Pediatric Surgery	8	8	10	30,152	30,152	4.75	0	0.0%
10120	Plastic Surgery	8	8	10	30,152	30,152	4.75	0	0.0%
10121	Plastic-otorhino-laryngology Surgery	8	8	3	30,152	30,152	4.75	0	0.0%
10000	Abdominal Surgery	9	9	0	36,501	36,501	5.75	0	0.0%
10013	Cardiovascular Disease Surgery	9	9	15	36,501	36,501	5.75	0	0.0%
10032	Endocrinology Surgery	9	9	0	36,501	36,501	5.75	0	0.0%
10043	General Surgery	9	9	105	36,501	36,501	5.75	0	0.0%
10094	Orthopedic Surgery	9	9	103	36,501	36,501	5.75	0	0.0%
10162	Thoracic Surgery	9	9	12	36,501	36,501	5.75	0	0.0%
10163	Traumatic Surgery	9	9	1	36,501	36,501	5.75	0	0.0%
10168	Vascular Surgery	9	9	6	36,501	36,501	5.75	0	0.0%
10081	Neurology Surgery - Including Child	10	10	10	41,261	41,261	6.50	0	0.0%
10085	Obstetrics Surgery / Gynecology Surgery	10	10	142	41,261	41,261	6.50	0	0.0%
Total Surcharge Impact								132,888	



# New Mexico Patient's Compensation Fund

Review of Classification Factors by Assigned Class

Appendix 13

Page 1

Class	Current Factor	Current Rate Factors Evaluated Over Proposed Class*					Proposed Factor
		Patient Compensation Funds			NM Primary Carriers		
		NM	IN	WI	TDC	MedPro	
1	0.75	0.76	0.86	1.08	0.74	0.75	0.75
2	1.00	1.00	1.16	1.50	0.93	0.95	1.00
3	1.20	1.20	1.49	1.62	1.09	1.30	1.20
4A	1.50	1.50	1.85	1.60	1.80	1.35	1.50
4	1.80	1.80	1.74	1.71	2.01	1.53	1.80
5A	1.70	1.83	1.50	1.80	1.12	1.24	1.70
5	2.20	2.20	1.95	1.80	2.28	1.93	2.20
6	2.60	2.60	2.94	2.90	2.02	2.59	2.60
7A	3.00	3.00	2.66	2.90	3.25	2.83	3.00
7	3.50	3.50	1.45	4.25	1.89		3.50
8	4.75	4.75	4.88	4.06	3.51	2.82	4.75
9	5.75	5.75	5.16	3.73	3.72	3.80	5.75
10	6.50	6.50	8.00	6.60	5.47	5.07	6.50

\*Incorporates impact of changes in classification for physician classes

# New Mexico Patient's Compensation Fund

Development of Relativities by Allied Class

NM Class		Relativity to Internal Medicine No Surgery - 80257					Proposed Factor	Indicated Change	
		Patient Compensation Funds			NM Primary Carrier				
		Class	NM	IN	WI	TDC			MedPro
10015	Chiropractor	99	0.60	N/A	0.40	0.25	0.15	0.60	0.0%
10083	Nurse Anesthetists	CRNA	0.25	0.45	0.25	0.54	0.31	0.25	0.0%
10014	Certified Nurse Specialist/Certified Nurse Practitioner	CN	0.16	0.35	0.25	0.18	0.06	0.16	0.0%
10117	Physicians Assistants - Supervised by Non-Invasive Specialist	PA-1	0.34	0.35	0.20	0.27	0.24	0.34	0.0%
10119	Physicians Assistants - Supervised by Specialists Performing Minor Surgery	PA-2	0.45	0.35	0.20	0.27	0.31	0.45	0.0%
10118	Physicians Assistants - Supervised by Specialists Performing Major Surgery	PA-3	0.54	0.35	0.20	0.27	0.31	0.54	0.0%

# New Mexico Patient's Compensation Fund

Surcharge Impact of New Relativities by Allied Class

NM Class			Current	Proposed	Current	Proposed	Indicated	% of
<u>Code</u>	<u>Description</u>	<u>Class</u>	<u>Factor</u>	<u>Factor</u>	<u>Rate</u>	<u>Rate</u>	<u>Surcharge</u>	<u>Surcharge</u>
							<u>Impact</u>	<u>Impact</u>
10015	Chiropractor	99	0.60	0.60	3,809	3,809	0	0.0%
10083	Nurse Anesthetists	CRNA	0.25	0.25	1,588	1,588	0	0.0%
10014	Certified Nurse Specialist/Certified Nurse Practitioner	CN	0.16	0.16	1,016	1,016	0	0.0%
10117	Physicians Assistants - Supervised by Non-Invasive Specialist	PA-1	0.34	0.34	2,159	2,159	0	0.0%
10119	Physicians Assistants - Supervised by Specialists Performing Minor Surgery	PA-2	0.45	0.45	2,857	2,857	0	0.0%
10118	Physicians Assistants - Supervised by Specialists Performing Major Surgery	PA-3	0.54	0.54	3,428	3,428	0	0.0%
						Total	0	

**New Mexico Patient's Compensation Fund**

Entity Coverage Evaluation

NM Class		Class	Exposures (1)	Indicated	Current Surcharge (3)	Proposed Rate per Provider (4)	Weighted	Estimated Rate Per Provider (6)	Estimated Surcharge (7)	Estimated Surcharge Impact (8)	% of Surcharge Impact (9)
Code	Description			Rate Per Provider (2)			Average Provider Surcharge (5)				
10116	Physicians and Surgeons - Corporate or Partnership Liability	51	532	\$2,858	\$1,520,299	10% of provider surcharge	\$12,253	\$1,225	\$651,870	\$10,353	0.7%
10123	Podiatrists/Chiropodists - Corporate or Partnership Liability	52	3	8,705	\$26,115	10% of provider surcharge	7,617	762	2,285	0	0.0%
10016	Chiropractors - Corporate or Partnership Liability	53	0		\$0	10% of provider surcharge	3,809	381	0	0	0.0%
				Total	\$1,546,414				Total	10,353	0.7%

Notes

- (1),(3),(4) Provided by New Mexico PCF
- (2) Col (3) / Col (1)
- (5) Weighted average of exposures and proposed rate on Exhibit 2 for physicians  
For podiatrists/chiropodists and chiropractors, using actual Proposed rate
- (6) Col (5) x 10% (note that actual rate will differ based on individual provider specialty)
- (7) Col (1) x Col (6)
- (8) Col (9) x Col (3)
- (9) Based on overall Indicated Rate Change

**New Mexico Patients' Compensation Fund  
Reserves as of 12/31/2023  
Allocation of Ultimate & Outstanding Losses by Hospital**

Christus St. Vincent Hospital

Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	565,000	0.625	918,297	2,075,000	226.0%	100.0%	100.0%	100.0%	0	0	2,075,000
2010	1,130,000	0.487	1,680,228	1,605,000	95.5%	100.0%	100.0%	100.0%	0	0	1,605,000
2011	1,152,600	0.583	1,825,004	2,547,500	139.6%	100.0%	100.0%	100.0%	0	0	2,547,500
2012	1,137,371	0.598	1,817,812	3,475,000	191.2%	100.0%	100.0%	100.0%	10,425	10,400	3,485,425
2013	1,174,771	0.696	1,992,604	2,607,237	130.8%	100.0%	100.0%	100.0%	18,282	18,200	2,625,519
2014	1,300,000	0.651	2,146,331	6,688,260	311.6%	100.0%	100.0%	100.0%	100,779	100,216	6,789,039
2015	1,350,000	0.648	2,224,828	4,504,980	202.5%	100.0%	97.3%	97.3%	138,025	137,040	4,643,005
2016	1,325,000	0.877	2,486,641	6,127,679	246.4%	42.0%	58.8%	58.8%	229,919	227,905	6,357,598
2017	1,375,000	0.877	2,580,476	682,500	26.4%	15.3%	3.4%	4.6%	81,532	80,896	764,032
2018	1,635,000	0.877	3,068,421	2,457,414	80.1%	9.9%	10.0%	10.0%	1,328,735	1,322,715	3,786,149
2019	1,820,000	0.877	3,415,612	141,250	4.1%	10.1%	1.0%	5.6%	1,299,192	1,290,108	1,440,442
2020	1,709,923	0.877	3,209,029	1,395,000	43.5%	9.4%	14.1%	10.4%	3,299,594	3,271,431	4,694,594
2021	1,599,979	0.877	3,002,696	0	0.0%	8.6%	0.0%	7.8%	2,899,589	2,866,290	2,899,589
2022	1,861,735	1.104	3,917,327	0	0.0%	10.7%	0.0%	10.7%	4,872,774	4,799,757	4,872,774
2023	2,436,431	1.104	5,126,560	0	0.0%	10.7%	0.0%	10.7%	6,437,273	6,314,730	6,437,273
Total	21,572,809		39,411,865	34,306,821	87.0%	15.5%	31.9%		20,716,120	20,439,688	55,022,941

Column

- (2), (3), (5) Based on data provided by client
- (4) Col (2) x [1.0 + Col (3)]
- (6) Col (5) / Col (4)
- (7) Col (4) / Total Surcharges
- (8) Col (5) / Total Paid Losses
- (9) Judgmentally Selected based on columns Cols (7) & (8)
- (10) Col (9) x Undiscounted Reserves from Exhibit 1, Page 5
- (11) Col (10) x Discount Factors from Exhibit 1, Page 2
- (12) Col (5) + Col (10)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Community Health Systems											
Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.178	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	851,834	0.178	1,003,413	1,425,000	142.0%	17.0%	13.7%	13.7%	53,468	53,000	1,478,468
2017	2,484,173	0.180	2,930,698	2,350,000	80.2%	17.3%	11.6%	12.2%	217,791	216,093	2,567,791
2018	2,549,394	0.184	3,018,407	888,944	29.5%	9.7%	3.6%	5.8%	767,390	763,913	1,656,334
2019	2,933,227	0.209	3,546,727	1,081,000	30.5%	10.5%	7.8%	9.2%	2,139,260	2,124,303	3,220,260
2020	3,696,474	0.227	4,534,267	1,092,956	24.1%	13.3%	11.1%	12.9%	4,095,754	4,060,796	5,188,710
2021	5,185,528	0.190	6,169,388	200,000	3.2%	17.7%	6.1%	16.5%	6,186,053	6,115,012	6,386,053
2022	6,351,059	0.240	7,877,150	400,000	5.1%	21.5%	20.3%	21.5%	9,798,410	9,651,584	10,198,410
2023	6,354,834	0.270	8,071,559	0	0.0%	16.8%	0.0%	16.8%	10,135,223	9,942,284	10,135,223
Total	30,406,523		37,151,610	7,437,900	20.0%	14.6%	6.9%		33,393,350	32,926,984	40,831,249

Column

- (2), (3), (5) Based on data provided by client
- (4) Col (2) x [1.0 + Col (3)]
- (6) Col (5) / Col (4)
- (7) Col (4) / Total Surcharges
- (8) Col (5) / Total Paid Losses
- (9) Judgmentally Selected based on columns Cols (7) & (8)
- (10) Col (9) x Undiscounted Reserves from Exhibit 1, Page 5
- (11) Col (10) x Discount Factors from Exhibit 1, Page 2
- (12) Col (5) + Col (10)

**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

LifePoint Health Group											
Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.472	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	578,804	0.472	851,759	0	0.0%	14.4%	0.0%	0.0%	0	0	0
2017	1,636,047	0.470	2,405,315	3,740,000	155.5%	14.2%	18.5%	18.1%	322,735	320,218	4,062,735
2018	1,579,852	0.464	2,313,680	0	0.0%	7.5%	0.0%	2.6%	347,620	346,045	347,620
2019	1,854,324	0.462	2,711,091	3,250,000	119.9%	8.0%	23.6%	15.8%	3,685,043	3,659,278	6,935,043
2020	1,750,203	0.470	2,573,587	232,956	9.1%	7.5%	2.4%	6.5%	2,074,791	2,057,082	2,307,747
2021	1,612,758	0.484	2,392,698	575,000	24.0%	6.9%	17.6%	7.9%	2,967,501	2,933,422	3,542,501
2022	1,995,133	0.479	2,950,880	0	0.0%	8.0%	0.0%	8.0%	3,670,608	3,615,606	3,670,608
2023	2,390,372	0.372	3,279,027	0	0.0%	6.8%	0.0%	6.8%	4,117,379	4,038,998	4,117,379
Total	13,397,493		19,478,037	7,797,956	40.0%	7.7%	7.2%		17,185,678	16,970,649	24,983,634

Column

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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Lovelace Health System LLC

Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.343	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	836,900	0.343	1,123,617	1,322,500	117.7%	19.0%	12.7%	12.7%	49,622	49,187	1,372,122
2017	2,368,533	0.343	3,179,979	11,499,453	361.6%	18.8%	56.9%	53.1%	947,757	940,365	12,447,210
2018	2,249,428	0.343	3,020,069	10,652,612	352.7%	9.7%	43.5%	31.7%	4,215,214	4,196,115	14,867,826
2019	2,392,625	0.343	3,212,325	4,191,000	130.5%	9.5%	30.4%	20.0%	4,654,006	4,621,466	8,845,006
2020	2,791,008	0.343	3,747,191	1,262,500	33.7%	11.0%	12.8%	11.4%	3,616,554	3,585,686	4,879,054
2021	3,720,065	0.343	4,994,538	515,000	10.3%	14.3%	15.7%	14.5%	5,411,447	5,349,301	5,926,447
2022	2,652,787	0.372	3,639,433	464,286	12.8%	9.9%	23.6%	9.9%	4,527,101	4,459,264	4,991,386
2023	5,394,790	0.372	7,401,262	0	0.0%	15.4%	0.0%	15.4%	9,293,550	9,116,634	9,293,550
Total	22,406,136		30,318,413	29,907,350	98.6%	11.9%	27.8%		32,715,251	32,318,018	62,622,602

Column

- (2), (3), (5) Based on data provided by client
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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Quorum Health Corporation											
Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.145	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	265,408	0.145	303,931	0	0.0%	5.1%	0.0%	0.0%	0	0	0
2017	783,373	0.148	899,570	0	0.0%	5.3%	0.0%	0.5%	9,509	9,435	9,509
2018	796,295	0.155	919,928	400,000	43.5%	3.0%	1.6%	2.1%	279,456	278,190	679,456
2019	891,291	0.157	1,030,901	400,000	38.8%	3.1%	2.9%	3.0%	694,362	689,507	1,094,362
2020	860,883	0.161	999,207	0	0.0%	2.9%	0.0%	2.3%	747,201	740,824	747,201
2021	699,687	0.167	816,631	0	0.0%	2.3%	0.0%	2.1%	788,590	779,534	788,590
2022	654,257	0.203	787,355	0	0.0%	2.1%	0.0%	2.1%	979,394	964,718	979,394
2023	721,639	0.211	873,704	0	0.0%	1.8%	0.0%	1.8%	1,097,085	1,076,200	1,097,085
<b>Total</b>	<b>5,672,831</b>		<b>6,631,228</b>	<b>800,000</b>	<b>12.1%</b>	<b>2.6%</b>	<b>0.7%</b>		<b>4,595,596</b>	<b>4,538,407</b>	<b>5,395,596</b>

Column

- (2), (3), (5) Based on data provided by client
- (4) Col (2) x [1.0 + Col (3)]
- (6) Col (5) / Col (4)
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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

HealthSouth Corporation											
Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.000	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	69,377	0.000	69,377	1,550,000	2234.2%	1.2%	14.9%	14.9%	58,158	57,649	1,608,158
2017	185,142	0.000	185,142	175,000	94.5%	1.1%	0.9%	0.9%	15,869	15,745	190,869
2018	205,783	0.000	205,783	0	0.0%	0.7%	0.0%	0.2%	30,918	30,778	30,918
2019	339,028	0.000	339,028	0	0.0%	1.0%	0.0%	0.5%	117,098	116,279	117,098
2020	280,768	0.000	280,768	0	0.0%	0.8%	0.0%	0.7%	209,957	208,165	209,957
2021	156,600	0.000	156,600	0	0.0%	0.4%	0.0%	0.4%	151,222	149,486	151,222
2022	238,918	0.000	238,918	0	0.0%	0.7%	0.0%	0.7%	297,191	292,738	297,191
2023	267,446	0.000	267,446	0	0.0%	0.6%	0.0%	0.6%	335,824	329,431	335,824
Total	1,743,062		1,743,062	1,725,000	99.0%	0.7%	1.6%		1,216,237	1,200,270	2,941,237

Column

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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Otero County Hospital Association

Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.229	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.229	0	125,000	0.0%	0.0%	2.7%	2.7%	3,830	3,802	128,830
2016	61,733	0.229	75,882	0	0.0%	1.3%	0.0%	0.0%	0	0	0
2017	226,634	0.229	278,580	1,600,000	574.3%	1.6%	7.9%	7.3%	130,136	129,121	1,730,136
2018	338,156	0.229	415,663	3,219,495	774.5%	1.3%	13.1%	9.0%	1,199,263	1,193,829	4,418,758
2019	372,906	0.229	458,378	0	0.0%	1.4%	0.0%	0.7%	158,321	157,214	158,321
2020	568,392	0.229	698,672	255,000	36.5%	2.0%	2.6%	2.2%	686,961	681,097	941,961
2021	1,017,375	0.229	1,250,564	105,000	8.4%	3.6%	3.2%	3.6%	1,327,589	1,312,343	1,432,589
2022	0	0.381	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2023	595,820	0.381	823,012	0	0.0%	1.7%	0.0%	1.7%	1,033,433	1,013,760	1,033,433
Total	3,181,016		4,000,752	5,304,495	132.6%	1.6%	4.9%		4,539,532	4,491,167	9,844,027

Column

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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Presbyterian Health Systems LLC

Accident Year	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2010	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2011	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2012	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2013	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2014	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2015	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2016	0	0.816	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0
2017	2,441,225	0.816	4,433,016	169,684	3.8%	26.2%	0.8%	3.4%	60,349	59,878	230,032
2018	9,945,033	0.816	18,059,167	6,894,941	38.2%	58.2%	28.1%	38.7%	5,147,929	5,124,603	12,042,869
2019	10,485,433	0.816	19,040,480	4,721,875	24.8%	56.4%	34.3%	45.3%	10,569,932	10,496,029	15,291,807
2020	9,937,397	0.816	18,045,302	5,640,366	31.3%	52.9%	57.1%	53.8%	17,132,719	16,986,486	22,773,085
2021	8,843,545	0.816	16,058,977	1,877,000	11.7%	46.1%	57.4%	47.2%	17,652,102	17,449,383	19,529,102
2022	8,485,738	1.034	17,263,848	1,106,000	6.4%	47.1%	56.1%	47.1%	21,474,550	21,152,762	22,580,550
2023	10,894,433	1.034	22,164,230	0	0.0%	46.2%	0.0%	46.2%	27,830,982	27,301,178	27,830,982
Total	61,032,803		115,065,019	20,409,866	17.7%	45.3%	19.0%		99,868,562	98,570,320	120,278,428

Column

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**New Mexico Patients' Compensation Fund**  
**Reserves as of 12/31/2023**  
**Allocation of Ultimate & Outstanding Losses by Hospital**

Accident Year	All Hospitals										
	Hospital Surcharges	Load for Employer Provider Surcharges	Estimated Total Surcharges	Paid Losses	Paid Loss Ratio	% Total Surcharges	% Total Paid Losses	Selected	Allocated Reserves	Discounted Reserves	Selected Ultimate Losses
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2009	565,000	0.625	918,297	2,075,000	367.3%				0	0	2,075,000
2010	1,130,000	0.487	1,680,228	1,605,000	142.0%				0	0	1,605,000
2011	1,152,600	0.583	1,825,004	2,547,500	221.0%				0	0	2,547,500
2012	1,137,371	0.598	1,817,812	3,475,000	305.5%				10,425	10,400	3,485,425
2013	1,174,771	0.696	1,992,604	2,607,237	221.9%				18,282	18,200	2,625,519
2014	1,300,000	0.651	2,146,331	6,688,260	514.5%				100,779	100,216	6,789,039
2015	1,350,000	0.648	2,224,828	4,629,980	343.0%				141,855	140,842	4,771,835
2016	3,989,055	0.483	5,914,620	10,425,179	261.3%				391,167	387,741	10,816,347
2017	11,500,127	0.469	16,892,776	20,216,636	175.8%				1,785,679	1,771,751	22,002,315
2018	19,298,940	0.607	31,021,119	24,513,405	127.0%				13,316,525	13,256,187	37,829,931
2019	21,088,834	0.601	33,754,542	13,785,125	65.4%				23,317,213	23,154,185	37,102,338
2020	21,595,047	0.579	34,088,022	9,878,778	45.7%				31,863,532	31,591,568	41,742,310
2021	22,835,535	0.526	34,842,092	3,272,000	14.3%				37,384,093	36,954,771	40,656,093
2022	22,239,628	0.649	36,674,912	1,970,286	8.9%				45,620,027	44,936,428	47,590,312
2023	29,055,764	0.652	48,006,799	0	0.0%				60,280,749	59,133,215	60,280,749
Total	159,412,674		253,799,986	107,689,387	67.6%				214,230,326	211,455,502	321,919,714

Column

(2) - (12) Sum of Appendix 16, Page 1 through Appendix 16, Page 8