

P.U.C. DOCKET NO. 58964

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

**APPLICATION OF
TEXAS-NEW MEXICO POWER COMPANY
FOR AUTHORITY TO CHANGE RATES**

**PREPARED DIRECT TESTIMONY AND EXHIBITS
OF
REBECCA TAFOYA**

**ON BEHALF OF
TEXAS-NEW MEXICO POWER COMPANY**

NOVEMBER 14, 2025

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EXHIBITS

EXHIBIT RT-1 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PLACE OF**
3 **EMPLOYMENT.**

4 A. My name is Rebecca Tafoya. My business address is 414 Silver Ave, SW, Albuquerque,
5 New Mexico 87102. I am employed by PNMR Services Company ("PNMR Services").
6 PNMR Services provides corporate services through shared services agreements to its
7 parent company, TXNM Energy, Inc. ("TXNM Energy") and all TXNM Energy subsidiaries,
8 including Texas-New Mexico Power Company ("TNMP" or "Company").

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of TNMP.

11 **Q. PLEASE BRIEFLY DESCRIBE YOUR BUSINESS AND EDUCATIONAL**
12 **BACKGROUND.**

13 A. I am the Director of Corporate Risk. I have been in this position for 10 years. My
14 educational background and experience are further detailed in Exhibit RT-1.

15 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS THE DIRECTOR OF**
16 **CORPORATE RISK.**

17 A. As the Director of Corporate Risk, I oversee the corporate risk and insurance programs as
18 well as the enterprise risk management and credit risk departments. My responsibilities
19 include insurance procurement, management of claims and litigation, and credit risk for
20 various third parties. I also consult, inform, and assist the Company officers in the
21 identification and assessment of key risks, and support the development of risk mitigation
22 strategies. I manage broker and insurance carrier relationships to align the Company's
23 exposure profile with competitively priced insurance products. I also manage insurance
24 contractual risk transfer for a wide variety of construction, generation, transmission and
25 distribution, and business contracts.

26 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ASSOCIATIONS?**

27 A. Yes. I am a member representative and risk advisor for three insurance mutuals, including
28 Associated Electric & Gas Insurance Services Limited (AEGIS), Energy Insurance Mutual
29 (EIM), and Nuclear Electric Insurance Limited (NEIL). I am also a member of the AEGIS
30 evolving risk task force.

31 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN A REGULATORY**
32 **PROCEEDING?**

33 A. No, I have not.

1 **Q. DO YOU SPONSOR OR CO-SPONSOR ANY SCHEDULES, EXHIBITS, OR TABLES IN**
2 **THIS PROCEEDING?**

3 A. Yes. I am sponsoring Exhibit RT-1 which is attached to my testimony and was prepared
4 by me or under my direction or control.

5 **II. PURPOSE AND ORGANIZATION OF TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is twofold. My testimony addresses the Company's
8 experience with increased insurance premium expenses, as has been seen industry wide,
9 and to support the recovery of TNMP's insurance premium expenses. Second, I am
10 testifying to provide support for TNMP's request to expand the types of losses charged to
11 its self-insurance reserve, as fully set forth in the testimony of TNMP Witness Gregory S.
12 Wilson.

13 **III. INSURANCE PROCUREMENT PROCESS**

14 **Q. HOW DOES TNMP OBTAIN ITS INSURANCE COVERAGE?**

15 A. TNMP's parent company, TXNM Energy, procures and places insurance coverage
16 through brokers who specialize in the energy industry. TNMP is insured through the TXNM
17 master policies. The benefits of obtaining insurance coverage under a master policy
18 include lower costs, streamlined administration, higher limits, and consistent coverage
19 terms.

20 In procuring insurance coverage for TNMP, TNMP's risk exposure portfolio is prepared
21 and presented to existing insurance carriers on TNMP's program and to potential new
22 insurance carriers each year. Approximately six months prior to the renewal date, TNMP's
23 operations documentation and a detailed application for markets are prepared. Brokers
24 are utilized to discuss a renewal strategy. Brokers have access to the excess liability
25 markets and negotiate insurance coverages and rates on behalf of TNMP and also provide
26 independent advice to TNMP to compare coverage options from multiple carriers in order
27 to tailor policies that meet TNMP's specific coverage needs. The brokers also assist TNMP
28 in meeting with underwriters and present an overview of TNMP's operations, including
29 presentation of financial statements, historical loss data, safety protocols, risk mitigation
30 strategies, and regulatory updates.

31 **Q. HOW IS TNMP'S LEVEL OF EXCESS LIABILITY COVERAGE DETERMINED EACH**
32 **YEAR?**

33 A. A variety of methods are used to determine the limit of liability TNMP will maintain each
34 year. Principally, the brokers conduct benchmarking against other similar companies

1 based on their CapEx and other similar standards. Brokers have access to local, regional,
2 and global market insights and provide fact-based strategies supported by data and
3 analytics to determine limits. TNMP also uses an annual insurance survey conducted by
4 Edison Electric Institute (EEI) to show and compare insurance coverages for electric
5 utilities. In addition, TNMP monitors notable jury awards. Finally, TNMP's historical loss
6 experience is analyzed.

7 **Q. DO YOU BELIEVE THAT THESE ANALYSES ALLOW TNMP TO MAINTAIN ITS**
8 **INSURANCE PREMIUM EXPENSES AT A REASONABLE LEVEL?**

9 A. Yes, these analyses are utilized to ensure informed decision-making to maintain
10 reasonable coverage expenses by providing driven comparison of costs and performance
11 to industry and internal history. Benchmarking reveals whether TNMP's premiums and
12 administrative fees are in line with the industry average. This insight allows areas for cost
13 reduction to be pinpointed to negotiate rates with insurers. Common benchmarking
14 metrics include premium rates and program structure.

15 **Q. WHAT OTHER STEPS ARE TAKEN TO MAINTAIN TNMP'S INSURANCE PREMIUMS**
16 **AT A REASONABLE LEVEL?**

17 A. TNMP continues to demonstrate to underwriters how it mitigates risks by hardening
18 infrastructure to prevent failures, training its workforce on critical safety protocols, and
19 developing detailed emergency plans to respond to various natural disasters and other
20 incidents that could impact operations. TNMP understands that it is critical to mitigate risks
21 and protect the Company's reputation with customers, regulators, and peers. In addition,
22 I dedicate significant effort to building strong relationships with our mutual insurers,
23 incumbent carriers, and potential new markets. These relationships are critical in
24 underwriting meetings to discuss our business, performance, reliability of operations, and
25 focus on safety and risk mitigation efforts.

26 **Q. HAS THE PROCESS FOR PROCURING INSURANCE CHANGED SINCE TNMP'S**
27 **LAST RATE CASE?**

28 A. At a high level, the process has not changed. However, the process has certainly been
29 impacted in recent years by the volatile insurance market. For example, the underwriting
30 requirements are much more detailed and require significantly more time to prepare and
31 present company exposures to numerous insurance markets. This is driven by the
32 insurance market changes that have driven up the cost of excess liability insurance
33 premiums in recent years.

34

1 **IV. OVERVIEW OF TNMP'S INSURANCE PROGRAM**

2 **Q. PLEASE SUMMARIZE THE APPROACH AND OBJECTIVES WITH REGARD TO**
3 **TNMP'S INSURANCE COVERAGE.**

4 A. TNMP strives to obtain cost-effective, yet comprehensive, insurance coverage to protect
5 its personnel, company assets, and ultimately, its customers. TNMP recognizes the
6 importance of obtaining and maintaining adequate insurance coverage to provide
7 protection against large and unpredictable claims and losses. TNMP's objective is to
8 maintain ideal coverage capacity while minimizing the cost of coverage for maximum
9 benefit. This objective is especially important in the present insurance market. The
10 insurance market has become increasingly challenging for insureds as it is plagued with
11 increasing premium costs. Accordingly, TNMP's insurance program continues to utilize a
12 blend of commercial insurance and self-insurance to protect against various financial risks
13 associated with third-party liabilities and first-party losses.

14 **Q. WHAT TYPES OF INSURANCE DOES TNMP CARRY FROM THE COMMERCIAL**
15 **MARKET?**

16 A. TNMP is protected by the following policies: (1) Casualty (including Excess Liability,
17 Workers' Compensation, and Auto Liability); (2) Property; (3) Cyber; (4) Director & Officer
18 liability; (5) Pollution; and (6) Financial and Executive.

19 **Q. ARE THESE POLICIES STANDARD AND CUSTOMARY FOR UTILITIES?**

20 A. Yes.

21 **Q. HAS THE INSURANCE MARKET CHANGED IN THE PAST 5 YEARS WITH RESPECT**
22 **TO CYBER INSURANCE PREMIUMS?**

23 A. Yes. In 2022, TNMP, and the industry as a whole, experienced a material increase in
24 cyber insurance premiums as compared to prior policy periods. The primary driver of the
25 increase in cyber insurance premiums was attributable to market forces. Primarily, the
26 cyber insurance market adjusted to account for a marked increase in frequency and
27 severity of ransomware and cyberattacks across industries. After 2022, cyber insurance
28 premiums have seemed to level out, suggesting that the increase was a sustained market
29 correction rather than a brief anomaly.

30 **Q. YOU TESTIFIED THAT THE INSURANCE MARKET IS VOLATILE. ASIDE FROM THE**
31 **INCREASE IN CYBER INSURANCE PREMIUMS, WHERE HAS TNMP SEEN THE**
32 **GREATEST IMPACT OF VOLATILITY IN THE INSURANCE INDUSTRY?**

33 A. TNMP saw the greatest impact with respect to excess liability coverage starting in 2024
34 due to reduced limits by the liability insurance markets. Reduced limits are attributable, in

1 large part, to a handful of key factors. First, insurance markets severely reduced limits for
2 wildfire coverage for all utilities with service territories in the western states. In addition, a
3 major trend in excess liability insurance is a challenging, hardening market, increased
4 premiums, reduced capacity, and much stricter underwriting standards. The increased
5 frequency of “nuclear” verdicts (i.e., jury awards exceeding \$10M) are another factor
6 driving instability in the excess liability market. In 2024, the number of nuclear verdicts
7 rose by 52% over 2023, with their total value more than doubling. Litigation funding by
8 third parties exacerbates this trend, as it provides plaintiffs with the resources to pursue
9 high-value claims. As a result, TNMP’s excess liability program had a significant rate
10 increase beginning in 2024.

11 **Q. WHY DOES TNMP CARRY EXCESS LIABILITY COVERAGE?**

12 A. Excess liability coverage provides an additional layer of coverage to increase the limits of
13 an underlying insurance policy to protect against large, unexpected losses. TNMP
14 maintains excess liability coverage to insure against large losses for bodily injury or
15 property damage. It also maintains excess liability coverage to mitigate cash flow risk and
16 protect the company’s financials. Excess liability coverage protects TNMP from large
17 losses such as wrongful death claims, expensive property damages such as a house fire,
18 wildfires and pollution losses. This coverage also pays TNMP’s legal and expert costs
19 associated with defending a claim. It offers TNMP increased financial protection against
20 catastrophic lawsuits and allows TNMP to scale protection beyond standard primary
21 insurance limits.

22 **Q. HOW IS THE EXCESS LIABILITY COVERAGE FOR TNMP CURRENTLY
23 STRUCTURED?**

24 A. The excess liability structure includes a \$2M self-insured retention and several excess
25 liability insurance carriers on a “tower” that sit above TNMP’s self-insurance retention.

26 **Q. WHAT IS AN INSURANCE TOWER?**

27 A. An insurance tower takes multiple policies provided by various carriers and integrates
28 them into a single structure that helps a company obtain the coverage limits desired. This
29 insurance structure is used for excess liability to manage large, catastrophic risks by
30 dividing them into manageable layers, generally offering the ability to secure higher risk
31 limits at lower premium cost.
32 Operatively, when a claim is made, the first “layer” within the tower (the primary layer) is
33 accessed first. Once the first layer of coverage is exhausted, the next layer of coverage is
34 accessed, and so on and so forth.

1 **Q. HAS THE STRUCTURE OF THE APPLICABLE EXCESS LIABILITY COVERAGE**
2 **TOWER CHANGED IN RECENT YEARS?**

3 A. Yes, as explained further below, emerging risks and reduced capacity in the liability
4 insurance market have necessitated changes in TNMP's excess liability coverage tower
5 in recent years.

6 **Q. CAN YOU PLEASE EXPLAIN WHAT YOU MEAN BY "EMERGING RISKS AND**
7 **REDUCED CAPACITY" WITH RESPECT TO LIABILITY INSURANCE MARKETS?**

8 A. An emerging risk is a new, developing, or changing threat with unknown potential impacts,
9 making it difficult to assess using traditional risk management methods. It can be an
10 entirely new hazard or a known risk in a new context. These risks arise from societal,
11 technological, environmental, regulatory, or economic changes. In the insurance context,
12 reduced capacity means the insurance market has less available capital and a reduced
13 willingness to take on new risks from insureds. This leads to reduced limits and higher
14 premiums.

15 **Q. PLEASE DESCRIBE HOW THE EXCESS LIABILITY INSURANCE TOWER HAS**
16 **CHANGED IN RECENT YEARS TO ADDRESS THESE CHALLENGES.**

17 A. Carriers have incurred significant losses due to claims associated with increased
18 frequency of severe weather events and the resulting property losses, personal injuries
19 and deaths. In 2024, excess liability carriers reevaluated their exposures to wildfire risks
20 and reduced limits for utilities in western states. Due to the industry's complex and
21 hazardous nature, insurers are limiting coverage offerings. To procure the same limits,
22 additional insurance carriers were added to the tower to maintain coverage limits.

23 **Q. HAVE THERE BEEN ANY OTHER CHANGES TO TNMP'S INSURANCE PROGRAM IN**
24 **RECENT YEARS TO COMBAT THE EFFECT OF INCREASING PREMIUM COSTS?**

25 A. Yes. Beginning in policy year 2024, TNMP's self-insured retention was increased from
26 \$1M to \$2M. By 2024, the former primary layer would have required a nearly \$1M
27 premium for \$1M in coverage. Accordingly, it no longer made sense to keep the former
28 primary layer of coverage, and the primary layer of coverage now starts at \$2M rather than
29 \$1M.

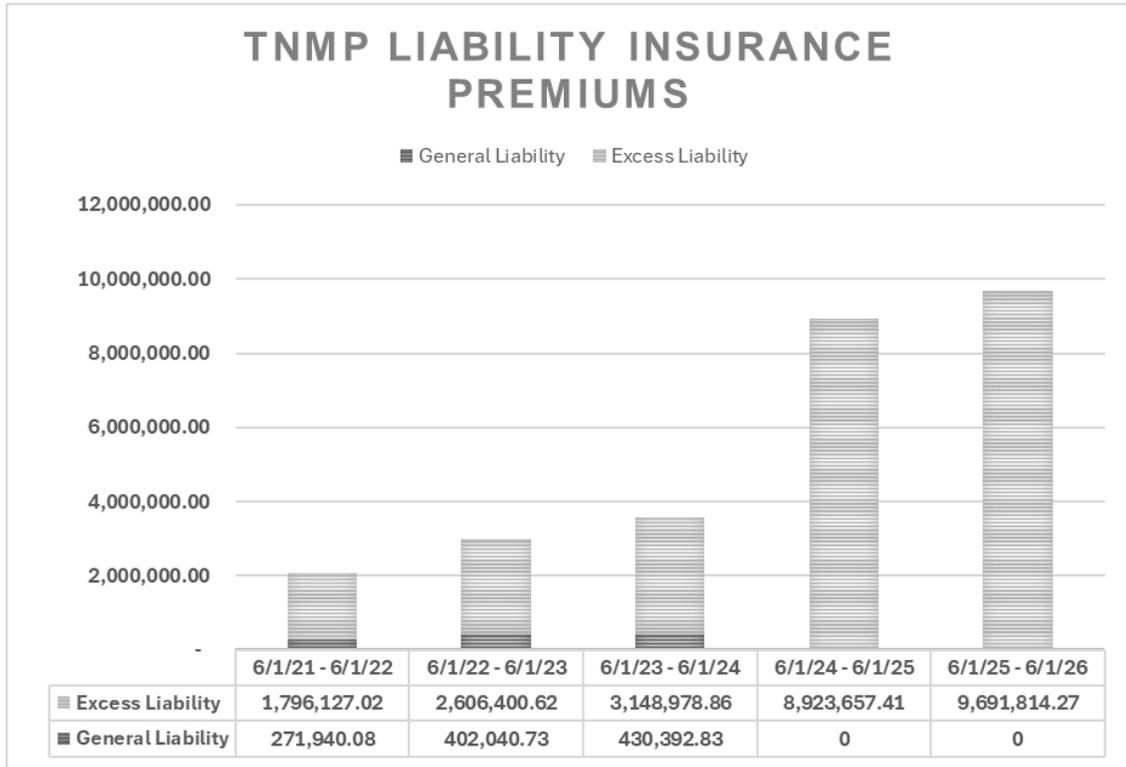
30 **V. HISTORICAL INSURANCE COSTS AND TRENDS**

31 **Q. IN THE PAST FIVE YEARS, WHAT WAS THE GENERAL TREND WITH RESPECT TO**
32 **THE COST OF TNMP'S LIABILITY INSURANCE?**

33 A. As shown in Figure 1 below, the cost of TNMP's excess liability coverage from coverage
34 periods beginning 2021, 2022, and 2023 showed a steady increase in premium costs for

1 excess liability coverage. However, beginning in coverage year 2024, premium costs
 2 increased by just over 180 percent. While excess liability rates in coverage year 2025 did
 3 not increase as severely, the premium rate increased by about nine percent.

4 **FIGURE 1**



19
 20 **Q. WHAT WAS THE COST OF TNMP’S EXCESS LIABILITY COVERAGE OVER THE**
 21 **PAST 5 YEARS?**

22 Please refer to Table 1, below.

23 **TABLE 1**

COVERAGE PERIOD START	COVERAGE PERIOD END	PREMIUM COST
6/1/2021	5/31/2022	\$1,796,127
6/1/2022	5/31/2023	\$2,606,401
6/1/2023	5/31/2024	\$3,148,979
6/1/2024	5/31/2025	\$8,923,657
6/1/2025	5/31/2026	\$9,691,814

24

1 **Q. EXCESS LIABILITY INSURANCE PREMIUM COSTS NEARLY TRIPLED FOR**
2 **COVERAGE BEGINNING IN JUNE 2024. IS THIS DUE TO ANY ACTION OR INACTION**
3 **BY TNMP?**

4 A. No. As discussed, the sharp increase in premium costs is due to a myriad of industry
5 forces that were, and remain, outside of TNMP's control.

6 **Q. WERE ANY OTHER ALTERNATIVES TO THE RESTRUCTURING YOU DESCRIBED**
7 **ABOVE CONSIDERED?**

8 A. Yes. TXNM, on behalf of TNMP and its other insureds, worked with brokers and
9 considered adding a Captive program for wildfire risk through one of the insurance mutuals.
10 A Captive is a form of self-insurance to cover TNMP's own risks. It requires significant
11 funding and administrative commitment. TNMP also considered parametric insurance
12 tailored for specific risks with payouts that vary with the intensity of the disaster. However,
13 the payout is based on a specific parameter, not the actual, physical, or financial loss
14 incurred. Each of these alternatives would have been less effective than the restructuring
15 scenario that was ultimately implemented.

16 **Q. HAS TNMP RENEWED ITS EXCESS LIABILITY COVERAGE BEYOND THE TEST**
17 **YEAR?**

18 A. Yes. The test year for this rate case is the 12-month period ending June 30, 2025. The
19 excess liability program was renewed June 1, 2025, with no material change in structure,
20 terms and conditions, or limits from the prior year.

21 **Q. DOES TNMP EXPECT EXCESS LIABILITY COVERAGE EXPENSES TO CONTINUE**
22 **TO INCREASE FOR FUTURE RENEWALS?**

23 A. Yes. As discussed, the excess liability market is challenging. Forecasts from mid-to-late
24 2025 by industry experts like Swiss Re, Risk & Insurance, and Kiplinger provide expected
25 2026 trends and predict the excess liability market will remain tight and challenging driven
26 by continued high claims costs, reduced carrier capacity and economic factors. Kiplinger
27 projects increases of up to 20%, while Risk Strategies notes that increases could range
28 from 5% to 35% based on loss history.

29 **Q. IS TNMP SEEKING A PRO FORMA ADJUSTMENT TO ACCOUNT FOR THE**
30 **INCREASE IN EXCESS LIABILITY PREMIUM EXPENSES SUBSEQUENT TO ITS**
31 **TEST YEAR?**

32 A. Yes. TNMP witness Kyle Sanders has included a pro forma adjustment to test year costs
33 to account for the known increase in excess liability premium expenses.

34

1 **VI. TNMP'S SELF-INSURANCE RESERVE**

2 **Q. YOU TESTIFIED THAT TNMP'S INSURANCE PROGRAM UTILIZES A BLEND OF**
3 **COMMERCIAL INSURANCE AND SELF-INSURANCE. HAS THE COMMISSION**
4 **PREVIOUSLY ADDRESSED TNMP'S UTILIZATION OF A SELF-INSURANCE**
5 **RESERVE?**

6 A. Yes. The Commission last addressed TNMP's utilization of a self-insurance reserve in
7 TNMP's last rate case, Docket No. 48401. In that docket, parties stipulated as part of a
8 settlement agreement, and the Commission approved, that TNMP would fund its self-
9 insurance reserve for property damages and related losses in excess of \$50,000 caused
10 by catastrophic events that are not covered, paid, or reimbursed by commercial insurance,
11 provided that the reserve is not used to pay any third-party liability claims. Please refer to
12 the testimony of TNMP Witness Gregory S. Wilson for additional detail regarding TNMP's
13 historical use of a self-insurance reserve.

14 **Q. FOR WHAT TYPES OF LOSSES DOES TNMP CURRENTLY UTILIZE ITS SELF-**
15 **INSURANCE RESERVE?**

16 A. TNMP currently utilizes its self-insurance reserve to cover costs of more than \$50,000
17 incurred from major storm damage impacting TNMP's system. Please refer to the
18 testimony of TNMP Witness Keith Nix for additional detail regarding TNMP's use of its
19 self-insurance reserve to cover storm-related costs.

20 **Q. DOES TNMP PROPOSE CHANGING THE TYPES OF LOSSES CHARGED TO ITS**
21 **SELF-INSURANCE RESERVE?**

22 A. Yes. While TNMP would like to continue utilizing its self-insurance reserve to cover storm-
23 related costs, it would like to expand the scope of its self-insurance reserve to self-insure
24 for TNMP's potential liability or catastrophic property loss, including windstorm, fire,
25 wildfire, and explosion losses in accordance with PURA 36.064, necessitating an
26 increased annual accrual amount and target reserve amount as compared to what was
27 previously agreed in TNMP's previous rate case. Please refer to the testimony of TNMP
28 Witness Gregory Wilson for more information regarding the proposed annual accrual and
29 target reserve amounts.

30 **Q. DOES TNMP CREDIT LOSSES CAUSED BY INTENTIONAL CONDUCT,**
31 **RECKLESSNESS, GROSS NEGLIGENCE, OR EMPLOYEE MISCONDUCT TO**
32 **ITS SELF-INSURANCE RESERVE?**

33 A. No.

1 **Q. DOES TNMP INTEND TO CREDIT LOSSES CAUSED BY INTENTIONAL CONDUCT,**
2 **RECKLESSNESS, OR GROSS NEGLIGENCE TO ITS SELF-INSURANCE RESERVE**
3 **IN THE FUTURE?**

4 A. No.

5 **Q. IS TNMP AWARE OF ANY PRECEDENT WHEREIN A UTILITY HAS BEEN**
6 **PERMITTED TO UTILIZE A SELF-INSURANCE RESERVE FOR GENERAL LIABILITY**
7 **LOSSES?**

8 A. Yes. TNMP understands that Oncor has utilized its self-insurance reserve, as approved
9 by the Commission, to self-insure general liability losses since at least 2009.¹

10 **VII. CONCLUSION**

11 **Q. WHAT IS YOUR OVERALL CONCLUSION?**

12 A. TNMP has experienced increasing insurance premiums due to market conditions that are
13 out of its control. However, significant steps have been undertaken to control such
14 expenses, and these expenses are reasonable given the current and expected future
15 insurance marketplace. TNMP's insurance program is necessary to protect it from volatile
16 financial risk. TNMP's proposal to recover its premiums in this proceeding is reasonable
17 and should be approved. In addition, TNMP's proposal related to its self-insurance reserve,
18 as fully set forth in the testimony of TNMP witness Gregory Wilson, is reasonable and
19 should be approved.

20 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A. Yes.

¹ See Docket No. 35717, *Application of Oncor Electric Delivery Company, LLC for Authority to Change Rates, Order on Rehearing* (Nov. 30, 2009) at Conclusion of Law No. 17.

AFFIDAVIT

STATE OF NEW MEXICO §
 §
COUNTY OF BERNALILLO §

BEFORE ME, the undersigned authority, on this day personally appeared Rebecca Tafoya, who, upon proving her identity to me and by me being duly sworn, deposes and states the following:

“My name is Rebecca Tafoya. I am of legal age, a resident of the State of New Mexico, and have never been convicted of a felony. I certify that the foregoing testimony, offered by me on behalf of Texas-New Mexico Power Company, is true and correct and based upon my personal knowledge and experience.”

Rebecca Tafoya
Witness

SWORN TO AND SUBSCRIBED before me, Notary Public, on this 4th day of Nov., 2025, to certify which witness my hand and seal of office.

Donna S Holliday
NOTARY PUBLIC in and for the
State of New Mexico

Printed Name: Donna S Holliday

My Commission expires: 1/24/2028

Notary ID# 1079751

SEAL



STATE OF NEW MEXICO
NOTARY PUBLIC
Donna S Holliday
Commission No 1079751
Expires: January 24, 2028

REBECCA TAFOYA, ARM

[LinkedIn](#)

SUMMARY

A collaborative corporate insurance and risk management professional with extensive experience in leadership roles at various public and private companies. A dedicated team player with the ability to work effectively with diverse departments throughout all levels of an organization. Experienced in building teams, establishing and optimizing insurance programs, and managing diverse resources including risk management professionals, insurance underwriters, actuaries, legal counsel, insurance brokers, claims adjusters, third-party administrators, and safety and loss-control professionals. A creative problem-solver, with documented experience in identifying insurance program efficiencies and developing risk management solutions.

PROFESSIONAL SKILLS

- | | | |
|------------------------------|--------------------------------|-------------------------|
| • Insurance Procurement | • Underwriting Submissions | • Contract Negotiation |
| • Budget Development | • Premium and Cost Allocations | • Actuarial Analysis |
| • Enterprise Risk Management | • Strategic Planning | • Process Improvement |
| • Claim Management | • Property Risk Control | • Litigation Management |
| • Self-Insurance | • Team building | • Broker Selection |
| • TapRoot Investigations | • Risk Identification | • Captive Insurance |
| | | • Credit Risk |

EXPERIENCE

TXNM Energy, Albuquerque, New Mexico
Director Corporate Risk, 2016 - Present

Direct a staff of risk and claims professionals and external consulting firms in insurance procurement, claims management, enterprise risk management, credit risk, loss control and safety services. Serve as a risk advisor for various insurance mutuals for the energy industry and evolving risk committees. Responsible for financial reporting and various annual audits. Negotiated insurance program pricing and coverage terms with multiple domestic and international insurance carriers and insurance brokers. Teamed with external actuaries to create premium allocation methodologies for all business units for the two utilities. Led negotiation of contractual insurance provisions of multiple construction, maintenance, and professional services agreements.

- Managed insurance budget of \$41,000,000 and annual claim volume of 1,000+ incidents.
- Negotiated over \$44,000,000 of complex liability and property insurance claims, including one of the largest insured losses in the utility history.
- Negotiated and restructured a stand-alone program for wildfire coverage and maintain coverage terms, conditions and limits.
- Led the negotiation and implementation of a company-wide program for fleet vehicle damages, implemented a Risk Management Information System to track TPA claims handling, implemented a Nurse Hotline program for workers' compensation medical care, claim filings and reduced claims by 50%.
- Structured \$45,960,000 surety bond to support decommissioning of a coal generating plant.

NEW MEXICO MUTUAL, Albuquerque, New Mexico
Executive Director, Integrion Group, Inc. 2013-2016

Responsible for the direction and execution of rebuilding and rebranding a third-party claims administration company, a subsidiary of New Mexico Mutual.

- Lead a team of professional claim adjusters who handled workers' compensation, property and liability claims for various clients.
- Implemented a nurse case management program to support the workers' compensation claims department.
- Implemented a strategy to achieve organization goals to rebuild and rebrand the company, including a marketing plan, policies and procedures, SOC compliance, recruitment, employee training and increased revenues by 70%.
- Managed budgeting and financial planning process.
- Marketing and building relationships with key stakeholders.
- Ensured compliance with all relevant laws and regulations.
- All company goals were exceeded within the first two years.

NEW MEXICO ASSOCIATION OF COUNTIES, Santa Fe, New Mexico
Deputy Risk Manager, 2003-2013

Manage three self-insurance Pools for 33 New Mexico Counties for Multiline, Law Enforcement and Workers' Compensation.

- Lead a team of professional claim adjusters who handled workers' compensation, property and liability claims for the counties.
- Implemented a nurse case management program to support the workers' compensation claims handling process.
- Implemented a Risk Management Information System to handle all claims in-house.
- Worked closely with insurance brokers to place cost-effective comprehensive coverages, casualty, property, excess liability and cyber coverage.
- Developed loss analysis reports and presented the information to County Commissioners along with loss control recommendations.
- Worked closely with three boards of directors who have oversight of the multiline, law enforcement and workers' compensation captive program.
- Implemented an enterprise risk management and loss control program to manage all risks for the counties.
- Provided leadership and guidance to our claims and loss control teams.
- Managed budgeting and financial planning process.

ADDITIONAL EXPERIENCE

STATE FARM INSURANCE, Albuquerque, New Mexico **Claims adjuster, Agent Specialist, Risk and Insurance**

EDUCATION

NEW MEXICO STATE UNIVERSITY
Las Cruces, New Mexico
B.S., Business Administration

CERTIFICATIONS

Associate in Risk Management (ARM), American Institute
Utility Executive Course, University of Idaho
Leadership New Mexico

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY
FOR AUTHORITY TO CHANGE RATES

WORKPAPERS FOR
THE DIRECT TESTIMONY OF
REBECCA TAFOYA

TNMP Witness Rebecca Tafoya has no supporting workpapers for her direct testimony.