

Builders Trust of New Mexico

2020 Annual Report

*Construction drives New Mexico
economy during pandemic...*



Affiliated with the New Mexico Home Builders Association

Message from Builders Trust CEO Randy Akin

We will all remember 2020 as one of the most difficult and life changing years in our lives. As the cover on this annual report states, the building industry was declared an essential business, so most of our Participants were not as negatively impacted as many other industries. We have a lot to be thankful for and I want to personally thank all those that continued to follow safety protocols during this unprecedented year.

This is my first annual report as the CEO, but Coronavirus in 2020 was not the first major curve ball for Builders Trust I have seen. Builders Trust started in 1987 and through the first twenty years in operation we covered more payroll each year than the year before. We were growing and business was booming! The housing market then crashed starting in 2007 and has never recovered to the level of those boom days. Builders Trust annual premium decreased from \$26 million in 2006 to under \$11 million in 2011. Without changes we were headed in a downward spiral.

In 2012 Builders Trust revamped our pricing strategy to be more friendly to more sectors in the construction industry. This was after recent changes for a robust on-line presence and expanding our claims buyback program to compete with large deductible programs. By the way, our voluntary buyback takes no second seat to any deductible program. We then put even more focus on safety services, that I refer to as safety on steroids. Our safety services are unsurpassed in New Mexico.

The decisions we made ten to fifteen years ago were some of the hardest the board and management has had after starting the fund. However, they paid off, and Builders Trust started growing again in 2012. At the end of 2020, we are now just short of \$100 million in assets and surplus is \$49 million.

Builders Trust followed the state's Covid requirements in 2020. We locked our front door to the public, some staff worked from home, safety visits were made over the phone, and safety classes were suspended. However, our other services continued close to normal because our Participants continued their work. Yes, that meant accidents occurred and we continued our strong claim handling.

Our severity and frequency of claims as a ratio of covered payroll in 2020 and recent years are at the lowest levels since our inception. This means our Participants are focusing on safe work methods, which reduces reported injuries.

Builders Trust and our Participants have made the changes needed to stay competitive to impact the New Mexico construction industry.



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 Liessmann
 Construction
 Inc.
 Farmington



Vice Chairman
Craig Kemper
 Alvarado
 Roofing, Inc.
 Albuquerque



CEO
Randy Akin
 Builders Trust
 of New Mexico

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 of New Mexico
 2020
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 Rawson Inc. Builders Supply
 Las Cruces

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 R.E. Davis Construction Co. Inc.
 & R. E. Davis Realty, Inc.
 Albuquerque

Mark Carpenter
 Trustee
 Mark Carpenter Plumbing Inc.
 Clovis

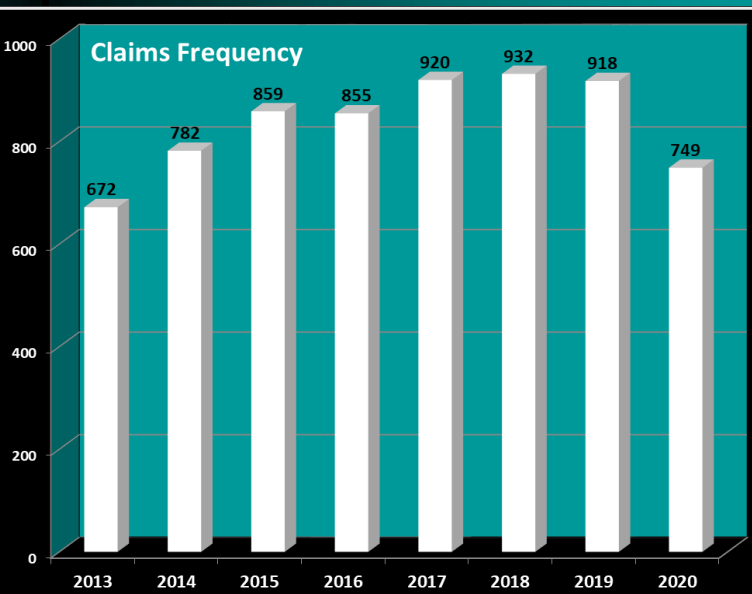
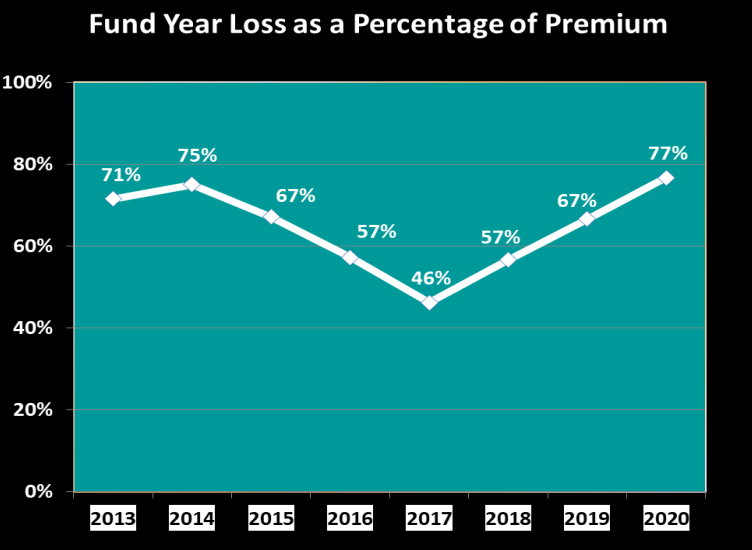
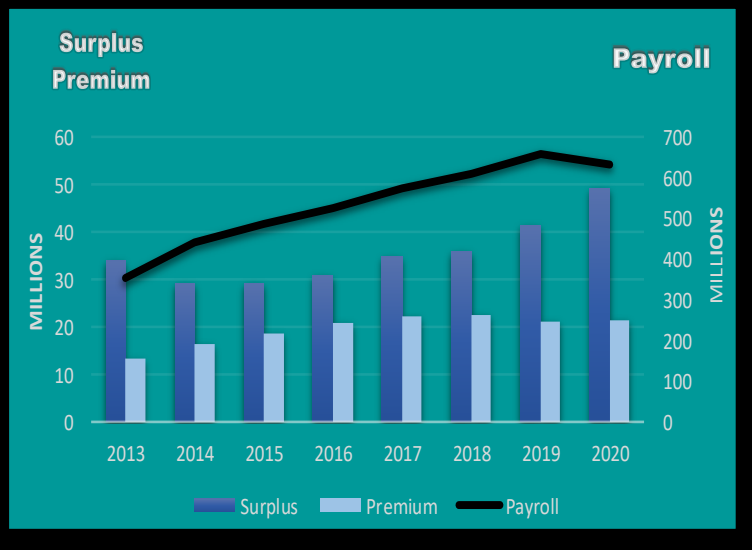
David Gallegos
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Gabe Martinez
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 GM Septic Services, LLC.
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 Board Advisor
 Veloz Homes
 Las Cruces



Builders Trust of New Mexico
Audited Comparative Balance Sheets
December 31, 2020 and December 31, 2019

	2020	2019
Assets		
Investments	83,031,474	74,658,275
Cash and Cash Equivalents	5,686,362	5,184,512
Premium Receivable	2,032,000	1,821,000
Insurance Receivable on Paid Losses	528,370	167,159
Insurance Recoverable on Unpaid Losses	4,947,920	8,821,846
Prepaid Expenses and Other	540,941	717,911
Property and Equipment	1,548,613	1,683,277
Other Receivables	381,467	346,603
Totals Assets	98,697,147	93,400,583
Liabilities and Surplus		
Reserves for Losses and ALAE	41,843,495	45,025,416
Participant Deposits	3,759,318	4,410,208
Other Payables	991,121	1,071,741
Income tax payable	977,444	-
Deferred tax liability	2,009,100	1,332,800
Total Liabilities	49,580,478	51,840,165
Surplus	49,116,669	41,560,418
Total Liabilities and Surplus	98,697,147	93,400,583

Builders Trust of New Mexico
Audited Income Statements
Calendar Years Ended December 31, 2020 and 2019

Income		
Premium Income, Net	20,458,445	20,185,004
Investment Income, Net	2,703,217	2,436,676
Other	609,879	528,427
Total Income	23,771,541	23,150,107
Expenses		
Losses and Loss Adjustment Expenses	11,930,460	13,886,214
Administrative Expenses	3,701,592	3,862,514
Marketing Fees	2,243,963	2,346,975
Claims Management Expenses	953,771	927,424
Total Expenses	18,829,786	21,023,127
Income from Operating Activities	4,941,755	2,126,980
Unrealized holding gains arising during period-equity securities	893,283	1,537,277
Income (Loss) before Taxes	5,835,038	3,664,257
Provision for Income Tax Expense (Benefit)	1,148,868	717,154
Net Income (Loss)	4,686,170	2,947,103
Other Comprehensive Income (Loss), Net of Tax	2,870,081	2,714,113
Total Comprehensive Income (Loss)	7,556,251	5,661,216