Sixty-first Legislative Assembly of North Dakota

Introduced by

- 1 A BILL for an Act to amend and reenact section 65-02-30 of the North Dakota Century Code,
- 2 relating to the independent performance evaluation of workforce safety and insurance.

## 3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 65-02-30 of the North Dakota Century Code is
amended and reenacted as follows:

6 65-02-30. Independent performance evaluation - Organization development of 7 performance measurements - Continuing appropriation. Biennially, the director shall 8 request the state auditor to select a firm with extensive expertise in workforce safety and 9 insurance workers' compensation practices and standards to complete a performance 10 evaluation of the functions and operations of the organization during that biennium. This may 11 not be construed to require the firm to be a certified public accounting firm. As determined 12 necessary by the state auditor, but at least once every other biennium, the biennial independent 13 performance evaluation must evaluate departments of the organization to determine whether 14 the organization is providing quality service in an efficient and cost-effective manner; evaluate 15 the effectiveness of safety and loss prevention programs under section 65-03-04; and evaluate 16 the board to determine whether the board is operating within section 65-02-03.3 and within the 17 board's bylaws. The firm's report must contain recommendations for departmental 18 improvement or an explanation of why no recommendations are being made. The director, the 19 chairman of the board, and a representative of the firm shall present the evaluation report and 20 any action taken to the legislative council's legislative audit and fiscal review committee and to 21 the house and senate industry, business and labor standing committees during the next regular 22 session of the legislative session following the performance evaluation. The director shall 23 provide a copy of the performance evaluation report to the state auditor. The organization shall 24 develop and maintain comprehensive, objective performance measurements, including whether

Sixty-first Legislative Assembly

- 1 <u>claims are being handled fairly and efficiently; whether safety and loss prevention programs are</u>
- 2 effective in reducing claims and the severity of claims; whether injured workers, employees, and
- 3 service providers are satisfied with the services of the organization; whether litigation rates and
- 4 the number of contested claims are appropriate as compared to other workers' compensation
- 5 programs or systems; and whether premiums are appropriate and reserve levels are adequate.
- 6 These measurements must be evaluated as part of the independent performance evaluation
- 7 performed under this section. Money in the workforce safety and insurance fund is
- 8 appropriated on a continuing basis for the payment of the expense of conducting the
- 9 performance evaluation.