

TESTIMONY OF

**Tag Anderson, Director of Risk Management Division**

Chairman Burckhard, and members of the Senate Political Subdivisions Committee, my name is Tag Anderson. I am the Director of the Risk Management Division of the Office of Management and Budget (OMB). I appear today in support of HB 1057.

Following the loss of sovereign immunity, the legislative assembly established the Risk Management Fund as the State's self-retention fund to address most third-party liability exposures. The Fund is administered by the Risk Management Division of OMB pursuant to N.D.C.C. Chapter 32-12.2. Political subdivision liability is largely governed by N.D.C.C. Chapter 32-12.1. Both chapters include statutory caps on recovery that are currently consistent with limits of \$250,000 per person and \$1,000,000 per occurrence for four or more persons. This legislation would raise those limits to \$375,000 per person and \$1,000,000 per occurrence as of July 1, 2022, with subsequent upward annual adjustments culminating in \$500,000 per person and \$2,000,000 per occurrence limits as of July 1, 2026. The legislation also contains an expiration provision which will require subsequent legislation to further adjust the statutory caps not later than the 2027 legislative session. This legislation is the result of discussions between The Risk Management Division and representatives from the North Dakota Insurance Reserve Fund following attempts to raise the statutory caps for political subdivisions last legislative session. OMB supports the House amendments to the original legislation.

This concludes my prepared remarks. I would be happy to answer any questions you may have.

Thank you.