

ANALYSIS OF THE STATE BONDING FUND FOR THE 2001-03 BIENNIUM

Beginning balance - July 1, 2001		\$4,903,455
Add estimated revenues		
Investment income	\$500,000	
State bonding fund claims collections	80,000	
Other income	5,000	
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Total estimated revenues		<hr/> \$585,000
Total available		\$5,488,455
Less estimated expenditures		
Insurance Department - Administration (2001 House Bill No. 1010)	\$67,431	
State bonding fund losses	235,000	
Claims-related expenses	20,000	
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Total estimated expenditures		<hr/> \$322,431
Estimated ending balance - June 30, 2003		<hr/> <hr/> \$5,166,024

NOTE: The estimated June 30, 2003, balance made at the end of the 2001 legislative session was \$5,052,126. The increase in the estimated balance of \$113,898 is due to the actual July 1, 2001, balance of \$4,903,455 being \$263,898 more than the July 1, 2001, balance estimated at the close of the 2001 Legislative Assembly of \$4,639,557.

The state bonding fund was created in 1915 and is maintained for bond coverage of public employees. The state bonding fund is managed by the Insurance Commissioner and the amount of coverage provided to each state agency, department, industry, and institution is determined by the commissioner based upon the amount of money and property handled and the opportunity for default. North Dakota Century Code Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the state bonding fund's balance is in excess of \$2.5 million. No premiums have been charged possibly since 1953 because the bonding fund's balance has exceeded \$2.5 million.