

ANALYSIS OF THE STATE BONDING FUND FOR THE 1999-2001 AND 2001-03 BIENNIUMS

	<u>1999-2001 Biennium</u>	<u>2001-03 Biennium</u>
Beginning balance	\$4,589,688	\$4,639,557
Add estimated revenues		
Investment income	\$375,000	\$750,000
State bonding fund claims collections	78,000	80,000
Other income	<u>4,300</u>	<u>5,000</u>
Total estimated revenues	<u>457,300</u>	<u>835,000</u>
Total available	\$5,046,988	\$5,474,557
Less estimated expenditures		
Insurance Department - Administration (1999 SB 2010, 2001 HB 1010)	\$67,431	\$67,431
State bonding claims losses	325,000	335,000
Claims-related payments	<u>15,000</u>	<u>20,000</u>
Total estimated expenditures	<u>407,431</u>	<u>422,431</u>
Estimated ending balance	<u><u>\$4,639,557</u></u>	<u><u>\$5,052,126</u></u>

NOTE: 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 premium has been charged possibly since 1953 because the bonding fund's balance has exceeded \$2.5 million.