

HOUSE BILL NO. 1037

Introduced by

Legislative Council

(Industry, Business, and Labor Committee)

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:**

4 **SECTION 1. AMENDMENT.** Section 65-02-30 of the North Dakota Century Code is
5 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 a

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