

Testimony to the
House Industry, Business and Labor Committee
January 13, 2025
Prepared by Keith Pic, CEO
North Dakota Insurance Reserve Fund

Chairman Warrey and members of the committee, my name is Keith Pic. I am the CEO of the North Dakota Insurance Reserve Fund (NDIRF). I am providing testimony in support of HB 1027 with amendments.

The NDIRF is a member-owned, nonprofit insurance pool established in 1986 to serve the insurance needs of North Dakota's political subdivisions. As a pool, we offer coverage for liability, automobile, and equipment risk exposures. Nearly 2,600 eligible entities have joined the NDIRF as members since its formation in 1986. In 2019 the NDIRF began administering the State Fire and Tornado Fund (NDFT) under contract with the Insurance Department.

The total insured value of the NDFT has increased by over \$8 billion since 2019. Coverage enhancements were also developed to expand coverage and improve the accuracy of building valuations. As the NDIRF continues to administer the NDFT, we are continually striving to provide the best coverage for our members and insureds and believe there are still opportunities for improvement within the program that can be made in conjunction with amendments to HB 1027.

Over the past several months, the NDIRF and OMB have discussed these potential amendments. Ultimately, the NDIRF would like to have the opportunity to continue administering the NDFT on behalf of the state entities, while writing property coverage directly for political subdivisions under its own program. There are other administrative improvements that can be made by clarifying language within the bill, such as coinsurance, automatic increases to insurable values, and reinsurance placement. We would also like to review language to help address agency budgetary concerns when property values increase as valuations take place throughout the six-year cycle.

At this time, I am requesting that the bill be held for additional amendments. These amendments would allow greater local control of the coverage being offered to political subdivisions through the NDIRF, alleviate the administrative concerns by OMB and Insurance Department and ultimately improve the overall function of the NDFT.

This concludes my testimony. I am happy to stand for any questions.

Thank you.