

# North Dakota's Workforce Safety and Insurance (WSI)

## *A Three Pronged Approach Focused on Accountability*

# 1

### Market Conduct Examination

- ***Making sure the agency is acting in the best interests of North Dakota's workers and employers***
  - *Are claims handled fairly?*
  - *Are claim investigations conducted thoroughly?*
  - *Are there delays in payments of benefits?*
  - *Is the appeal process equitable?*

# 2

### Financial Examination

- ***Comprehensive Financial Reviews***
  - *Are there sufficient funds to pay claims?*
  - *Is the agency financially sound?*
  - *Are insurance industry accounting practices followed?*

# 3

### Ongoing Financial Analysis

- ***Quarterly Monitoring Financial Operations***
  - *Are significant financial ups and downs occurring each period?*
  - *Are problems developing that need to be investigated?*

**NORTH  
DAKOTA**

*Protecting the  
public good*

**Insurance  
Department**

***Adam W. Hamm, Commissioner***

**DRAFT** [02/07/08]

**BILL NO.**

Introduced by

\_\_\_\_\_ Committee

(At the request of \_\_\_\_\_)

1 A BILL for an Act to create and enact a new section to title 26.1 of the North Dakota Century  
2 Code, relating to examination of Workforce Safety and Insurance by the Insurance  
3 Commissioner; and to provide an appropriation.

4  
5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6  
7 **SECTION 1.** A new section to title 26.1 of the North Dakota Century Code is created  
8 and enacted as follows:

9 **Examination of and reporting from Workforce Safety and Insurance – Report to**  
10 **governor -- Confidentiality.** Notwithstanding any other provision of law:

- 11 1. The commissioner may address to workforce safety and insurance an inquiry  
12 in relation to the activities, condition, or any other matter connected with the  
13 transactions of workforce safety and insurance. Workforce safety and  
14 insurance shall reply in writing to such an inquiry within twenty days of receipt  
15 of the inquiry unless within that twenty days workforce safety and insurance  
16 requests and the commissioner grants an extension of time. The records of  
workforce safety and insurance are open to inspection by the commissioner

1 without notice. In addition to any other information the commissioner may  
2 request, workforce safety and insurance shall make regular monthly reports to  
3 the commissioner in the form and manner prescribed by the commissioner which  
4 shall include information regarding claims, grievances, administrative hearings  
5 under chapter 28-32, appeals to courts of law, or any other information the  
6 commissioner deems appropriate. Workforce safety and insurance shall transmit  
7 to the commissioner, not later than September first of each year, an annual  
8 statement of its condition and business including a financial statement for the  
9 year ending on the preceding June thirtieth. Workforce safety and insurance  
10 shall also transmit to the commissioner its most recent financial statements  
11 compiled on a quarterly basis within forty-five days following the calendar  
12 quarters ending September thirtieth, December thirty-first, and March thirty-first.  
13 The annual and quarterly statements must be prepared and filed in the form  
14 prescribed by the commissioner.

15 It is a violation of this title for a person to knowingly supply the commissioner  
16 with false, misleading, or incomplete information.

- 17 2. The commissioner or the commissioner's designee may conduct an  
18 examination of workforce safety and insurance whenever the commissioner in  
19 the commissioner's sole discretion deems appropriate. The commissioner  
20 shall determine the nature and scope of the examination which may include  
21 examining workforce safety and insurance policies and procedures; whether  
22 its financial records or statements fairly present its true financial condition; its  
23 fund balance; the appropriateness of its investments; its premium rates; the  
performance of programs and functions; risk management; or any other area

1 deemed necessary by the commissioner in order to improve cost-effective,  
2 efficient services with public accountability.

3 3. Upon completion of the examination described in subsection 2, the  
4 commissioner shall submit to the governor a report that sets forth the  
5 conditions that exist that prevent the effective or efficient operation of  
6 workforce safety and insurance and recommends a course to remedy those  
7 conditions. The governor shall review the report and direct a course of action  
8 to be implemented by the director of workforce safety or recommend a course  
9 of action to the legislative assembly if legislative action is necessary to  
10 remedy any conditions. This section does not limit or restrict the other  
11 powers, duties, and authority of the governor.

12 4. The commissioner shall maintain as confidential any confidential documents  
13 or information received from workforce safety and insurance. The information  
14 may not be disclosed by the department unless otherwise allowed by law and  
15 is exempt from section 44-04-18.

16 5. Money in the workforce safety and insurance fund is appropriated on a  
17 continuing basis for the payment of the expense of conducting an  
18 examination described in this section.