

HOUSE BILL NO. 1120

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Corrections and Rehabilitation)

1 A BILL for an Act to amend and reenact sections 65-06.2-06 and 65-06.2-07 of the North
2 Dakota Century Code, relating to modified workers' compensation coverage for prison
3 industries work programs through roughrider industries.

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

5 **SECTION 1. AMENDMENT.** Section 65-06.2-06 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **65-06.2-06. Rulemaking - ~~Excess or reinsurance coverage~~Participation in state**
8 **entities account.**

9 The organization, in cooperation with the department of corrections and rehabilitation and
10 the risk management division of the office of management and budget, shall adopt
11 administrative rules and fee schedules for a program of modified workers' compensation
12 coverage established and provided under this section and sections 65-06.2-04, 65-06.2-05, and
13 65-06.2-08. The administrative rules and fee schedules must provide for the classification of
14 inmates engaged in work in a prison industries work program through roughrider industries, the
15 computation of premium, the payment of claims charges against the classification, the payment
16 of medical bills, ~~excess coverage or reinsurance coverage~~coverage under the workforce safety and
17 insurance account for state entities under section 65-04-03.1, and the reimbursement by
18 roughrider industries to the organization for all claim benefit costs charged against that
19 classification, as well as any allocated loss adjustment expense and all administrative
20 expenses, including the expense of issuing the coverage, for the life of the claim in excess of
21 premiums, coverage under the workforce safety and insurance account for state entities, and
22 medical expenses paid by roughrider industries. Roughrider industries shall ~~secure excess-~~
23 ~~coverage or shall reinsure all excess risks through the risk management division~~contribute to
24 the risk management workers' compensation fund and participate in the workforce safety and

1 insurance account for state entities under section 65-04-03.1 to cover the costs in excess of
2 premiums and medical expenses paid. The organization shall determine and the risk
3 management division shall assess a premium against roughrider industries for the cost of
4 excess or reinsurance coverage under the workforce safety and insurance account for state
5 entities and roughrider industries shall pay that premium.

6 **SECTION 2. AMENDMENT.** Section 65-06.2-07 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **65-06.2-07. State reimbursement for liability in excess of collected premiums.**

9 Whenever total costs and expenses charged to the classification of the modified workers'
10 compensation program established under this chapter exceeds the amount of premiums paid
11 into the fund and any ~~policy limits of the reinsurance or excess coverage purchased under~~
12 ~~section 65-06.2-06~~ payments from the risk management workers' compensation fund under the
13 workforce safety and insurance state entities account under section 65-04-03.1, those excess
14 costs and expenses are a general obligation of the state and the state shall reimburse the
15 organization for credit to the workforce safety and insurance fund through legislative
16 appropriation to the extent not covered by any program of excess coverage or reinsurance.
17 ~~Roughrider industries shall secure a means of reinsuring excess costs and expenses to~~
18 ~~minimize exposure of loss to the state general fund. The organization may not provide the~~
19 ~~additional excess coverage or reinsurance required under this section. This modified workers'~~
20 ~~compensation coverage may not be effective unless the~~ organization has, in its sole discretion,
21 purchased ~~excess coverage or reinsurance required under this section is in place~~ that does not
22 exclude claims under this section.