

## House Bill No. 1088

Presented by: John Arnold  
Deputy Commissioner  
North Dakota Insurance Department

Before: House Government and Veterans Affairs  
Representative Austen Schauer, Chairman

Date: January 12, 2023

Chairman Schauer and members of the committee, my name is John Arnold, Deputy Insurance Commissioner, and I am here testifying on behalf of Insurance Commissioner Jon Godfread, in support of House Bill 1088.

House Bill 1088 originated out of the State Investment Board, Commissioner Godfread currently serves on that board as well as the subcommittee on Policy and Governance. This bill has been vetted by the subcommittee, the board, and ultimately gained a favorable approval from the board.

Commissioner Godfread wanted to offer his support for the replacement of the Insurance Commissioner with the Director of the Office of Management and Budget. Positions on this board should never consider the individuals currently holding those positions, but rather be about the offices which those individuals represent and ultimately the people we all represent.

Back when the State Investment Board was created, the insurance portfolio was a larger portion of the overall funds under management, and thus, it made a great deal of sense to have the Insurance Commissioner on the board to adequately represent those interests.

As of September 30, 2022, the Insurance Regulatory Trust Fund accounted for approximately .006% of the more than \$17 billion total assets under management. Even within the insurance pool itself, which is comprised of the WSI fund, the Budget Stabilization Fund, PERS Group Insurance, and many others, the Insurance Regulatory Trust fund makes up approximately .04% of the insurance pool.

Currently the board consists of the director of WSI, two members from PERS, and other representatives who can provide better oversight to the insurance pool funds. By replacing the Insurance Commissioner with the Director of the Office of Management and Budget, the board will gain significant insight into the broader state budget, PERS, and the Budget Stabilization Fund. Commissioner Godfread has enjoyed his time on the board, but believes it is in the best interest of the State to make these changes.

I am happy to answer any questions you might have for me, but I am sure there are other members of the board, or the Retirement and Investment Office present who might be better able to answer questions should you have them.