

ANALYSIS OF THE RISK MANAGEMENT FUND FOR THE 2001-03 AND 2003-05 BIENNIUMS

	<u>2001-03 Biennium</u>	<u>2003-05 Biennium</u>
Beginning balance	\$2,263,605	\$452,008
Add estimated revenues		
Premiums	<u>\$3,613,938¹</u>	<u>\$4,131,567²</u>
Total estimated revenues	<u>3,613,938</u>	<u>4,131,567</u>
Total available	\$5,877,543	\$4,583,575
Less estimated expenditures		
Administration - 2001 HB 1015; 2003 SB 2015	\$891,067	\$730,002
Claims-related expenses - Continuing appropriation	2,073,468	942,010
Claims and litigation	<u>2,461,000</u>	<u>2,578,000</u>
Total estimated expenditures	<u>5,425,535</u>	<u>4,250,012</u>
Ending balance	<u><u>\$452,008</u></u>	<u><u>\$333,563</u></u>

NOTE: The analysis reflects the Hoeven executive budget recommendations for the 2003-05 biennium.

¹ In response to an actuarial review completed in 2000 by Aon Risk Services, the Risk Management Division has assessed a total of \$3,613,938 in risk management premiums to state agencies, boards and commissions, and the North Dakota University System for the 2001-03 biennium.

² In response to an actuarial review completed in 2002 by Aon Risk Services, the Risk Management Division plans to assess a total of \$5,397,553 in risk management premiums to state agencies, boards and commissions, and the North Dakota University System for the 2003-05 biennium. State Fleet Services and the Department of Human Services have a credit of \$1,265,986 because of previous overpayment of federal funds for these agencies into the North Dakota insurance risk fund (NDIRF). When this credit is applied to the premiums, a total of \$4,131,567 is projected to be collected during the 2003-05 biennium.

FUND HISTORY

In September 1994 the North Dakota Supreme Court abolished the doctrine of sovereign immunity. As a result of this court decision, the 1995 Legislative Assembly passed the Tort Claims Act (1995 Senate Bill No. 2080) which created a risk management fund and assigned the responsibility of administering a risk management program to the Office of Management and Budget.