

ANALYSIS OF THE RISK MANAGEMENT FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS

	<u>2003-05 Biennium</u>	<u>2005-07 Biennium</u>
Beginning balance	\$2,229,328	\$2,938,692
Add estimated revenues		
Premiums	<u>\$4,434,364¹</u>	<u>\$3,731,624²</u>
Total estimated revenues	<u>4,434,364</u>	<u>3,731,624</u>
Total available	\$6,663,692	\$6,670,316
Less estimated expenditures		
Administration - 2003 SB 2015, 2005 HB 1015	\$700,023	\$746,211
Claims-related expenses - Continuing appropriation	132,494	148,095
Claims and litigation	<u>2,892,483</u>	<u>3,233,070</u>
Total estimated expenditures	<u>3,725,000</u>	<u>4,127,376</u>
Ending balance	<u><u>\$2,938,692</u></u>	<u><u>\$2,542,940</u></u>

¹In response to an actuarial review completed in 2002 by Aon Risk Services, the Risk Management Division is assessing 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. Due to agencies qualifying for the discount program, total premiums collected are estimated to be \$4,434,354, or a total reduction of \$963,189 for the 2003-05 biennium.

²In response to an actuarial review completed in 2004 by Aon Risk Services, the Risk Management Division is assessing a total of \$3,731,624 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2005-07 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.