

ANALYSIS OF THE STATE BONDING FUND FOR THE 2005-07 AND 2007-09 BIENNIUMS

	2005-07 Biennium		2007-09 Biennium	
Beginning balance		\$2,599,756		\$2,531,056
Add estimated revenues				
Investment income	\$310,300		\$325,000	
State bonding fund claims collections	45,000		45,000	
Other income	5,000		6,000	
Total estimated revenues		360,300		376,000
Total available		\$2,960,056		\$2,907,056
Less estimated expenditures and transfers				
Insurance Department administration (2005 HB 1010; 2007 SB 2010)	\$35,000		\$44,131	
State bonding fund claims losses	375,000		100,000	
Claims-related expenditures	19,000		20,000	
Total estimated expenditures and transfers		429,000		164,131
Estimated ending balance		<u>\$2,531,056</u>		<u>\$2,742,925</u>

FUND HISTORY

The state bonding fund was created in 1915 and is maintained for bond coverage of public employees. The state bonding fund is managed by the Insurance Commissioner and the amount of coverage provided to each state agency, department, industry, and institution is determined by the commissioner based upon the amount of money and property handled and the opportunity for default. North Dakota Century Code Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the state bonding fund's balance is in excess of \$2 million. No premium has been charged, possibly since 1953, because the bonding fund's balance has exceeded the minimum level established by the Legislative Assembly.