

**ANALYSIS OF THE RISK MANAGEMENT FUND  
FOR THE 2007-09 AND 2009-11 BIENNIUMS**

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		\$3,619,197		\$4,201,048
Add estimated revenues				
Premiums	\$3,454,383 <sup>1</sup>		\$2,649,997 <sup>2</sup>	
Total estimated revenues		3,454,383		2,649,997
Total available		\$7,073,580		\$6,851,045
Less estimated expenditures and transfers				
Administration	\$1,000,000		\$1,030,000	
Claims-related expenses	10,000		10,300	
Claims and litigation	1,862,532		3,536,000	
Total estimated expenditures and transfers		2,872,532		4,576,300
Estimated ending balance		<u>\$4,201,048</u>		<u>\$2,274,745</u>

<sup>1</sup>In response to an actuarial review completed in 2006 by Aon Risk Services, the Risk Management Division is assessing a total of \$3,454,383 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2007-09 biennium.

<sup>2</sup>In response to an actuarial review completed in 2008 by Aon Risk Services, the Risk Management Division is assessing a total of \$2,649,997 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2009-11 biennium. Assessments are subject to a risk management discount program for agencies that adopt proactive loss control practices, with a maximum available discount of 15 percent. Total discounts are estimated to be at or below \$300,000.

**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.