

# PARTICIPATOR

April 2009

## NDIRF PAYS 1.7 MILLION CONFERMENT OF BENEFITS

The conferment of benefits earned by NDIRF members in 2008, being paid out as of April 1, 2009, was nearly \$1.7 million. This brings the all-years total of conferment payments to just over \$49 million. Quite an achievement for the NDIRF and its members!

The conferment of benefits paid this year is the second-lowest since the program began fifteen years ago, and is approximately half of what it has been in each of the most recent five years, due to one primary reason – the severe contraction of U.S. and global financial markets in the 4<sup>th</sup> Quarter of 2008. The NDIRF, like most investors, consequently experienced a significant reduction in investment income last year. This, coupled with an average claim loss year (we had been enjoying loss ratios for the past several years that were markedly below average) resulted in the lower conferment of benefits.

We saw the possibility of the 2008 conferment being impacted negatively by up to 50% last September and notified Fund members accordingly at that time – unfortunately, the warning proved necessary.

A more detailed description of last year's NDIRF's financial performance will be presented in the 2008 NDIRF Annual Report, which will be distributed in late May. We trust, however, that the checks Fund members are receiving this month provide a very real reminder of the NDIRF's past success, your part in it and the need to maintain efforts in controlling risk exposures so that future strong performance is assured. ■

### ***It's Only E-Mail...***

It is important to exercise discretion when using electronic mail. Although correspondents often treat electronic mail as a secure medium and engage in dialogue similar to a verbal conversation, users need to be aware that e-mail is not a confidential method of communication.

For example, there is the risk of an entry error, which could send an e-mail message to the wrong party; or the intended recipient simply hits the "Forward" key and sends a message along to an entire contact list the original author never intended.

Most computers, networks and internet service providers also have extensive back-up capabilities of which many e-mail users are unaware. You may think

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**Covering Personal Property  
Financials  
From the CEO  
New Video Added**

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you have deleted a message, but it is still residing somewhere in the system. These messages are generally public records, may be recoverable and, in litigation, discoverable. Depending upon the content of the e-mail, this could present an obvious problem.

For these and other reasons, public employees and officials need to be alert to the fact that e-mail should be written with the same care as a letter. The old adage applies – if you would be embarrassed to see the message in your local newspaper, you probably shouldn't send it in the first place.

Public officials need to periodically remind employees, and themselves, that e-mail communications should never be considered confidential. A written policy on electronic communications is strongly advised, to include at least the following points:

- E-mail messages created on a political subdivision's system are the property of the public entity and may be monitored. Employees should have no expectation of privacy regarding these messages.
- E-mailing material that includes racial, ethnic or sexual content could be considered offensive and should be prohibited.
- E-mail messages are public records and may be discoverable in legal proceedings.
- A reminder that the Electronic Communications Privacy Act of 1986 specifically protects electronic communications. Anyone who intercepts an e-mail message without authorization is committing a crime.

E-mail is a very useful tool but don't let its speed and convenience lull you into a false sense of security regarding its true nature. It is still a form of communication that can exist in print for potentially all to review after the fact. ■

## RISK SERVICES

### COVERING YOUR PERSONAL PROPERTY

Currently, most political subdivisions purchase coverage for physical damage to their property (buildings and contents) from the North Dakota Fire and Tornado Fund (F&T) through the State Insurance Department. The NDIRF has the ability to provide coverage, under its Public Assets Memorandum of Coverage, for items of personal property that are excluded or provided limited coverage on the F&T coverage form.

In the past, the NDIRF has listed on a schedule each item of personal property a member desired to cover. This requirement at times became cumbersome for our members in the reporting of new items or the deletion of disposed items. After several years of consideration, we believe we have designed a form that will simplify coverage of personal property for our members and agents. Coverage will now be available on a blanket (cover all) basis for each of six (6) categories of equipment. The option to schedule individual items will still be available. The six categories are:

- **Computers & Software** – This includes devices such as keyboards, printers, stand alone drives, and mice (or is it mice, in this case?).
- **Mobile Equipment and Trailers** – Trailers include travel trailers and trailers with a Gross Vehicle Weight Rating (GVWR) of 5,000 lbs. or less. Trailers over 5,000 lbs. GVWR must be covered under the automobile coverage.

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visit our website

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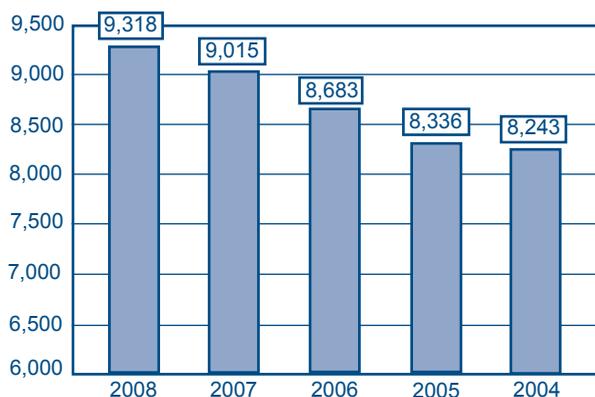
- **All Owned Personal Property** – This option is available only if no personal property coverage is provided elsewhere, such as the F&T.
- **Limited Owned Personal Property** – This option is available to cover property that is excluded under F&T coverage for:
  - o Being primarily stored in or on a vehicle including stored in a trailer.
  - o Being used primarily in law enforcement or emergency services while in use off-premises.
  - o Personal Property Off-Premises for property off-premises for more than seven (7) consecutive days.
- **Personal Property of Employees, Officials, and Volunteers** – This option is for property required for completion of duties for your organization. For example, personal mechanics' tools used by your vehicle maintenance personnel.
- **Personal Property of Others** – This option is for property that you do not own, lease or rent that is in your care, custody or control. Such property would include equipment provided for your use in an emergency situation. *Minimal sub-limits of coverage for this type of property are automatically provided. This option is provided if increased limits are needed.*

Our goal in the development of this form was to allow equitable handling of our members' differing personal property coverage needs with minimal complication for all involved. We hope we have achieved this goal with our new coverage form.

Currently, we are working to get the rating and form issuance entered into our computer system. Once we can ensure that all is working properly, the coverage form will be filed for use with the North Dakota Insurance Department. Presently, we are targeting a start-date for use of the coverage form of June 1<sup>st</sup>. Please contact Ross Warner at the NDIRF office with any questions or comments. Email: [ross.warner@ndirf.com](mailto:ross.warner@ndirf.com), Phone Local: 224-1988, Phone WATS: 1-800-421-1988. ■

## FINANCIAL INSIGHTS

### Written Premium (in thousands)



This graph represents the contributions NDIRF members make annually to fund their coverages. As the chart shows, NDIRF has enjoyed steady growth in written premium. The year 2008 was a 3.4% increase over 2007. ■

## FROM THE CEO

Enough, already! Does five months of full-on winter seem more than sufficient to validate our claim as North Dakotans to being hardy survivors of the northern plains? Some might be ready for more but I'm ready to be done - and I'll bet I'm not alone.

You know you're in for something special when you have the opportunity to engage in snow removal and sandbagging on the same day, and the spring of 2009 is shaping up as "something special". A tip of the hat and heartfelt thank-you to the many public officials and employees, and volunteers, who have put in long hours already this year keeping roads and streets open and floodwaters mostly contained.

We have been in this vicinity before, and in recent memory. The spring of 1997 carries a lifelong imprint for at least every current adult who was a resident of the state at that time. What we learned at NDIRF from 1997 is that record-breaking snowfalls followed by flooding and road washouts can create record claim and loss levels. Mark Twain once said that "history does not repeat itself – but it often rhymes".

Mindful of the extraordinary effort put forth already this year by public officials and employees, we know that we need a few more weeks of vigilance to avoid making 2009 rhyme with 1997. ■

## NEW VIDEO ADDED TO LENDING LIBRARY

NDIRF has added another video to our lending library that is available to all members. Our latest addition is titled: *In the Scope of Your Authority: Preventing Public Officials Liability*. It is a 17-minute presentation that is only available on DVD. It is from CIRSA which has produced some of the most popular videos in our library. The video is designed for public officials to ensure they understand all the potential liabilities they may encounter in their roles. This video discusses how elected and appointed officials can avoid mistakes that can lead to liability claims and identifies best practices that will allow officials to be successful. Key topics include:



- Quasi-Judicial Hearings
- Legislative Matters
- Delegating Administrative and Personnel Issues
- Electronic Communications
- Maximizing Liability Protections ■

## Mark Your CALENDAR

May 2009

- 21: NDIRF Annual Meeting  
Ramkota Inn, Bismarck
- 21: NDIRF Board of Directors Meeting  
NDIRF offices, Bismarck

### North Dakota Insurance Reserve Fund Board of Directors

Fred Bott, Devils Lake    Burdell Johnson, Tuttle    Mark A. Johnson, Bismarck    Shawn Kessel, Dickinson    Rod Landblom, Dickinson  
Steve Neu, Bismarck    Connie Sprynczynatyk, Bismarck    Corene Vaughn, Cavalier    Scott Wagner, Fargo

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