

# PARTICIPATOR

April 2010

## NDIRF ANNOUNCES \$2.5 MILLION CONFERMENT OF BENEFITS

*The conferment of benefits earned by NDIRF members in 2009, to be paid out on April 1, 2010, slightly exceeds \$2.5 million (\$2,553,000). This brings the total of conferment payments across the sixteen year span of the program to over \$51.5 million. A remarkable achievement for the Fund and its membership!*

NDIRF members will likely note that this conferment is significantly higher than was paid last year (1.7 million) – due primarily to the dramatic recovery in market value of the NDIRF’s investment portfolio in 2009.

A more detailed description of the NDIRF’s financial performance last year will be presented in the 2009 NDIRF Annual Report, to be distributed in May. We hope, however, that the checks NDIRF members are receiving this month signify for you the Fund’s success, your part in it, and the motivation we all share to control risk so as to assure continuity of these strong results. ■

## RISK SERVICES

### A QUESTION OF COVERAGE

This article kicks off a new series in the Participator’s “Risk Services” column to deal with topical coverage, exclusions, terms, and conditions of the NDIRF’s coverage forms. We will start with an exclusion that came into play on a recently filed claim.

#### *Exclusion*

*Property That Is Owned, Rented or Occupied or in Your Care, Custody or Control.*

The NDIRF’s General Liability Coverage includes an exclusion for property damage to:

1. Property a covered party owns, rents, or occupies; and
2. Property loaned to the covered party or personal property in the covered party’s care, custody or control.

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## **What does this mean to the NDIRF member?**

Under the first part of this exclusion, it means there is no general liability coverage if a covered party (your entity, your officials, your employees, your volunteers, or any added covered party) damages a building you or they own, rent (including rental of a portion of the building's space), or occupy (are allowed to use). Property includes, as part of this exclusion, land or other real estate.

The second part of this exclusion applies first to property (land, buildings or personal property) loaned to your entity. Secondly, it applies to damage to personal property owned by other than a covered party (your entity, your officials, your employees, your volunteers, or any added covered party) in a covered party's care, custody or control.

## **How does an NDIRF member get coverage to protect from these situations if they are not covered under general liability?**

There are a number of ways to protect your entity from loss caused by damage to property under these situations. First, any building and contents owned by your entity should be insured with the North Dakota Fire and Tornado Fund or a property insurance company. In the case of personal property, it can also be covered under the NDIRF's Public Assets coverage form, if appropriate.

If you are required by contract to cover buildings that you rent or lease, you will have to look to an insurance company to provide the coverage. It is our understanding that rented or leased buildings cannot be insured with the North Dakota Fire and Tornado Fund. However, we suggest you check with them prior to insuring with an insurance company.

If, in the rental, lease or occupancy agreement, the landlord agrees to continue to provide property insurance on the building, you should include in the agreement a clause to have your entity, officials, employees, and volunteers held harmless by the landlord for damage to property subject to the agreement and the landlord should waive subrogation by its property insurance carrier for any damage caused by the same parties to the landlord's building or personal property. These requirements should also apply to buildings or land that is loaned to your entity.

Remember, if the landlord insures their building, it is up to the tenant to insure the tenant's interest in any improvement or betterment that they put into the leased space. Improvements and betterments include, but are not limited to, carpeting, paint, wallpaper, lighting fixtures and other permanent additions that may not legally be removed at the end of the lease term.

Personal property of others in your care, custody or control can be covered by the NDIRF under a Public Assets Memorandum of Coverage. There is also the alternative of having the owner of that personal

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# RISK SERVICES

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property hold your entity harmless and waive subrogation for damage to the personal property in your care, custody or control.

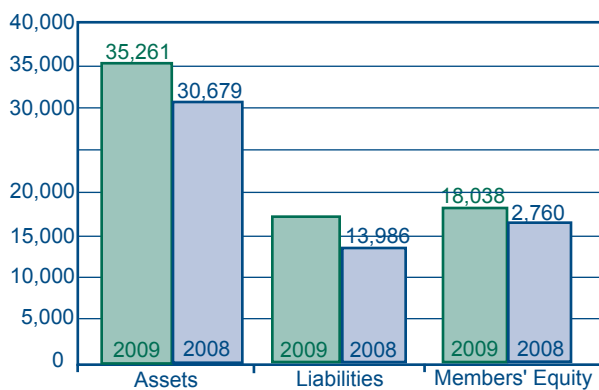
Need a little good news? If your entity purchases NDIRF General Liability Coverage, there is \$2,500 legal liability coverage for damage to buildings your entity rents or occupies and for damage to personal property of others (except autos) in your care, custody, or control. There is also coverage to the general liability limit for your entity's legal liability concerning rented premises damaged by fire (for this coverage to apply, your entity, officials, employees or volunteers must be legally liable for the fire that damages the rented property).

This is a synopsis of NDIRF coverage. The General Liability Memorandum of Coverage should be reviewed to determine the full extent of the coverage provided. The General Liability Memorandum of Coverage form is available on our website at [www.ndirf.com](http://www.ndirf.com). The forms are located under the Risk Services tab, under "Applications/Sample Forms".

If there are questions on this information, please contact your agent or NDIRF Risk Services Manager Ross Warner ([ross.warner@ndirf.com](mailto:ross.warner@ndirf.com)) at the NDIRF office (1-800-421-1988). ■

## FINANCIAL INSIGHTS

*Balance Sheet (in thousands)*  
December 31, 2009 & December 31, 2008



As of December 31, 2009, NDIRF remains in a strong financial position with members' equity over \$18 million. The 2009 assets consist mainly of NDIRF's investment portfolio (\$33.2 million) while the liabilities are primarily loss reserves (\$10.9 million) and the conferment payable in April, 2010 (\$2.6 million). ■

## FROM THE CEO

The NDIRF Annual Meeting will be held on May 12, 2010 beginning at 10:30 A.M. in the Ramkota Hotel, Bismarck. By the time you see this column, NDIRF members will have received their information packets, including proxy statements, for the Annual Meeting.

While Fund members can, and do, make their wishes known for election of directors and other business by providing the proxies, I encourage you to attend at least one NDIRF Annual Meeting in person. We would like to meet you and I believe you would find the information presented to be of value - to put into perspective exactly what your participation in the Fund means.

Please take a moment to review the meeting materials and I hope you will consider joining us. There'll be coffee and "appropriate starches" to help digest the information presented and you are invited to a nice Ramkota luncheon afterward. See you there! ■

## 2010 COMPUTER EQUIPMENT SALE

The NDIRF has used computer equipment up for bids.

Items 1 thru 5 (five computers sold individually): Dell E520  
Computer Pentium IV 2.13 GHz Processor, 1GB  
RAM, DVD-CDROM combo drive, 160 GB Hard Drive,  
Windows VISTA Operating System, keyboard, mouse (No  
monitor)

Item 6 Cisco Router  
CiscoPro 1602 Ethernet/Serial Modular Router w/56k DSU  
4-wire

Item 7 Color Scanner  
HP6350CSI Scanner Flatbed 1200DPI, USB interface, HP PrecisionScan Pro software

The equipment was in good condition when taken out of service (except where mentioned) and is sold strictly on an "as-is" basis with no warranty expressed or implied. If you are interested in placing a bid on one or more of the pieces of equipment, please send your offer to the following address. Include a return address, phone number, the item # and description of desired item, and the bid amount.

NDIRF Computer Equipment Bid  
Attention: Vance Krebs  
PO Box 2258  
Bismarck, ND 58502-2258

Bid offers must be received before Monday, April 26, 2010. Successful bidders will be notified on April 27, 2010 and the equipment must be paid for and picked up from the NDIRF office on or before April 30, 2010. ■

## Mark Your CALENDAR

### April 2010

- 27: ND League of Cities Regional Meetings, NC Region, Wilton
- 28: SW Region, Bowman
- 29: NW Region, Watford City

### May 2010

- 5: ND League of Cities Regional Meetings, SE Region, Casselton
- 6: SC Region, Napoleon
- 12: NDIRF Annual Meeting Ramkota Inn, Bismarck
- 12: NDIRF Board of Directors Meeting NDIRF offices, Bismarck

### North Dakota Insurance Reserve Fund Board of Directors

Randy Bina, Bismarck Fred Bott, Devils Lake Burdell Johnson, Tuttle Mark A. Johnson, Bismarck Shawn Kessel, Dickinson  
Ron Krebsbach, Garrison Rod Landblom, Dickinson Connie Sprynczynatyk, Bismarck Scott Wagner, Fargo

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