



Financial Statements
December 31, 2020 and 2019
North Dakota Insurance Reserve Fund

North Dakota Insurance Reserve Fund

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December 31, 2020 and 2019

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Independent Auditor's Report

The Board of Directors
North Dakota Insurance Reserve Fund
Bismarck, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the North Dakota Insurance Reserve Fund, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Insurance Reserve Fund as of December 31, 2020 and 2019, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota

March 18, 2021

North Dakota Insurance Reserve Fund

Balance Sheets
December 31, 2020 and 2019
(Dollars in Thousands)

	2020	2019
Assets		
Cash and cash equivalents - Note 3	\$ 4,976	\$ 3,216
State of ND - State Fire and Tornado Fund cash	14	39
Investments - Note 4	48,852	44,899
Agents' balances	529	539
Interest receivable	239	258
Deferred policy acquisition costs - Note 5	752	732
Land, building and equipment, net - Note 6	703	778
Other assets	204	247
	\$ 56,269	\$ 50,708
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 43	\$ 31
Payable to State of ND - State Fire and Tornado Fund	9	37
Conferment payable - Note 7	6,314	3,077
Accrued expenses	232	173
Unearned premiums	6,081	5,923
Unearned commission - State Tornado and Fire Fund	218	197
Reserve for losses	10,533	11,805
Reserve for incurred but not reported losses	6,551	6,389
	29,981	27,632
Net Assets		
Without member restrictions	26,288	23,076
	\$ 56,269	\$ 50,708

North Dakota Insurance Reserve Fund

Statements of Activities

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	2020	2019
Revenues		
Premiums earned	\$ 17,083	\$ 16,278
Commission income - State Fire and Tornado Fund	571	247
Total revenues	17,654	16,525
Expenses		
Losses and loss adjustment expenses	6,050	9,029
Underwriting and administrative	6,284	5,912
Total expenses	12,334	14,941
Revenues over Expenses	5,320	1,584
Nonoperating Revenues		
Investment income, net of investment expenses of \$143 and \$108 in 2020 and 2019, respectively	1,042	1,073
Realized and unrealized gains on investments, net	3,138	3,357
Total nonoperating revenues	4,180	4,430
Change in Net Assets Without Member Restrictions	9,500	6,014
Net Assets Without Member Restrictions, Beginning of Year	23,076	20,138
Conferment Declared	(6,288)	(3,076)
Net Assets Without Member Restrictions, End of Year	\$ 26,288	\$ 23,076

North Dakota Insurance Reserve Fund

Statements of Cash Flows
Years Ended December 31, 2020 and 2019
(Dollars in Thousands)

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 9,500	\$ 6,014
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation	85	77
Realized and unrealized gain on investments	(3,138)	(3,357)
Changes in assets and liabilities		
Agents' balances	10	(48)
Interest receivable	19	(38)
Deferred policy acquisition costs	(20)	(37)
Other assets	43	(17)
Losses and loss adjustment expenses	(1,272)	(1,037)
Incurred but not reported losses	162	13
Unearned premiums	158	293
Unearned commission State Fire and Tornado Fund	21	197
Accounts payable	(16)	44
Accrued expenses	59	20
	5,611	2,124
Net Cash provided by Operating Activities		
Cash Flows from Investing Activities		
Purchase of investments	(9,260)	(14,279)
Proceeds from sale and maturities of investments	8,445	11,806
Purchase of property and equipment	(10)	(144)
	(825)	(2,617)
Net Cash used in Investing Activities		
Financing Activities		
Conferment paid	(3,051)	-
	(3,051)	-
Net Cash used for Financing Activities		
Net Change in Cash and Cash Equivalents	1,735	(493)
Cash and Cash Equivalents at Beginning of Year	3,255	3,748
Cash and Cash Equivalents at End of Year	\$ 4,990	\$ 3,255
Schedule of Other Noncash Activities		
Conferment payable	\$ 6,314	\$ 3,077

Note 1 - Summary of Significant Accounting Policies

Principal Business Activity

The North Dakota Insurance Reserve Fund (NDIRF or the Fund) is a non-profit corporation engaged in the underwriting and insuring of property and casualty risks. NDIRF was organized January 1, 1986 and was incorporated on June 5, 1989. All political subdivisions in the State of North Dakota are eligible to participate in accordance with the North Dakota Century Code (Chapter 26.1- 23.1). The purpose of NDIRF is to establish a fund for self-insurance by the members against various types of property and casualty risks to which they are exposed in the ordinary course of their operations. Political subdivisions may terminate their membership at any time. Members include cities, counties, townships, school districts, fire districts, park districts, ambulance associations, soil conservation districts and water districts within the State of North Dakota. Total membership is 2,555 as of December 31, 2020.

In June 2019, NDIRF was contracted by the North Dakota Insurance Department to administer the State Fire and Tornado Fund and the State Bonding Fund. NDIRF is contracted to provide the following services: Underwriting, Collection of Premium, Loss Control and Claims Administration, in exchange for compensation. NDIRF is not at risk for claims from the Fire and Tornado Fund policyholders and is only an administrator of the program. This contract ends on June 30, 2022.

Guidance issued by the Financial Accounting Standards Board (FASB) in section 958-10-15-5 of the codification excludes NDIRF from being required to prepare its financial statements in conformance with not-for-profit entity standards. However, NDIRF has elected to use certain terminologies and treatments used by not-for-profit entities in order to best represent its financial position to its members.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America that differ from statutory accounting practices prescribed or permitted for insurance companies by regulatory authorities.

Concentration of Credit Risk

The Fund's cash balances are maintained in various bank deposit accounts. Accounts at each institution are insured by the FDIC up to \$250,000. The Fund pledged collateral that held a value of \$4,250 and \$3,016 as of December 31, 2020 and 2019, respectively.

Concentration of credit risk with respect to agents' balances is related principally to agents located within North Dakota. The Fund performs periodic credit evaluations of its agents' financial condition and generally does not require collateral. Receivables are generally due in 30 days.

Investments

Investments are reported at fair value. All investment income, including changes in the fair value of investments, is recognized in the statement of activities.

Declines in the fair value of investments below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Fund to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Fair Value Measurements

The Fund has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC (Accounting Standards Codification) 820, *Fair Value Measurement and Disclosures*, which provides a framework for measuring fair value under generally accepted accounting principles North Dakota Insurance Reserve Fund.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Agents' Balances and Credit Policy

Agents' balances are uncollateralized obligations due under normal trade terms requiring payment within 15 days from the month-end statement date. The balances are non-interest bearing. Payments are applied to the earliest unpaid invoices. Management reviews agents' balances on a regular basis and charges operations for those considered uncollectible. All remaining agents' balances are considered collectible.

Recognition of Premium Revenue and Related Expenses

Premiums are earned principally on a pro-rata basis over the lives of the policies. Unearned premiums represent the portion of premiums written applicable to the unexpired terms of policies in force. Related expenses associated with the unearned premiums are recognized as deferred policy acquisition costs and amortized over the lives of the policies.

The Fund also recognizes commission revenue related to a signed agent agreement in which the Fund uses office personnel to manage premium billing and claims payments of the Fire and Tornado Fund. The commission revenue is recognized ratably over the life of the contract as the premium is earned.

Land, Building and Equipment

Equipment and building are stated at cost. The Fund capitalizes equipment and building purchases in excess of \$1,000. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Equipment	3-10 years
Building	3-30 years

The Fund reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value or the asset. There were no indicators of asset impairment during the years ended December 31, 2020 and 2019.

Insurance Liabilities

The liability for losses, loss-adjustment expenses and incurred but not reported losses includes an amount determined from loss reports and individual cases and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently. The reserve for losses and loss-adjustment expenses is reported net of receivables for salvage and subrogation.

Reinsurance

In the normal course of business, the Fund seeks to limit its exposure to loss on any single insured and to recover a portion of losses paid by ceding reinsurance to the Reinsurer for Data Breach Coverage, Property Coverage, and Automobile and Liability Coverage. For Data Breach Coverage, the Reinsurer will cover losses exceeding \$25 per occurrence but the Reinsurer shall not be liable for more than \$250 per occurrence with an aggregate maximum liability of \$5,000. For Property Coverage, the Reinsurer will cover losses exceeding \$4,800 per occurrence but the Reinsurer shall not be liable for more than \$70,000 per occurrence. For Automobile and Liability Coverage, the Reinsurer will cover losses exceeding \$2,000 per occurrence but the Reinsurer shall not be liable for more than \$8,000 per occurrence. Excess limits are also available to members who select increased Memorandums of Coverage for Property and Liability Coverage at an additional premium fee.

Reinsurance premiums are reported as a reduction of premium revenue. Premiums ceded were \$555 and \$474 during the years ended December 31, 2020 and 2019, respectively. Reinsurance recoveries are reported as a reduction of related loss expense. A contingent liability exists with respect to reinsurance ceded to the extent that any reinsurer is unable to meet its obligation assumed under the reinsurance agreement.

State Tornado and Fire Fund

The Fund earns a commission of 7% on all written premiums for Tornado and Fire Fund policies. This amount is earned on a pro-rata basis over the life of the policies. All policies are one year and run from July 1 through June 30. The Fund records an unearned commission for the amount commission received on unearned premiums. Policyholders remit their payments directly to the Fund who then remits the funds less the 7% commission to the North Dakota Insurance Department. Losses are similarly handled as funds are transferred to the Fund from the North Dakota Insurance Department which are then remitted to the policy holders by the Fund. Cash accounts and losses payable accounts are presented on the balance sheet as an asset and liability.

Income Taxes

A ruling was received from the Internal Revenue Service (IRS) stating the income of the Fund is excludable for tax purposes from gross income under Section 115 of the Internal Revenue Code. However, it should be noted that the IRS also stated that no opinion is expressed as to the federal income tax consequences or whether the Fund is an insurance company for federal tax purposes. As a result, no provision for income taxes has been provided for. As of December 31, 2020 and 2019, the unrecognized tax benefit accrual was zero.

The Fund will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Fund considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Advertising

Marketing costs are expensed as incurred. Marketing expense was \$421 and \$432 for the years ended December 31, 2020 and 2019.

Subsequent Events

The Fund has evaluated subsequent events through March 18, 2021, the date which the financial statements were available to be issued.

Note 2 - Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of member-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Member Restrictions - Net assets available for use in general operations and not subject to member (or certain grantor) restrictions.

Net Assets With Member Restrictions - Net assets subject to member (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no net assets with member restrictions as of December 31, 2020 and 2019.

Financial assets available for general expenditure, that is, without member or other restrictions limiting their use, within one year of the statement of financial position date, comprise all the assets of the Fund.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following at December 31, 2020 and 2019:

	2020	2019
Cash	\$ 4,481	\$ 3,008
State Fire and Tornado Fund cash	14	39
Money market	495	208
	\$ 4,990	\$ 3,255

North Dakota Insurance Reserve Fund

Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in Thousands)

Note 4 - Investments and Fair Value of Assets and Liabilities

The cost and fair value of investments measured at fair value on a recurring basis at December 31, 2020 and 2019, follows:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Fixed Maturities				
Corporate bonds	\$ 27,289	\$ 28,781	\$ 26,944	\$ 27,654
U.S. government securities	10,017	10,742	9,421	9,649
	<u>37,306</u>	<u>39,523</u>	<u>36,365</u>	<u>37,303</u>
Marketable Equity Securities				
Mutual funds	2,354	5,734	2,504	4,953
Stocks	1,980	3,595	1,678	2,643
	<u>4,334</u>	<u>9,329</u>	<u>4,182</u>	<u>7,596</u>
	<u>\$ 41,640</u>	<u>\$ 48,852</u>	<u>\$ 40,547</u>	<u>\$ 44,899</u>

The related fair values of these assets and liabilities are determined as follows:

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable (Level 2)	Unobservable Inputs (Level 3)
December 31, 2020				
Mutual funds	\$ 5,734	\$ 5,734	\$ -	\$ -
Stocks	3,595	3,595	-	-
Corporate bonds	28,781	-	28,781	-
U.S. government securities	10,742	-	10,742	-
Total assets	<u>\$ 48,852</u>	<u>\$ 9,329</u>	<u>\$ 39,523</u>	<u>\$ -</u>
December 31, 2019				
Mutual funds	\$ 4,953	\$ 4,953	\$ -	\$ -
Stocks	2,643	2,643	-	-
Corporate bonds	27,654	-	27,654	-
U.S. government securities	9,649	-	9,649	-
Total assets	<u>\$ 44,899</u>	<u>\$ 7,596</u>	<u>\$ 37,303</u>	<u>\$ -</u>

North Dakota Insurance Reserve Fund

Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in Thousands)

The fair value for mutual funds and stocks is determined by reference to quoted market prices. The fair value for corporate bonds and U.S. government securities is determined by reference to quoted prices for similar assets in active markets or quoted prices for identical or similar instruments in markets that are not active.

Major categories of net investment income (loss), follows:

	2020	2019
Fixed maturities interest	\$ 1,062	\$ 1,031
Marketable equity securities dividends	114	121
Cash and cash equivalents interest	9	29
	1,185	1,181
Investment expenses	(143)	(108)
Gain on sale and maturity of investments	278	58
Increase in fair value of investments	2,860	3,299
	\$ 4,180	\$ 4,430

As of December 31, 2020 and 2019, investments with a fair value of approximately \$2,322 and \$1,778 were pledged to the North Dakota Insurance Department.

Note 5 - Deferred Policy Acquisition Costs

Deferred policy acquisition costs consist of unearned commissions which have been paid to agents. These costs are amortized as a percent of unearned premiums in the same ratio as the percent of written premiums. Amortization in 2020 and 2019 was \$2,177 and \$2,068, respectively.

Note 6 - Land, Building and Equipment

	2020	2019
Equipment	\$ 325	\$ 315
Building	1,225	1,225
Land	215	215
	1,765	1,755
Less accumulated depreciation	(1,062)	(977)
	\$ 703	\$ 778

Depreciation charged to land, building and equipment as of December 31, 2020 and 2019 was \$85 and \$77, respectively.

Note 7 - Conferment Payable

During 2020 and 2019, the Board of Directors elected to confer benefits to the participating members of the Fund. The amount of benefits allocated to a specific member is based upon a pro-rata share of the total benefit to be conferred. The benefits conferred payable for the years ended December 31, 2020 and 2019 were \$6,314 and \$3,077, respectively.

Note 8 - Employee Benefit Plans**401(a) Retirement Plan**

The Fund has a qualified profit-sharing plan which covers all employees who meet eligibility requirements. The Fund's contribution to the plan is at the sole discretion of the employer. The contributions become 100 percent vested once disbursed to the plan. The Fund's contributions for 2020 and 2019 were \$220 and \$225, respectively.

Deferred Compensation Plan

The Fund has an elective employees' deferred compensation plan for substantially all employees. The plan qualifies as a deferred arrangement under Section 457 of the Internal Revenue Code. The plan allows employees to contribute up to the maximum allowable by law per year. These contributions are not subject to federal income taxes. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Beginning January 1, 2009, the Fund began matching contributions up to 2.5% of gross wages for all participating employees. The Fund's contributions for 2020 and 2019 were \$51 and \$51, respectively.

Note 9 - Related Parties

The Fund sponsors seminars, special projects, and advertising for Associations whose members are eligible to participate in the Fund. Certain Associations' Executive Directors or Board members are members of the Fund's Board of Directors. This would include the North Dakota Association of Counties, North Dakota League of Cities, North Dakota Recreation and Parks Association, and North Dakota School Board Association. In 2020 and 2019 the total amount paid to the related parties for these types of services was \$219 and \$234, respectively.

Note 10 - Statutory Net Income and Membership Equity

Accounting principles generally accepted in the United States of America differ in certain respects from the accounting practices prescribed or permitted by insurance regulatory authorities (statutory basis). Statutory net income was \$6,639 and \$2,715 in 2020 and 2019, and statutory surplus was \$22,967 and \$21,055 at December 31, 2020 and 2019, respectively.



Supplementary Information
December 31, 2020 and 2019

North Dakota Insurance Reserve Fund



Independent Auditor's Report on Supplementary Information

The Board of Directors
North Dakota Insurance Reserve Fund
Bismarck, North Dakota

We have audited the financial statements of North Dakota Insurance Reserve Fund as of and for the years ended December 31, 2020 and 2019, and our report thereon dated March 18, 2021 which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules on pages 15 - 18 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Eide Bailly LLP

Fargo, North Dakota
March 18, 2021

North Dakota Insurance Reserve Fund
Reconciliation of Claims Liabilities by Type of Contract
Years Ended December 31, 2020 and 2019
(Dollars in Thousands)

	2020	2019
Unpaid Claims and Claim Adjustment Expenses, Beginning of Year	\$ 18,194	\$ 19,218
Unpaid Claims and Claim Adjustment Expenses Provision for insured events of current year	9,063	11,343
(Decrease) increase in provision of prior years	(3,013)	(2,314)
Total Incurred Claims and Claim Adjustment Expenses	6,050	9,029
Payments		
Claims and claim adjustment expenses attributable to insured events of the current year	3,291	4,742
Claims and claim adjustment expenses attributable to insured events of prior years	3,869	5,311
Total Payments	7,160	10,053
Total Unpaid Claims and Claim Adjustment Expenses, End of the Year	\$ 17,084	\$ 18,194

North Dakota Insurance Reserve Fund
Ten Year Claims Development Information
Years Ended December 31, 2020 and 2019
(Dollars in Thousands)

	Fiscal and Accident Year End									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Earned Premium and Revenues	\$ 12,106	\$ 12,839	\$ 12,169	\$ 13,322	\$ 12,973	\$ 14,198	\$ 15,979	\$ 14,882	\$ 20,708	\$ 21,263
Unallocated Expenses	3,952	4,221	4,538	4,656	4,948	5,121	5,350	5,739	5,912	6,283
Estimated Incurred Claims and Expense, End of Accident Year	8,227	6,514	7,424	7,994	10,126	11,203	9,463	9,544	11,343	9,063
Paid (Cumulative) as of										
End of accident year	2,993	2,603	3,058	3,067	3,602	3,996	3,125	3,369	4,742	3,291
One year later	4,064	3,365	4,111	4,706	5,473	6,226	4,269	4,242	5,670	
Two years later	4,661	3,990	4,851	6,026	7,360	7,414	5,733	5,132		
Three years later	5,184	4,199	5,460	6,477	7,677	9,020	6,482			
Four years later	6,014	4,561	5,880	6,995	8,302	9,524				
Five years later	6,319	4,618	6,194	7,420	8,545					
Six years later	6,793	4,680	6,305	7,477						
Seven years later	7,107	4,725	6,635							
Eight years later	7,136	4,791								
Nine years later	7,136									
Reestimated Incurred Claims and Expense										
End of accident year	8,227	6,514	7,424	7,994	10,126	11,203	9,463	9,544	11,343	9,063
One year later	7,795	6,196	6,691	8,352	10,196	11,433	8,065	7,807	9,057	
Two years later	7,437	5,487	6,859	9,224	9,215	11,944	8,358	7,632		
Three years later	7,739	5,207	6,595	8,457	9,082	12,287	8,153			
Four years later	6,935	4,979	6,771	8,174	9,127	12,388				
Five years later	7,229	4,941	7,177	7,659	9,020					
Six years later	7,721	4,996	6,813	7,529						
Seven years later	7,561	4,913	6,910							
Eight years later	7,143	4,828								
Nine years later	7,136									
Increase (Decrease) in Estimated Incurred Claims and Expense, End of Accident Year	(1,091)	(1,686)	(514)	(465)	(1,106)	1,185	(1,310)	(1,912)	(2,286)	-

North Dakota Insurance Reserve Fund
Statutory Statements of Admitted Assets, Liabilities, and Surplus
Years Ended December 31, 2020 and 2019
(Dollars in Thousands)

	2020	2019
Admitted Assets		
Bonds, at amortized cost	\$ 37,196	\$ 36,292
Marketable equity securities, at market value	9,329	7,596
Real estate - occupied by the Company	601	644
Cash and cash equivalents	4,990	3,255
	52,116	47,787
Interest receivable	239	258
Agents' balances	514	539
	753	797
Electronic data processing equipment and software	80	103
	\$ 52,949	\$ 48,687
Liabilities and Surplus		
Liabilities		
Losses and loss adjustment expenses	\$ 10,533	\$ 11,805
Incurred but not reported losses	6,551	6,389
Unearned premiums	6,081	5,923
Unearned commission Tornado and Fire	218	197
Accounts payable	52	68
Accrued expenses	232	173
Conferment payable	6,314	3,077
	29,981	27,632
Surplus	22,968	21,055
	\$ 52,949	\$ 48,687

North Dakota Insurance Reserve Fund
Statutory Statements of Operations
Years Ended December 31, 2020 and 2019
(Dollars in Thousands)

	2020	2019
Underwriting Income		
Premiums earned	\$ 17,083	\$ 16,278
Commissions earned	571	247
Total underwriting income	17,654	16,525
Deductions		
Losses incurred	3,575	5,991
Loss expenses incurred	2,475	3,038
Other underwriting expenses incurred	6,284	5,912
Total underwriting deductions	12,334	14,941
Net Underwriting Income	5,320	1,584
Investment Income		
Investment income, net of investment expenses of \$143 and \$108 in 2020 and 2019, respectively	1,042	1,073
Realized capital gain, net	278	58
Total investment income	1,320	1,131
Net Gain	\$ 6,640	\$ 2,715
Capital and Surplus Account		
Surplus, at beginning of year	\$ 21,055	\$ 19,766
Net gain	6,640	2,715
Net unrealized gain on investments	1,545	1,718
Change in non-admitted assets	16	(68)
Conferment declared	(6,288)	(3,076)
Change in surplus for the year	1,913	1,289
Surplus, at end of year	\$ 22,968	\$ 21,055