

IF YOU BREAK IT, YOU PAY FOR IT

Q: One of our employees was involved in an accident while he was driving a company car. Since the employee was at fault, his manager wants to make him pay for the repairs. We currently don't have a policy covering this type of situation. May we require the employee to cover the cost of the car repairs?

A: You aren't prohibited under North Dakota law from recovering the cost of car repairs from an employee who caused damage to a company vehicle. In fact, North Dakota Century Code §34-02-16 provides that an employee can be held liable to his employer for negligently causing such damage.

The more important question is how are you going to recoup the costs? Unless an employee voluntarily agrees to pay repair costs out of pocket, an employer will usually consider deducting the cost of repairs from his wages. If you go that route, however, keep in mind that North Dakota has specific rules on wage deductions you must follow. N.D.C.C. § 34-14-04.1 provides:

Except for those amounts that are required under state or federal law to be withheld from employee compensation or where a court has ordered the employer to withhold compensation, an employer only may withhold from the compensation due employees:

1. Advances paid to employees, other than undocumented cash.
2. A recurring deduction authorized in writing.
3. A nonrecurring deduction authorized in writing, when the source of the deduction is cited specifically.
4. *A nonrecurring deduction for damage, breakage, shortage, or negligence must be authorized by the employee at the time of the deduction.*

Subsection 4 would apply in your situation because the deduction is for damage the employee caused to a company vehicle. If you're considering deducting the repair costs from his wages, make sure he authorizes the deduction in writing at the time it is made. A general wage deduction authorization signed by the employee at the beginning of his employment simply won't do in North Dakota. ■

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INSIDE ...

**New Faces at NDIRF
Annual Meeting Highlights
Financial Insights**

MEET YOUR BOARD

Terry Traynor, Executive Director of the North Dakota Association of Counties (NDACo), was appointed to the NDIRF Board of Directors in April, 2018.

Mr. Traynor grew up in Enderlin, ND and holds an undergraduate degree from the University of North Dakota. He is married to Debbie and has three children—Tim, Casey, and Alison. In his spare time, Terry enjoys reading, brewing beer, drinking beer, and spending time with his grandkids.



In describing advantages the NDIRF provides its members, Terry states “NDIRF provides the most affordable coverage but, more importantly, coverage that is very specifically designed for local governments in North Dakota. The ongoing efforts of the staff and board to tailor coverages to meet local government needs is a major strength.”

Mr. Traynor indicates his vision for the NDIRF would be to continue the tradition of a well-managed organization providing quality services for its members through continued vigilance in monitoring the ever changing needs of local government, responding in a thoughtful manner, retaining the highly skilled and motivated staff, and maintaining fiscal strength.

Scott Ouradnik was elected to the NDIRF Board of Directors in May, 2018. Scott is a Slope County Commissioner, currently serving his third term in that capacity. Mr. Ouradnik is also the current Vice President of the North Dakota Association of Counties Board of Directors, a current member of Western Interstate Board of Directors, National Association of Counties, a member of the Slope County Fair Board, a member of the Amidon Rural Fire Department, and a member of the Amidon First Responders. In addition to his multiple public service roles, Scott currently serves as an Ag Loan Officer for Dakota Western Bank.



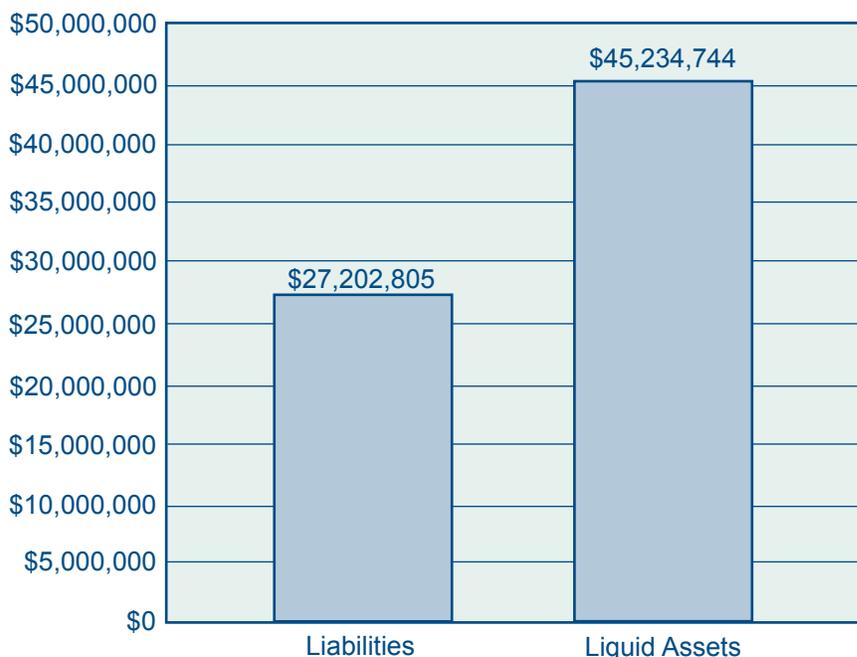
Mr. Ouradnik was born in Bowman, ND and raised in Fargo, ND, making him a lifelong resident of North Dakota. Scott holds an undergraduate degree from Dickinson State University and is currently attending the Colorado Graduate School of Banking. Scott is married and has three kids.

In describing his vision for the NDIRF, Scott states, “I would like to see the NDIRF maintain a strong financial position that will allow the organization to have the ability to declare a conferment of benefits to its membership. I understand that the volume of loss activity was the main reason that a conferment was not declared last year. I feel it is very important that NDIRF continues to offer on-site education to its members to help mitigate losses through liability claims. This continued education, in coordination with membership recruitment and additional services provided, are keys to growing the surplus required to once again declare a conferment of benefits that NDIRF members’ value.” ■

Liabilities to Liquid Assets Ratio As of April 30, 2018

Ratio= 60%

This ratio is a measure of a company's ability to pay its financial obligations. The ratio is calculated by dividing liabilities (primarily loss reserves) by liquid assets (primarily investments). A ratio less than 105% is desirable. As this graph indicates, the NDIRF, with a 60% ratio, is in a very strong position to meet its obligations, with liquid assets nearly twice as large as liabilities. ■



FROM THE CEO

ANNUAL MEETING HIGHLIGHTS

BOARD ELECTIONS

NDIRF members gathered in Bismarck on May 17th for the company's 2018 annual meeting. One of the responsibilities of Fund members attending the meeting (and those members who attended by proxy) was the election of directors to the NDIRF Board.

Successful candidates in 2018 were Randy Bina, Executive Director of the Bismarck Parks and Recreation District, elected by "Others" members, Chris West, Mayor of Grafton, elected by "Cities" members, and Scott Ouradnik, Slope County Commissioner, elected by "Counties" members. Congratulations!

FINANCIAL REPORT

Another important function of the annual meeting is to inform members of the financial condition of the business. Reports for the most recent full year of operation (2017) were presented by NDIRF staff and the report of the Fund's independent financial auditor, Eide Bailly, LLP, indicated an unmodified opinion (clean bill of financial health). All NDIRF members receive a copy of the NDIRF Annual Report, which provides details regarding operations and results. ■



Randy Bina



Chris West

NDIRF

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Scott Ouradnik, Bowman Bruce Strinden, Mandan Terry Traynor, Bismarck Chris West, Grafton

NEW AT NDIRF

The NDIRF is pleased to announce that Mr. Corey Olson has joined the company as its Risk Services Manager. Corey is a graduate of the University of Mary with a B.S. in Business Administration.

Mr. Olson previously worked at Starion Bank as the Financial Services Manager which included the



management of both insurance and investments. He also has experience working as a marketing specialist at BCBSND and a multi-line insurance representative at State Farm Insurance. Corey holds the designation of Certified Insurance Counselor.

Corey and his wife Savannah have one son, Parker.

Corey is looking forward to serving the NDIRF's members and can be reached by email at Corey.Olson@ndirf.com or by phone at (701) 751-9107. ■

Mark Your CALENDAR

Sept 2018

- 13-15: NDLOC Annual Conference
Alerus Center, Grand Forks
- 20: NDIRF Board of Directors Meeting
NDIRF offices, Bismarck

Oct

- 7-9: NDACo Annual Conference
Bismarck Events Center, Bismarck

Dec

- 06: NDIRF Board of Directors Meeting
NDIRF offices, Bismarck