

NORTH DAKOTA  
**NDIRF**  
INSURANCE  
RESERVE FUND

# Annual Report '24



# CHAIRPERSON'S REPORT



**TYLER JACOBSON**  
Board Chair

“BY INVESTING IN CONTINUOUS LEARNING, WE STRENGTHEN NOT ONLY OUR MEMBERS BUT THE COMMUNITIES THEY SERVE.”

**Dear NDIRF Member:**

On behalf of the board, we are excited to welcome NDIRF CEO Keith Pic, and we are confident that his experience and vision will propel the NDIRF forward in its mission.

At NDIRF, we are committed to equipping our members with the knowledge and resources they need to navigate the complexities of local governance and risk management. Through initiatives like the HR Collaborative, LocalGovU, and our Defensive Driving Courses (DDCs), we provide accessible, high-quality educational opportunities that empower our members to make informed decisions and enhance public service. By investing in continuous learning, we strengthen not only our members but the communities they serve.

As NDIRF continues to grow and evolve, I am excited about our transition into a new facility that

will enhance our ability to serve our members. This move represents our commitment to operational efficiency, collaboration, and providing the highest level of service. Our new space is designed to better support our team, streamline processes, and create an environment that fosters innovation and excellence in serving our stakeholders.

As NDIRF grows, I want to recognize the importance of expanding our team to better serve our members and meet increasing demands. The addition of new staff strengthens our ability to provide exceptional service, enhance our educational offerings, and support the evolving needs of our stakeholders. I am excited to welcome these talented professionals and look forward to the expertise and dedication they bring to our organization.

# BOARD OF DIRECTORS

AS OF DEC. 31, 2024



**TYLER JACOBSON**  
Chairperson  
Others



**AARON BIRST**  
Counties



**LYLE BOPP**  
Counties



**MATT GARDNER**  
Cities



**DARCIE HUWE**  
Cities



**BURDELL JOHNSON**  
Others



**SONYA LARSON**  
Schools



**SCOTT OURADNIK**  
Counties



**CHRIS WEST**  
Cities

# FROM THE CEO



**KEITH PIC  
CEO**

"AT THE HEART OF EVERYTHING WE DO IS A SIMPLE MISSION: TO BE THE SOURCE OF RISK SERVICES FOR NORTH DAKOTA'S POLITICAL SUBDIVISIONS."

### Dear NDIRF Member:

We're excited to share the North Dakota Insurance Reserve Fund's 2024 Annual Report with you. This report gives you a snapshot of what we've been up to over the past year—our progress, our financial health, and how we've continued to serve our members across the state.

At the heart of everything we do is a simple mission: to be the source of risk services for North Dakota's political subdivisions. As a nonprofit, member-owned organization, the NDIRF is truly a team effort. It works because of the ongoing support and dedication from our members, agents, and associations. And that collaboration is making a real impact—just look at this year's \$2.9 million Conferment of Benefits!

When the NDIRF was created nearly 40 years ago, it was built on a shared idea: that by working

together, members could protect themselves from the risks they face while continuing to serve their communities. That vision is still going strong today.

Whether it's providing liability, auto, or property coverage, or administering the North Dakota Fire and Tornado Fund and the North Dakota Bonding Fund, we're always looking ahead. We know that risks evolve, and we're committed to adapting and growing to meet those challenges, so you can keep doing the important work you do for your community.

On behalf of our Board of Directors and the entire NDIRF team, thank you for being part of this journey.

**We're proud to serve you.**

CEO Keith Pic gives a presentation during December's 61st Annual Joint North Dakota Water Convention and Irrigation Workshop, reviewing the NDIRF's history and current operations, including coverages and risk services, and water line liability.



# ABOUT US

The NDIRF strives to be *the* source of risk services for North Dakota political subdivisions. By obtaining **liability, auto, or public assets coverage** through the NDIRF, these subdivisions become member-owners of the Fund.

Our coverages are specifically designed for local governments, addressing their unique needs and concerns so they can stay focused on serving their communities.

In 2024, we proudly provided coverage to **2,599 members (Fig. 1)**,

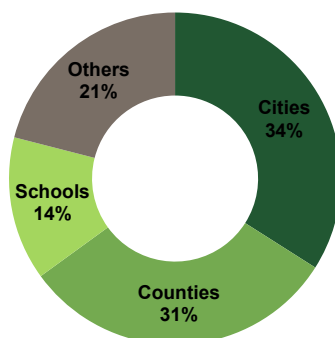
representing over 90% of the entities eligible to participate in the fund. As shown in the charts below, we serve a diverse range of local government entities, and the relative premium distribution among them has remained historically stable (**Fig. 2**).

**Fig. 1: NDIRF Membership**



**Fig. 2: Member Premium Distribution**

■ Cities ■ Counties ■ Schools ■ Others



# WHAT'S COVERED

Within our 2,599 local government members, the NDIRF provides coverage to more than 107,000 students and thousands of public service professionals as well as for law enforcement, ambulance, and fire vehicles that respond to incidents and accidents, school buses that bring our kids to and from school,

and large equipment that fixes our roads and clears winter snow.

The NDIRF has administered the North Dakota Fire and Tornado Fund ("NDFT") since 2019. The NDFT offers property coverage to North Dakota state agencies and political subdivisions. The NDFT's

total insured value has grown by over \$9 billion since 2019, a result achieved through the collaboration of the fund's members, agents, and our employees who have verified property schedules, updated property values, and added new or missing property to schedules.

<b>2,599</b> Members	<b>107,176</b> Students	<b>253</b> Counselors	<b>374</b> Nurses
<b>475</b> Social Workers	<b>2,139</b> Law Enforcement and Corrections Officers	<b>1,300</b> Law Enforcement Vehicles	<b>1,807</b> Fire Station Vehicles
<b>261</b> Ambulances	<b>1,885</b> School Buses	<b>258</b> Sanitation Trucks	<b>545</b> Pieces of Large Equipment/ Machinery valued at \$250k or more
<b>North Dakota State Fire and Tornado Fund</b>			
<b>10,830</b> Buildings		<b>\$23 Billion</b> Total Insured Value	

# SERVICES

The NDIRF is proud to offer educational, risk management-focused articles, and to sponsor and provide various training resources, presentations, and events for our members. These efforts support claim reduction and promote greater operational efficiency and effectiveness. Here are some highlights from 2024:



## Online DDC

**788** online defensive driving courses (DDCs) completed. These courses are free for NDIRF members.



## LocalGovU

**2,233** LocalGovU courses were completed. LocalGovU offers free online safety and professional development courses for NDIRF members.



## Onsite Property Surveys

**61** property surveys - for a total of **624** buildings surveyed - for the ND State Fire and Tornado Fund.



## Desk Property Surveys

**56** desk property surveys - for a total of **584** buildings surveyed - for the ND State Fire and Tornado Fund.



## Conferences

Hosted a booth and/or attended **33** conferences held by entities within our membership.



## HR Collaborative

**167** registrants for the HR Collaborative's 2024 biennial conference. The conference featured 13 different HR management educational sessions and offered a total of 9.75 Continuing Legal Education ("CLE") credits, 10 education credits for North Dakota League of Cities ("NDLC") and North Dakota Association of Counties ("NDACo") members via their respective platforms, and 1.5 education credits for North Dakota School Boards Association ("NDSBA") members via its respective platform.

## PARTNERSHIPS AND SPONSORSHIPS

In 2024, the NDIRF continued its strong support of member associations, training resources, and events.

We partnered with organizations such as the ND Association of Counties, ND League of Cities, ND Recreation & Parks Association, ND School Boards Association, ND Township Officers Association, and NDLTAP.

Training topics included employment practices, road maintenance, law enforcement liability, playground safety, and online employment policy development, maintenance, law enforcement liability, playground safety, and the development and maintenance of online employment policies and procedures.

# CLAIMS NUMBERS\*

The NDIRF Claims Department received 1,493 claims in 2024. We closed 1,544 total claims, resulting in a 103% close ratio.

The average claim reserve was \$25,135. This figure represents the average amount our adjusters estimate is needed to settle each claim. It includes expense costs

(e.g., legal defense, subject matter experts), if applicable.

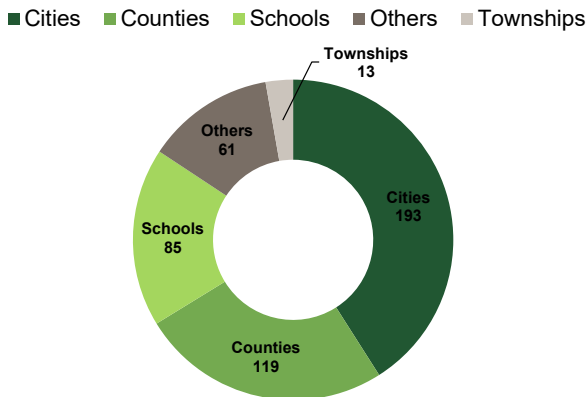
The average claim reserve amount increased by 20.7% from 2023, due to rising material and service costs (e.g., construction, auto parts, legal defense, settlement amounts).

2024 marked the first full year

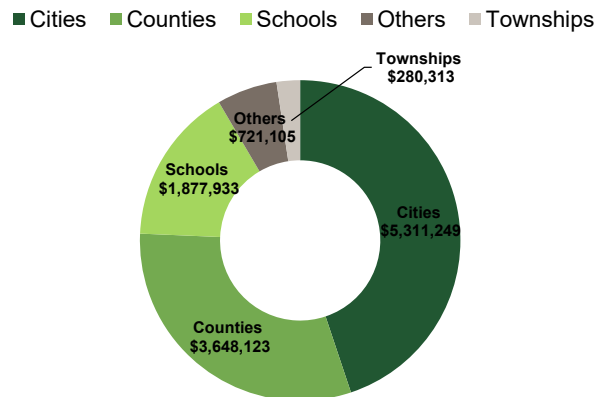
of our **Quick Pay Claims option, which provides immediate repair authorization and expedited payments for covered auto or public asset repairs when the estimate is \$3,000 or less.** This feature has proven popular among members and agents, with rapid year-over-year growth in usage.

<b>New Claims</b>  <b>1,493</b>  <i>Number of new claims filed.</i>	<b>Closed Claims</b>  <b>1,544</b>  <i>Number of closed claims.</i>	<b>Closing Ratio</b>  <b>103%</b>  <i>Percentage of total claims closed compared to new claims.</i>
<b>Average Claim Reserve</b>  <b>\$25,135</b>  <i>Average reserve per claim.</i>	<b>Quick Pay Claims</b>  <b>164</b>  <i>Claims submitted using our Quick Pay Claim form at <a href="http://www.NDIRF.com">www.NDIRF.com</a>&gt;Submit a Claim.</i>	<b>Claims Charts [below]</b>  <b>Claims by Entity:</b> Claim counts by entity type.  <b>Dollar Reserves by Entity:</b> Reserves by entity type.

**Claims by Entity**



**Dollar Reserves by Entity**



Total Open Claims at Year-End (all members): 471

\*Does not include NDFI.

Total Reserves at Year-End (all members): \$11,838,745



# CONFERMMENT OF BENEFITS

Our Conferment of Benefits program returns surplus dollars to NDIRF members. The surplus is generated from premium collected, responsibly managed funds, and annually accrued investment income.

**We are proud to share our board of directors declared a 2024 Conferment of Benefits and returned \$2.9 million in conferment to our members.**

The Conferment of Benefits program was introduced in 1996 and has returned over \$79 million to our members.



(left) HR Collaborative 2024 Resilient HR conference attendees fill the room in HR Collaborative Technical Assistance Committee member Tanya Wieler's Building Your HR System series session.



(right) HR Collaborative 2024 Resilient HR conference attendees visit with vendors following the opening general sessions.



Attendees at the HR Collaborative's 2024 Resilient HR biennial conference opening general session. The conference was hosted in April.

# 2024 FINANCIALS



**NORA FRUEH, CPA  
CFO**

"MEMBER'S EQUITY INCREASED...TO A TOTAL OF \$35 MILLION. THIS INCREASE REFLECTS CONTINUED STRONG OPERATIONAL AND UNDERWRITING RESULTS..."

The NDIRF ended 2024 with net earnings of nearly \$7.3 million (**Fig. 3**) and \$35 million in members' equity (**Fig. 4**).

Members' equity increased in 2024, rebounding from its 2023 dip, to a total of \$35 million. This increase reflects continued strong operational and underwriting results, as well as a more favorable investment market.

Our current level of members' equity highlights the NDIRF's ongoing financial strength. According to our consulting actuaries, this level provides an outstanding confidence threshold – well above 95% – that expected future obligations can be met.

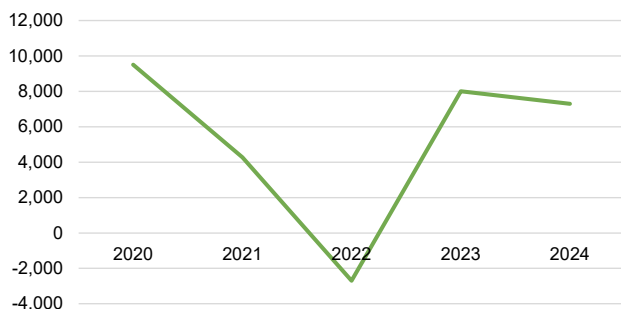
In 2024, the NDIRF investment portfolio was allocated as follows: 61% in fixed income, 15% in equities,

10% in cash/money markets, 8% in CDs, and 6% in real estate. Fixed income returns were 3.33% (2023: 6.34%), and equity returns were 23% (2023: 30.2%). Overall, the portfolio earned a 6.82% return (2023: 9.86%), resulting in a total gain of \$3.3 million (2023: \$4.2 million gain).

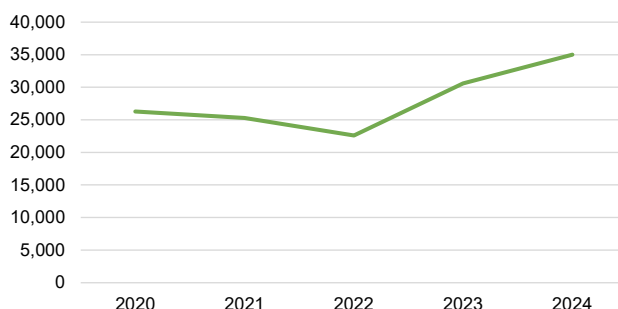
The investment losses experienced in 2022 were due to unprecedented declines in both fixed income and equities. These losses were primarily unrealized, as the NDIRF did not sell its holdings during the downturn.

While our investments recovered significantly in 2023, they had not yet fully regained their value by year-end. In 2024, we recovered the remaining losses and realized overall gains. The quality of our fixed income portfolio remains high, with an average S&P rating of AA-.

**Fig. 3: Net Earnings**  
[in thousands]



**Fig. 4: Members' Equity**  
[in thousands]



# PREMIUMS AND LOSSES

As a member-owned nonprofit self-insurance risk pool, the NDIRF is insulated from the commercial insurance industry's rate fluctuations influenced by regional, national, or even international events; however, we monitor these events to evaluate their potential effects on our members and determine if we need to adjust NDIRF coverages and/or premiums accordingly.

Our ability to remain in control of our coverages and premiums while we monitor both our members' and

the insurance industry's loss trends allows us to maintain stable rates.

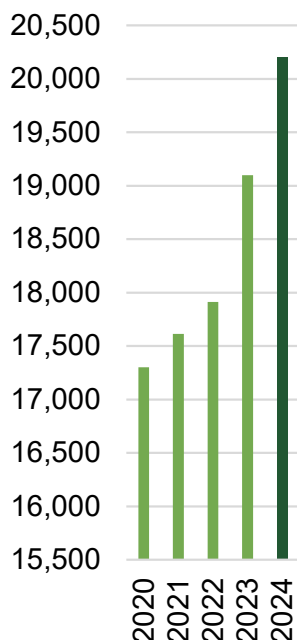
For example, **our last general rate increase was in 2018**, following close monitoring of increasing loss trends from 2014-2017. This general rate increase was implemented to ensure the NDIRF's financial stability in a higher loss environment. We are proud to share **we did not implement a general rate increase in 2024**. The 5.7% increase in written premium illustrated in **Fig. 5** was due to covered auto and equipment

value increases and members taking advantage of new coverage options. Loss amounts in 2024 were consistent with previous years' losses (**Fig. 6**). 2020 loss amounts were low due a reduction in activity during the pandemic.

Our 2024 total loss amount was \$9.5 million, resulting in an overall 48% loss ratio (**Fig. 7**).

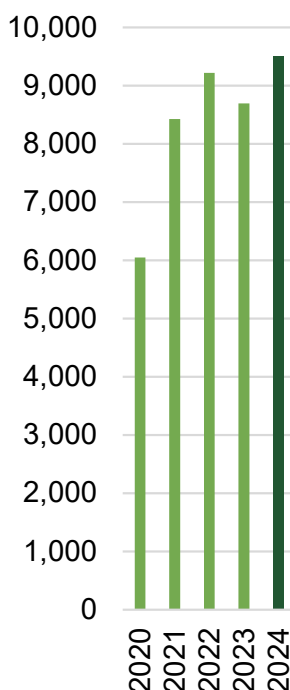
The auto and liability loss amounts highlight the continued need for risk management. See *Services*, pg. 7.

**Fig. 5: Net Written Premium**  
[in thousands]

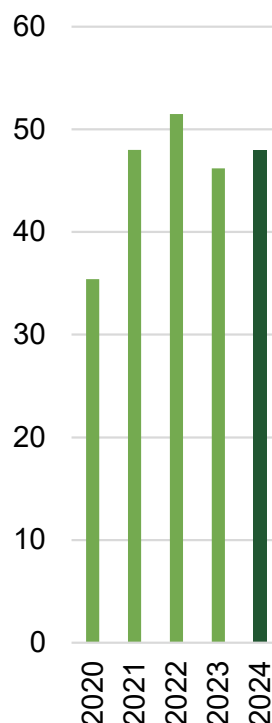


**Fig. 6: Losses**

[in thousands]



**Fig. 7: Loss Ratios**



## FINANCIAL STATEMENTS [IN THOUSANDS]

### Balance Sheet

#### Assets

Cash and cash equivalents	\$ 6,314
ND State Fire and Tornado Fund—cash	77
Certificates of deposit	5,113
Investments	49,104
Agents' balances	632
Interest receivable	326
Deferred policy acquisition costs	854
Land, building and equipment, net	3,056
Other assets	<u>403</u>

#### Total Assets

**\$ 65,879**

#### Liabilities

Accounts Payable	\$ 98
Payable to State of ND—ND State Fire and Tornado Fund	75
Conferment payable	2,885
Accrued expenses	188
Unearned premiums	6,893
Unearned commission—State Fire and Tornado Fund	661
Reserve for losses	11,839
Reserve for incurred but not reported losses	<u>8,240</u>

#### Total Liabilities

**\$ 30,879**

Net Assets - Without member restrictions

\$ 35,000

#### Total Liabilities and Net Assets

**\$ 65,879**

### BALANCE SHEET

The balance sheet details what the NDIRF owns (assets) and what the NDIRF owes (liabilities) at a given point in time. Assets and Liabilities and Net Assets should always be in balance, with each dollar of assets offset by a dollar of liabilities and net assets.

### ASSETS

Assets include cash, investments, money due from agents, and the

value of the land and buildings owned by the NDIRF. The NDIRF invests in a variety of assets in order to diversify financial risk, maintain appropriate funding, and keep member costs down.

### LIABILITIES AND NET ASSETS

Liabilities are the amounts we potentially owe others. These include premiums paid at the beginning of

the coverage period but earned over the course of the coverage period, but paid in April of the following year, and claims reserved, which includes estimates for both claims reported and claims incurred but not reported.

Net Assets represents the financial strength of the NDIRF and provides security for our members. Net Assets increase or decrease based on the operation and investment return results of the NDIRF.

## FINANCIAL STATEMENTS [IN THOUSANDS]

### STATEMENT OF ACTIVITIES

#### Revenues

Premiums earned	\$ 19,837
Commission income—ND State Fire and Tornado Fund	1,155
Total revenues	20,922

#### Expenses

Losses and loss adjustment expenses	\$ 9,518
Underwriting and administrative	7,600
Total expenses	17,118

**Revenues over Expenses** **\$ 3,874**

#### Non-Operating Revenues

Investment income, net of investment expenses of \$68 and \$81 in 2024 and 2023, respectively	\$ 1,494
Realized and unrealized gains on investments, net	1,827
Lease income	76
Total non-operating revenues	3,397

Change in Net Assets Without Member Restrictions \$ 7,271

Net Assets Without Member Restrictions, Beginning of Year \$ 30,579

Conferment Declared \$ (2,850)

**Net Assets Without Member  
Restrictions, End of Year** **\$ 35,000**

### STATEMENT OF ACTIVITIES

The statement of activities details the activity of the NDIRF throughout the year.

The revenues include premiums paid by members and commission earned by the NDIRF for the administration of the ND State Fire and Tornado Fund and State Bonding Fund. The expenses include the losses and expenses paid for claims, agent commissions, and administrative

costs of operating the NDIRF. The statement of activities also shows the non-operating income received from the returns on the NDIRF's investment portfolio.

The statement of activities also shows, when applicable, the Conferment of Benefits declared by the NDIRF Board of Directors. The result the NDIRF's activities provides for the increase or decrease of the net assets each year.

If you would like financial information beyond what this report contains, the 2024 audited financial statements are available at [www.NDIRF.com](http://www.NDIRF.com)>About>Financials.

# MEMBER ENGAGEMENT



CEO Keith Pic introduces the final speaker at NDACo's Annual Conference in October.



Attendees at the NDRPA's annual CPSI training course, held in April. The NDIRF has sponsored scholarships for this course since 2008.



Director of Member Services Corey Olson (left), CEO Keith Pic (Center), and Member Services Representative Carrie Wingenbach (right) host a booth at the NDSBA's Annual Convention in October.



Director of Member Services Corey Olson (right) gives a short presentation to North Dakota law enforcement officers attending the NDIRF-sponsored Blue to Gold training, hosted in April by the Southwest Crime Conference.



Director of Member Services Corey Olson (center) with the ND Local Technical Assistance Program (NDLTAP) Program Director Bryon Fuchs (right) and Program Manager Denise Brown (left). The NDIRF sponsors NDLTAP training programs.



Director of Member Services Corey Olson (right) visits with an attendee during December's ND Water Convention and Irrigation Workshop at the NDIRF's hosted booth.



Member Services Representative Carrie Wingenschmidt hosts a booth at the NDA's Annual State Fire School in February.



Attendees at the NDIRF-sponsored UAS team drone training, hosted by the Williston Police Department in May.



Director of Member Services Corey Olson (left) and Member Services Representative Carrie Wingenschmidt host a booth at NDACo's Annual Conference in October.



CEO Keith Pic (left) hosts a Keeping it Legal Panel during the HR Collaborative's 2024 Resilient HR Biennial Conference. The panel featured (from l-r) NDSBA General Counsel KrisAnn Nordby-Jahner, NDSBA Executive Director Amy DeKok, and NDACo Executive Director Aaron Birst.



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