

THE COMMUNICATOR

WINTER 2026

Photo by Tom Pavlasek

P. 1 From the CEO

P. 2-4 Blanket Limit of Coverage - Can It Benefit You?

FROM THE CEO

Greetings,

Risk management plays a vital role in the success of the State Fire & Tornado Fund (NDFT). As we work to strengthen the NDFT and continue providing affordable property coverage for state agencies and political subdivisions, one key factor is how we approach risk management in our daily operations.

Leadership sets the tone. Creating an effective risk conscientious culture requires shared understanding and consistent practices across all levels in an organization. While mistakes happen, many property claims can be avoided by fostering awareness and encouraging proactive behaviors.

Building this culture takes time and effort. If risk management is seen only as a supervisory responsibility, the message can stop short of reaching everyone. Misalignment can also occur when speed is prioritized over safety, especially during busy periods, leading to unintended reinforcement of risky behaviors.

For example, a common claim we receive involves overhead doors and walls being damaged when equipment is moved in and out of shop buildings. Taking a minute or two to check for clear paths, secure compartments, and ensure that doors are fully open for adequate clearance can prevent these incidents. Similarly, asking for a spotter when backing up equipment is a simple step that reduces the chance of an operator hitting something. The question is: do employees feel supported in taking these precautions, or do they face negative feedback for slowing down or asking for help?

Small actions matter. If we overlook easy risk mitigation steps, we're more likely to miss the bigger ones. As risk management is an ongoing project, regular reinforcement of risk mitigation is needed. By reinforcing safe practices and aligning expectations, we can reduce preventable claims and allow your organization to focus on its mission versus working with a claims adjuster and coordinating repairs to your property.



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BLANKET LIMIT OF COVERAGE

Can It Benefit You?

Article by NDIRF Director of Member Services Corey Olson

Photo by Pixel-Shot

The Blanket Limit of Coverage Endorsement is an available endorsement on the NDFT Policy for adequately valued building property (BP) and personal property (PP) scheduled at replacement cost (RC). Adequately valued property has coverage limit amounts equivalent to its replacement cost. In order to qualify for the Blanket Limit of Coverage, **you must have at least two of the above line items**. After that, you can add qualifying items as they are reviewed and updated.

WHICH LINE ITEMS QUALIFY FOR THE BLANKET LIMIT OF COVERAGE?

The following table lists line item types and indicates whether they qualify for the Blanket Limit of Coverage. Qualified line items are marked with green check mark (✓). Unqualified items are marked with a red X (✗).

Line Item	Is It Qualified?
Building Property (BP) at Replacement Cost (RC)	✓
Personal Property (PP) at Replacement Cost (RC)	✓
Building Property (BP) at Actual Cash Value (ACV)	✗
Personal Property (PP) at Actual Cash Value (ACV)	✗
Outdoor Property (OP)	✗
Trailer Property (TP)	✗

WHAT DOES THE BLANKET LIMIT OF COVERAGE PROVIDE?

The Blanket Limit of Coverage incorporates **CP 12 32 (06/07)** and provides a 125% margin clause. This means an extra 25% of coverage is included for these items, if it is needed.

Example 1:

- Building 1 BP Limit is listed at \$1,000,000 RC of coverage.
- Building 1 is listed on the Blanket Statement of Values.
- Building 1 has a BP Limit of coverage of up to \$1,250,000 RC.

Example 2:

- Building 1 has a PP Limit listed at \$500,000 RC of coverage.
- Building 1 PP Limit is listed on the Blanket Statement of Values.
- Building 1 has a PP Limit of coverage of up to \$625,000 RC.

If qualifying BP and PP limits are on the Blanket Limit of Coverage, it also removes the Coinsurance Clause for these items that are listed. You can review the Coinsurance Clause by scanning the QR code on this page. You will be directed to the [Building and Personal Property Coverage Form FT CP 07 01 21](#). Upon opening the form, see page 14 of 18, F. Additional Conditions, 1. Coinsurance.

SCAN HERE!

Use your phone's camera to scan the QR code to review the Coinsurance Clause!



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WHAT TO KNOW ABOUT THE BLANKET LIMIT OF COVERAGE

Items that are listed on the Blanket Limit of Coverage will be shown on a separate schedule of values titled Blanket Statement of Values. See below:

ND STATE FIRE AND TORNADO FUND

Named Member Member Name
Memorandum Number FT-1234-56
Effective Date 7/1/2025 to 7/1/2026

BLANKET STATEMENT OF VALUES													
Co-insurance does not apply to the items on this statement of values.													
The blanket limit of insurance applies only to the items listed on this statement of values. The margin clause is 125%. Refer to CP 12 32 06 07.													
PROP #	PROPERTY NAME AND LOCATION	DATE APPRAISED (Date Removed)	Stories	Area	Year Built	Policyholder Prop #	Sockits	Prop Type	Loss Payee or Debris Removal	Valuation	Deductible	Limit	Premium
4	Building 4 123 Main St	11/18/2025	1	50,000	1986		No						
								BP		RC	\$2,000	\$2,000,000	
								PP		RC	\$2,000	\$50,000	
27	Building 27 1234 Main St	11/18/2025	1	10,000	2020		No						
								BP		RC	\$2,000	\$1,000,000	
								PP		RC	\$2,000	\$200,000	
TOTALS BY PROPERTY TYPE: BP:												\$3,000,000	

How do you know if your qualifying property is adequately valued?

BP LIMITS NEED TO BE REVIEWED ANNUALLY.

1. When reviewing your policy, pay special attention to the Date Appraised (see highlighted below). This date indicates the last time the limit was updated. If you are seeing any dates later than 2023 on your policy, they should be reviewed and updated immediately.

ND STATE FIRE AND TORNADO FUND

Named Member Member Name
Memorandum Number FT-1234-56
Effective Date 7/1/2025 to 7/1/2026

PROPERTY SCHEDULE													
CO INSURANCE: 90%													
PROP #	PROPERTY NAME AND LOCATION	DATE APPRAISED (Date Removed)	Stories	Area	Year Built	Policyholder Prop #	Sockits	Prop Type	Loss Payee or Debris Removal	Valuation	Deductible	Limit	Premium
1	Building 1 123 Main St.	10/1/2021	1	2,000	1974		No						
								BP		RC	\$2,000	\$775,574	
6	Building 6 1234 Main St.	10/1/2021	1	5,000	1985		No						
								BP		RC	\$2,000	\$230,000	

2. The NDIRF does complete regular audits/reviews of BP limits within the fund on a 4-year cycle. If these limits are agreed upon, the BP can be moved to the Blanket Limit of Coverage schedule.

a. Notes:

- i. Do not rely solely on these audits/reviews as they are on a 4-year cycle. Reviews need to be done annually.
- ii. As a state agency, the BP limits are adjusted annually per **N.D.C.C. Chapter 26.1-22.09**.

3. Your agent can review the limits by utilizing our Online Valuation Tool, which can be found by scanning the QR code on this page.
4. Documentation can be provided to show the updated replacement cost of the building. For more information, contact Underwriting at NDFT@ndirf.com.

SCAN HERE!

Use your phone's camera to scan the QR code to use the Online Valuation Tool!



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WHAT TO KNOW ABOUT THE BLANKET LIMIT OF COVERAGE

PP LIMITS SHOULD ALSO BE REVIEWED ANNUALLY.

As mentioned earlier, only PP limits covered at Replacement Cost (RC) qualify for the Blanket Limit of Coverage. We have noticed there are still a number of members that have PP limits covered at Actual Cash Value (ACV). This means they are covered at RC minus depreciation. There is not a difference in the rate between ACV to RC. However, the difference in premium you may see would be if the limits are adjusted. If your entity's PP is still listed at ACV, please review the limit, make any updates, and request to have it moved to RC right away. Once the PP limits are verified by the member or agent, they can be moved to the Blanket Limit of Coverage by request. We do not require a list of your assets, but we do require documentation stating the limits have been reviewed and are adequate or need to be adjusted.



There is no additional premium to move qualifying items to the Blanket Limit of Coverage schedule. The additional premiums you may see would be any adjustments made to the limits of coverage.

Note: Buildings covered at ACV, all Outdoor Property (OP) and all Trailer Property (TP), which are covered at ACV, do not qualify for the Blanket Limit of Coverage.

If you have any questions concerning the Blanket Limit of Coverage, contact the following:

- **Local Government Entities:** Contact your local agent or the NDFT Underwriting Team at ndft@ndirf.com.
- **State Entities:** Contact the NDFT Underwriting Team at ndft@ndirf.com.

KEY TAKEAWAYS

All BP and PP items must be requested by the agent or the member to be moved to the Blanket Limit of Coverage once the limits have been reviewed, verified, and updated.



All BP and PP limits prior to 2023 need to be reviewed and possibly adjusted to account for inflation costs.



Any PP that is currently listed at ACV should be reviewed, updated, and moved to RC right away.



NORTH DAKOTA
State Fire and Tornado Fund
Administered by the North Dakota Insurance Reserve Fund

NDIRF NORTH DAKOTA
INSURANCE
RESERVE FUND

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