



Annual Report 2025

North Dakota Insurance Reserve Fund
For North Dakota Local Government.

701.751.1988

www.NDIRF.com

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FROM THE CEO

Dear NDIRF Member,

As expected, 2025 was a year of meaningful change for the NDIRF, reflecting both our growth and our continued commitment to serving you effectively.

One of the most visible milestones was our transition into a new office building. Purchased in 2024 and occupied in April of last year, the new facility allows us to better support our growing staff and enhance the services we provide to our members. Beyond our physical footprint, we also navigated several operational and regulatory changes, including updates to the Liability Memorandum of Coverage and the transition of State Fire and Tornado Fund oversight from the North Dakota Insurance Department to the Office of Management and Budget. Throughout the year, we experienced notable staffing changes, and our management team spent time across the state connecting with members and agents through regional meetings.

While change was constant, progress was equally present. We were proud to conclude the year with the approval of new coverage offerings, along with expanded risk management programs and partnerships designed to better meet the evolving needs of our membership. Late in 2025, we received regulatory approval for the new Public Sewer Back-Up and Water Main Break Endorsement for municipalities, and we finalized a partnership to deliver additional educational resources for our school members and their employees.

As shared in last year's annual report, we are always looking ahead.

That mindset continues to guide our work as we evolve, adapt, and grow alongside you. Today, that forward focus is especially important. With budget caps placing increased pressure on political subdivisions, risk management strategies that reduce losses and help keep coverage rates stable and affordable matter more than ever.

At the same time, 2025 presented real challenges. Claims losses reached the highest level on record. While difficult, this experience reinforced the value of prudent governance and long-term planning. Thanks to sound financial decisions by the Board of Directors, the NDIRF was well positioned to absorb these losses while allowing time to assess whether this year represents a new trend or rather an outlier, without reactionary rate increases for our members.

Through change and challenge alike, the NDIRF remains a stable and reliable source of coverage for North Dakota's political subdivisions. As your needs evolve, so will we. What will not change is our mission: to be *the* source of risk services for North Dakota political subdivisions.

On behalf of our Board of Directors and the entire NDIRF team, thank you for your trust and partnership. **We are proud to serve you and look forward to the year ahead.**

Sincerely,



Keith Pic
NDIRF CEO

CHAIRPERSON'S REPORT

Dear NDIRF Member,

Forty years of service — what a remarkable accomplishment! When NDIRF was created in response to the insurance crisis of the early 1980s, the founding members envisioned a program that would endure far into the future, but few could have predicted just how successful it would become. Government risk pooling was a new concept back then, and today NDIRF stands as the trusted source of risk services for North Dakota's political subdivisions. Those founding members would be proud of where NDIRF is today, and so should our 2,600 local government members.

What makes NDIRF unique is our commitment to partnership over separation. Across the country, there are roughly 250 local government risk pools, most serving a single entity type such as cities, counties, or schools. While each serves a valuable purpose, our strength lies in working together. By maintaining a unified risk pool for all local governments, we ensure tailored services, competitive premiums, and a deep understanding of the needs of our members. NDIRF is truly the right mix: a local government-focused risk pool created and managed by local governments, written and serviced by local agents.

NDIRF remains financially strong, offers essential products, responds to local government needs, and provides exceptional customer service. Congratulations to NDIRF and its members on reaching this 40-year milestone. I look forward to the next 40 years and beyond.

Best Regards,

Matt Gardner
NDIRF Board Chairperson



BOARD OF DIRECTORS



MATT GARDNER
Chairperson
ND League of Cities
2022



AARON BIRST
ND Association of Counties
2022



LYLE BOPP
Sargent County Commissioner
2024



TYLER JACOBSON
Valley City Parks & Rec
2021



DARCIE HUWE
City of Wahpeton
2019



BURDELL JOHNSON
Atwood Township
1993



SONYA LARSON
Kidder County School
2021



SCOTT OURADNIK
Slope County
2019



CHRIS WEST
City of Grafton
2015

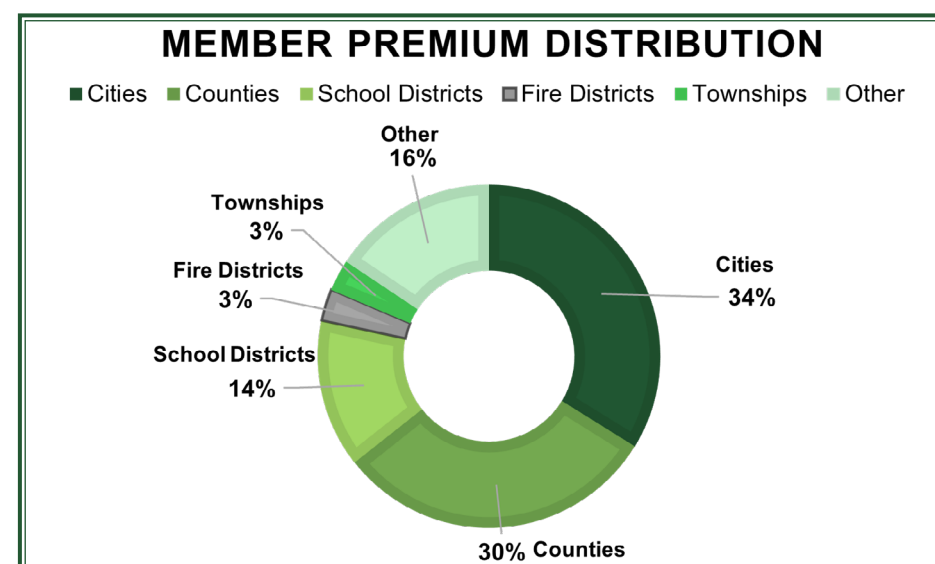
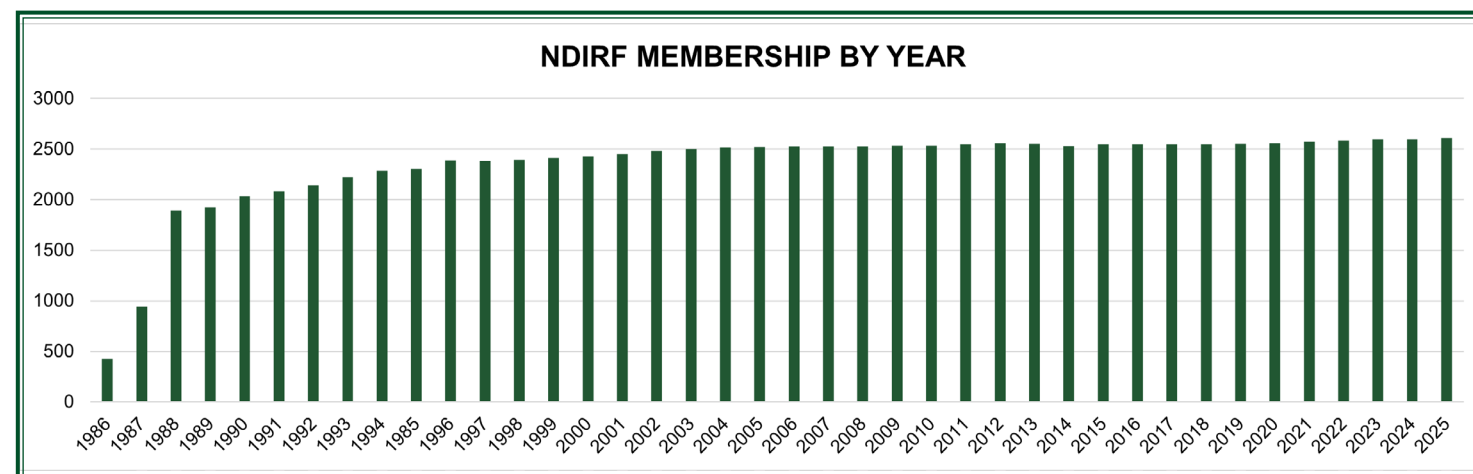
ABOUT US

A nationwide insurance crisis in the 1980s made it nearly impossible for governmental entities to obtain affordable and reliable coverage. As traditional insurance options became increasingly unaffordable or unavailable, local governments across the country were forced to limit services or assume significant risk.

Recognizing an opportunity for North Dakota to take control of its own risk management, the team at Missouri River Underwriters (MRU) partnered with the North Dakota League of Cities (NDLC), the North Dakota Association of Counties (NDACo), and governmental entities from across the state to form a self-insurance pool, the North Dakota Insurance Reserve Fund (NDIRF).

In January of 1986, the NDIRF officially began providing Liability, Auto, and Public Assets coverage for North Dakota governmental entities. For 40 years, the NDIRF has strived to be *the* source of risk services for North Dakota political subdivisions.

The NDIRF is a not-for-profit, member-owned risk pool. Coverage is available exclusively to North Dakota political subdivisions. **As of December 2025, the NDIRF proudly provided coverage to 2,615 members.** More than 90% of eligible North Dakota political subdivisions are currently NDIRF members.



WHAT'S COVERED

Since 1986, the NDIRF has offered Liability, Auto, and Public Assets coverage exclusively to North Dakota governmental entities. In 2025, the NDIRF served 107,101 students and thousands of counselors, nurses, social workers, and public services professionals all around the state. Vehicles covered include police vehicles, fire station vehicles, ambulances, school buses, and sanitation trucks.

In 2019, the NDIRF took on administration of the North Dakota Fire and Tornado Fund (NDFT) from the State of North Dakota. This coverage is available to state agencies and political subdivisions. The NDFT's total insured value grew to \$26,579,321,695 in 2025.



2,615 Members	107,101 Students	253 Counselors
365 Nurses	438 Social Workers	1,259 Police Vehicles
1,911 Fire Vehicles	252 Ambulances	1,850 School Buses
262 Garbage Trucks	2,200 Law Enforcement & Corrections Officers	512 Large Equipment/Machinery at \$250k value or more



11,214 Buildings
\$26,579,321,695 Total Insured Value



CONFERMENT OF BENEFITS

The NDIRF Conferment of Benefits program returns surplus dollars to NDIRF members. The surplus is generated from contributions collected, responsibly managed funds, and annually accrued investment income. The Conferment of Benefits program was introduced in 1996 and the NDIRF has returned over \$79 million in Conferment of Benefits to members as of 2024. The NDIRF Board of Directors did not declare a 2025 conferment of benefits in order to preserve financial strength and absorb potential impacts associated with elevated 2025 claims loss activity.

PARTNERSHIPS AND SPONSORSHIPS

The NDIRF has long-standing partnerships with the North Dakota League of Cities, North Dakota Association of Counties, North Dakota School Boards Association, North Dakota Recreation and Park Association, and others to provide risk management training and resources for North Dakota local government entities.

MEMBER SERVICES

Education for members, agents, and employees is an important part of the NDIRF's mission to be the source of risk services for North Dakota political subdivisions. The NDIRF proudly provides and sponsors training resources, presentations, and events that support claim reduction. Take a look at some of the educational highlights of 2025:

ONLINE DDC	1,017 Completed Courses The NDIRF partners with the North Dakota Safety Council (NDSC) to offer a FREE , self-paced Defensive Driving Course (DDC) to members.
LOCALGOVU	1,960 Completed Courses The NDIRF members have access to an extensive catalog of FREE training courses created specifically for local government through LocalGovU. The course library includes topics like human resource management, customer service, road maintenance, general safety, and cybersecurity.
CPSI COURSE SCHOLARSHIPS	36 Scholarships Awarded The Certified Playground Safety Inspector (CPSI) Course is available through the North Dakota Recreation and Park Association (NDRPA). The NDIRF provides valuable funding allowing a limited number of registration scholarships for NDRPA and NDIRF members on a first come first serve basis. The CPSI course is held in March each year.
CONFERENCES	23 Conferences Attended Every year, the NDIRF attends local and national conferences both as attendees for continuing education and as booth hosts for member and agent education.
PRESENTATIONS	10 Presentations The leadership team presents at conferences and webinars to educate members and agents about NDIRF and the benefits of membership.
AGENT & MEMBER REGIONAL MEETINGS	3 On-Site Meetings and 1 Webinar with 207 Agent and 107 Member Attendees The first Agent and Member meetings in Bismarck, Fargo, Minot, and virtually gave agents and members a deep dive into what the NDIRF does for North Dakota local government. Watch for information on the 2026 Agent and Member Regional Meetings coming soon!
ONSITE BUILDING REVIEWS & DESK PROPERTY SURVEYS	197 Desk & Onsite Property Surveys Completed 900 Buildings Reviewed
ONSITE MEMBER MEETINGS	21 Meetings The NDIRF team travels all around North Dakota to educate members on an individual basis.

HR COLLABORATIVE

The HR Collaborative is another important educational tool offered by the NDIRF. It is a program that aims to strengthen human resource management within local governmental entities by providing relevant and affordable training and resources. Here are the 2025 Highlights from the HR Collaborative:

A total of **141 members** participated in the HR Collaborative's 2025 Summer Virtual Series which featured six virtual sessions addressing employment law, performance management, anti-discrimination compliance, talent acquisition, employee wellness, and health coverage trends impacting North Dakota political subdivisions.

In addition to the Summer Series, the HR Collaborative provided in-person presentations and webinars on a variety of human resources topics and authored articles for member association and partnership publications, further supporting cities, counties, and other political subdivisions with timely guidance and practical risk management resources.



SIGN UP FOR FREE HR COLLABORATIVE MEMBERSHIP

Did you know that HR Collaborative membership is **FREE** to you and your employees? HR Collaborative members will receive information about upcoming HR Collaborative news and events. It only takes a few minutes to sign up. **Scan the QR code on this page to join today!**



Chief Operating Officer/General Counsel Dani Krause and Administrative Services Manager Renae Kondos presenting at the 87th Annual Convention for the North Dakota Association of Soil Conservation Districts in

FREE JOIN HR COLLABORATIVE

NOT A MEMBER OF THE HR COLLABORATIVE?
Join for **FREE** today!

Scan the QR code or visit the [HR Collaborative Membership page](#) to register today!



CLAIMS NUMBERS

With 1,845 NEW claims received in 2025, it was a busy year for the NDIRF. The new claims saw a 24% increase from the year 2024. The NDIRF Claims team closed 1,786 claims for a 97% closing ratio.

The average claim reserve rose to \$27,454, which is a 10% increase from 2024. The claim reserve represents the average amount our adjusters estimate is needed to settle each claim. When applicable, this number includes expense costs such as legal defense, subject matter experts, etc. The increase can be attributed to the rising costs of materials and services of auto parts, legal defense, settlement amounts, construction, and other factors.

The year 2025 also marked our second full year of our Quick Pay Claims option, which provides immediate repair authorization and expedited claim payments for covered auto or public asset repairs with estimates of \$3,000 or less. The Quick Pay Claims option shows increasing usage and popularity with members and agents going into 2026. Usage increased from 169 claims in 2024 to 224 claims in 2025, showing a 37% increase.

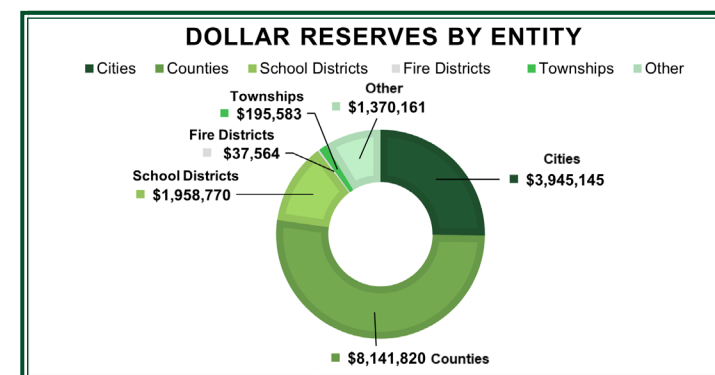
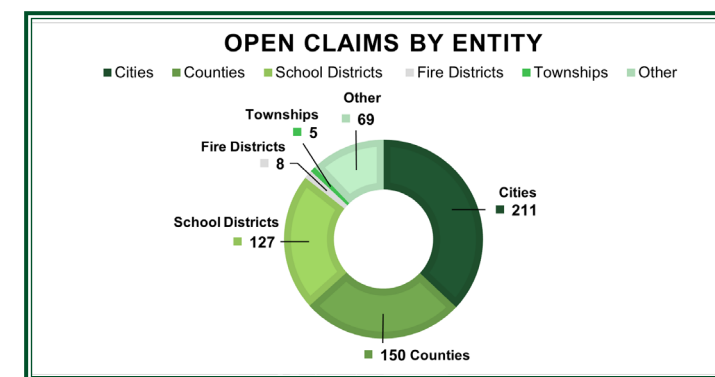
Breakdowns of Open Claims and Dollar Reserves by Entity are shown below.

The NDIRF expects to see approximately 300 Quick Pay Comp claims in 2026, which would bring the cumulative total to over 650 claims.

Scan the QR code on this page to learn more about how the Quick Pay Comp Claim Program can help your entity quickly resolve claims and receive payment!

Submit a Claim

QUICK PAY COMP CLAIMS FILED				
	2023	2024	2025	2026 (Q1)
BY YEAR	13	169	224	12
YEARLY CUMULATIVE	13	182	406	418



SCAN HERE!

Use your phone's camera to scan the QR code to learn more about the Quick Pay Comp Claim Program!

2025 FINANCIALS

In 2025, the North Dakota Insurance Department, which is the NDIRF's regulatory body, required that the NDIRF move to the Statutory Basis of Accounting for their year-end audited financials instead of US Generally Accepted Accounting Principles. The Annual Report, including verbiage and prior year numbers for appropriate comparison, have been adjusted to reflect the new basis of accounting. This was done so the annual report matches the audited financial statements.

The NDIRF ended 2025 with net loss of \$2.6 million and a change in net surplus of -\$581,000 (Fig. 1) and \$33.6 million in members' surplus (Fig. 2).

Members' surplus decreased in 2025, which was due to a record loss year but was able to be offset with a strong investment portfolio performance. Our current level of members' surplus is well above 95%, highlighting the NDIRF's ongoing financial strength. Our consulting actuaries confirm this level provides an outstanding confidence threshold that expected future obligations can be met.

In 2025, the NDIRF investment portfolio was allocated as follows: 7.5% in cash/money markets, 7.5% in CDs, 4.4% in real estate, 18.3% in marketable equity securities (at market value) and 62.3% in fixed income (valued at amortized bond cost). The investment portfolio had investment income of \$1,868 (dollars in thousands), realized gains of \$122 and net unrealized gains of \$2,087, resulting in a total gain of \$4.08 million (2024: \$2.49 million gain). The quality of our fixed

income portfolio remains high, with an average S&P rating of AA-.



NORA FRUEH, CPA
CFO

FIG. 1

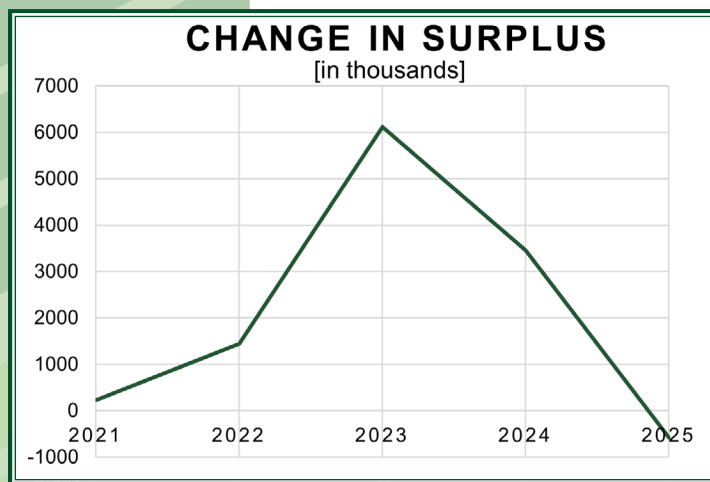
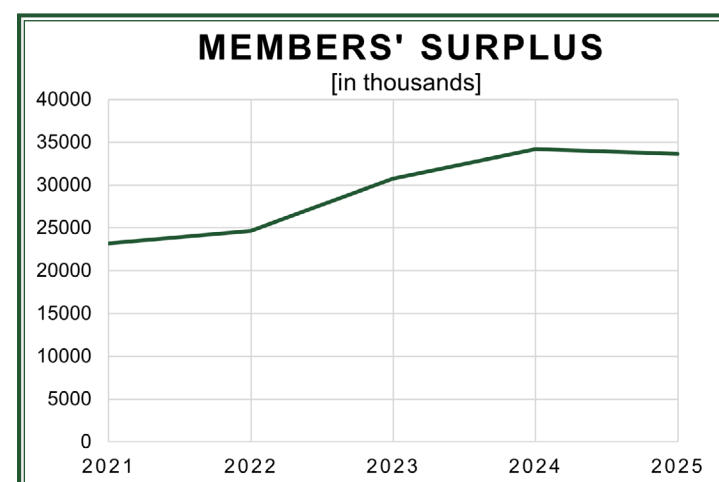


FIG. 2



PREMIUMS AND LOSSES

As a member-owned not-for-profit 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 2025. The 6.6% increase in net written premium illustrated in Fig. 3 was due to covered auto and equipment value increases and members taking advantage of new coverage options.

In 2025, we experienced a record loss year both in total dollar amount of losses incurred and in loss ratio. Our total loss amount was \$20.04M (Fig. 4) resulting in an overall loss ratio of 94.7% (Fig. 5).

The significant loss activity highlights the continued need for risk management. See Member Services (P. 6).

FIG. 3

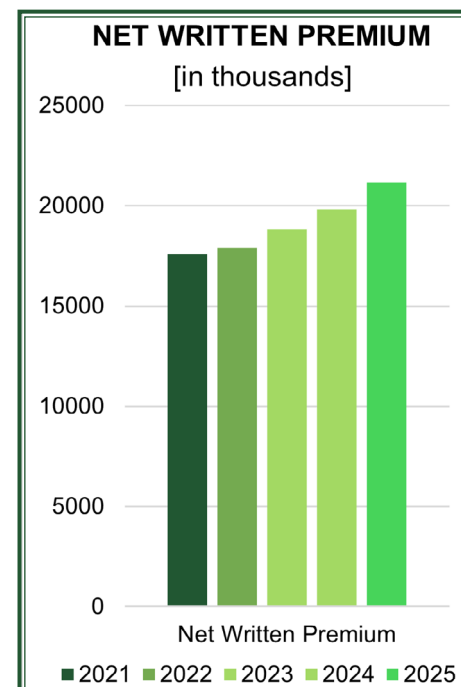


FIG. 4

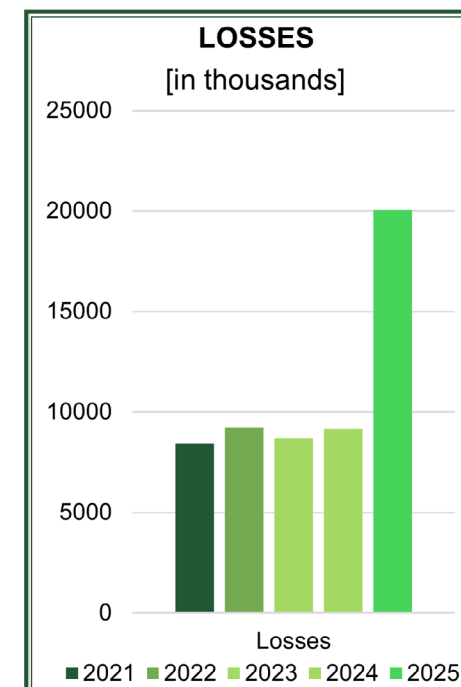
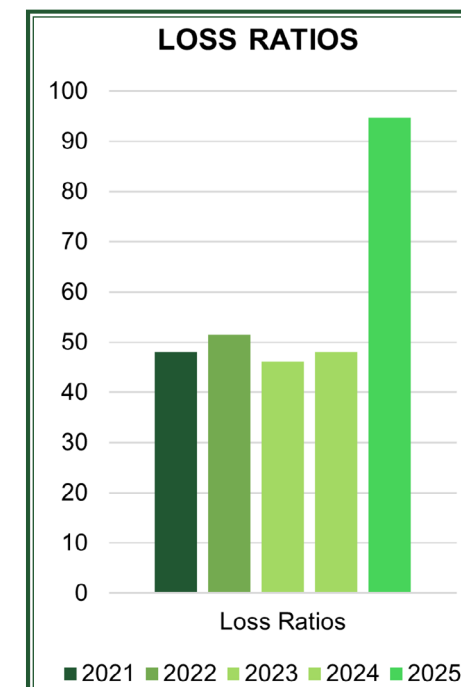


FIG. 5



FINANCIAL STATEMENTS [IN THOUSANDS]

Bonds	\$ 41,490
Marketable equity securities, at market value	12,177
Certificates of deposit	5,007
Real estate - occupied by the Fund	2,915
Cash and cash equivalents	5,000
Interest receivable	361
Agents' balances	642
Electronic data processing equipment and software	15
TOTAL ADMITTED ASSETS	\$ 67,607

ADMITTED ASSETS

LIABILITIES

Losses and loss adjustment expenses	\$ 15,649
Incurred but not reported losses	10,032
Unearned premiums	7,113
Unearned commission - State Fire and Tornado Fund	703
Accounts payable	223
Accrued expenses	264
TOTAL LIABILITIES	\$ 33,984
SURPLUS	\$ 33,623
TOTAL LIABILITIES AND SURPLUS	\$ 67,607

LIABILITIES AND SURPLUS

STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS

This statement details what the NDIRF owns (admitted assets), and what the NDIRF owes (liabilities) at a given point in time, which is shown as of December 31, 2025. Admitted assets should always be in balance with total liabilities and surplus, with each dollar of admitted assets offset by a dollar of liabilities and surplus.

ADMITTED ASSETS

Admitted 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 SURPLUS

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 and claims reserved, which includes estimates for both claims reported and claims incurred but not reported.

Surplus represents the financial strength of the NDIRF and provides security for our members. Surplus increases or decreases based on the operation and investment return results of the NDIRF.

FINANCIAL STATEMENTS [IN THOUSANDS]

UNDERWRITING INCOME	Premiums earned	\$ 21,156
	Commissions earned	1,417
	TOTAL UNDERWRITING INCOME	\$ 22,573
DEDUCTIONS	Losses incurred	\$ 16,639
	Loss expenses incurred	3,346
	Other underwriting expenses incurred	8,591
	TOTAL UNDERWRITING DEDUCTIONS	\$ 28,630
UNDERWRITING LOSS		(6,057)
INVESTMENT INCOME	Investment income, net of investment expenses of \$74	\$ 1,868
	Realized capital gain (loss), net	122
	Gain on sale of real estate - had been occupied by the Fund	1,464
	TOTAL INVESTMENT INCOME	\$ 3,454
NET LOSS		(2,603)
CAPITAL AND SURPLUS ACCOUNT	Surplus, at beginning of 2025	\$ 34,204
	Net Loss	(2,603)
	Net unrealized gain on investments	2,087
	Change in non-admitted assets	(65)
	Change in surplus for the year	(581)
	SURPLUS, AT END OF 2025	\$ 33,623

STATUTORY STATEMENT OF OPERATIONS AND CHANGE IN SURPLUS

The statutory statement of operations and change in surplus 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. This statement also shows the non-operating income received from the returns on the NDIRF's investment portfolio and change in non-admitted assets.

The statement also shows, when applicable, the Conferment of Benefits declared by the NDIRF Board of Directors. The results of the NDIRF's operations determine the annual increase or decrease in the surplus.

If you would like financial information beyond what this report contains, the 2025 audited financial statements are available at www.NDIRF.com>About/Financials.

MEMBER ENGAGEMENT



CEO Keith Pic and Director of Member Services Corey Olson at the ND Chiefs of Police Association Conference in Grand Forks



Member Services Representative Carrie Wingenbach at the ND Auditor & Treasurer Conference in Watford City



CEO Keith Pic and Director of Member Services Corey Olson with the Mayor and Auditor of the City of Mountain (Story in *The Participant - Summer 2025*)



The NDIRF Crew at the AGRIP (Association of Government Risk Pools) Staff Forum Conference in Austin, TX



Director of Member Services Corey Olson and Marketing & Communication Specialist Kori Bowen at the National Law Enforcement Telecommunications System (NDLETS) Conference in Bismarck



Director of Member Services Corey Olson at the 114th Annual ND Peace Officers Association (NDPOA) Conference in Dickinson



Member Services Representative Carrie Wingenbach and Marketing & Communication Specialist Kori Bowen at the Dakotas 911 Conference in Bismarck



Director of Member Services Corey Olson and Marketing & Communication Specialist Kori Bowen at the ND School Board Association (NDSBA) School Law Seminar and Annual Convention in Bismarck



The NDIRF crew at the ND League of Cities (NDLC) Annual Conference in Bismarck



CEO Keith Pic and Director of Member Services Corey Olson at the ND Recreation and Park Association (NDRPA) in Fargo



The NDIRF Crew at the Big "I" Crop Insurance Annual Convention and Trade Show by the Independent Insurance Agents of ND (IIANI) in Bismarck



CEO Keith Pic and Director of Member Services Corey Olson with the County Auditor/Treasurer of McKenzie County (Story in *The Participant - Fall 2025*)

NORTH DAKOTA
NDIRF
INSURANCE
RESERVE FUND

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INSURANCE
RESERVE FUND
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MISSION To be *the* source of risk services for North Dakota political subdivisions.

VALUES



Service



Integrity



Kindness



Professionalism



Teamwork



Trustworthiness

For North Dakota Local Government.



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Insurance Reserve Fund
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