

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Berg

1 A BILL for an Act to amend and reenact section 65-04-02 of the North Dakota Century Code,
2 relating to workforce safety and insurance reserves.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 65-04-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **65-04-02. Reserves - Surplus.**

- 7 1. The organization shall maintain adequate financial reserves to ensure the solvency
8 of the fund and the payment of future benefit obligations, based upon actuarially
9 sound principles. The discount rate used in evaluating the financial reserves may
10 not exceed six percent. The level of financial reserves plus available surplus must
11 be at least one hundred twenty percent but may not exceed one hundred forty
12 percent of the actuarially established discounted reserve.
- 13 2. For the purposes of this section, "available surplus" means net assets as stated on
14 the statement of net assets of the organization, but does not include unrealized
15 capital gains, capital assets net of depreciation, and funds designated or obligated
16 to specific programs or projects. A designation of funds by the board to a program
17 that has received approval by the legislative assembly must be considered a
18 program obligation under this section.
- 19 3. The independent annual financial audit of the organization must report the
20 organization's financial reserves.