



## SB 2211

Testimony before the House Industry Business and Labor Committee  
March 14, 2023  
Support

I am Kristi Schlosser Carlson, and I represent North Dakota Farmers Union, Farmers Union Insurance Company, a domestic insurer, and Farmers Union Service Association, a general insurance agency. Our members and employees are involved in their local communities in many ways, including serving as volunteer firefighters and fire chiefs.

We support SB 2211.

In particular, we support providing a continuing appropriation from the insurance tax distribution fund for the purpose of funding fire departments and fire protection districts. We know that improved equipment and education of and by fire districts and fire departments not only enhance vital services for our communities and protect lives, but also can lower our policyholders' premiums. Insurance companies determine rates based in part on the risk of fire to a property, and the mitigating impact of a fire department able to respond; insurance companies use fire protection classes to reflect that analysis. Most insurers rely on ISO's Property Protection Classification system to determine fire protection classes, which is based on a variety of factors including the quality of a community's fire department, its water supply, and its emergency communications. For example, a fire department can submit evidence for ISO's evaluation, and ISO weighs the department's equipment, staffing, training, and geographic deployment. It also factors in a community's fire prevention, public fire education, and fire investigation efforts.

In sum, the insurance premium tax is intended to fund fire departments and fire districts because better fire protection mitigates fire risk, protects our communities, and leads to lower premiums.

In addition, we are encouraged by the opportunity that could be realized by moving the Fire Marshal to the Insurance Department in encouraging fire districts and fire departments to take steps to reduce fire protection classes that result in premium decreases.

We invite a Do Pass on SB 2211.