

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2007-09 BIENNIUM

		2007-09 Biennium
Beginning balance - July 1, 2007		\$28,222,236
Add estimated revenues		
Premium collections	\$7,000,000	
Investment income	3,000,000	
Boiler inspection fees	350,000	
Loss claims and insurance recoveries	8,000,000	
Anhydrous ammonia storage facility inspection fund (2007 SB 2010)	150,000	
Total estimated revenues		18,500,000
Total available		\$46,722,236
Less estimated expenditures and transfers		
Loss claims payments	\$17,951,712	
Claims-related payments	3,400,000	
Insurance Department administration and anhydrous ammonia tank inspection costs (2007 SB 2010)	1,153,804	
State Fire Marshal program (2007 SB 2003)	310,000	
Firefighter's Association grant (2007 SB 2010)	170,000	
Total estimated expenditures and transfers		22,985,516
Estimated ending balance - June 30, 2009		\$23,736,720

NOTE: The estimated June 30, 2009, balance made at the end of the 2007 legislative session was \$28,454,712. The decrease in the estimated balance of \$4,717,992 is primarily due to the 2007-09 revised estimated revenues of \$18,500,000 being \$6,500,000 more than the previous estimate of \$12,000,000 and the 2007-09 revised estimated expenditures of \$22,985,516 being \$13,051,712 more than the previous estimate of \$9,933,804. The 2007-09 estimated revenues are more than previously estimated due to an increase in loss claims and insurance recoveries. The 2007-09 estimated expenditures are more than previously estimated due to an increase in loss claims payments. The increase in payments is primarily due to claims resulting from the Northwood tornado.

FUND HISTORY

The state fire and tornado fund originated in 1919. The fund is maintained to ensure the various political subdivisions and state industries against loss to public buildings and permanent fixtures. North Dakota Century Code Section 26.1-22-14 requires that if the fire and tornado fund balance is less than \$12 million, the Insurance Commissioner must increase assessments on policies.