

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

| | 2007-09 Biennium | | 2009-11 Biennium | |
|---|--------------------------|--------------|------------------|--------------|
| Beginning balance | | \$28,222,236 | | \$20,469,494 |
| Add estimated revenues | | | | |
| Premium collections | \$6,550,000 | | \$7,000,000 | |
| Investment income | (4,500,000) ¹ | | 2,000,000 | |
| Boiler inspection fees | 325,000 | | 350,000 | |
| Loss claims and insurance recoveries | 7,800,000 | | 1,000,000 | |
| Anhydrous ammonia storage facility inspection fund (2007 SB 2010; 2009 HB 1010) | 94,000 | | 150,000 | |
| Total estimated revenues | | 10,269,000 | | 10,500,000 |
| Total available | | \$38,491,236 | | \$30,969,494 |
| Less estimated expenditures and transfers | | | | |
| Loss claims payments | \$12,644,088 | | \$5,000,000 | |
| Claims-related payments | 3,800,000 | | 3,900,000 | |
| Insurance Department administration and anhydrous ammonia inspection costs | 1,157,654 | | 1,454,159 | |
| State Fire Marshal program (2007 SB 2003; 2009 HB 1003) | 250,000 | | 310,000 | |
| North Dakota Firefighters Association grant (2007 SB 2010; 2009 HB 1010) | 170,000 | | 170,000 | |
| Total estimated expenditures and transfers | | 18,021,742 | | 10,834,159 |
| Estimated ending balance | | \$20,469,494 | | \$20,135,335 |

¹Through March 2009 the fire and tornado fund has had a decline in investment value of 16.85 percent for fiscal year 2009.

FUND HISTORY

The state fire and tornado fund originated in 1919. The fund is maintained to insure 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.