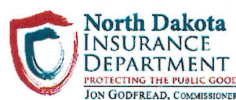


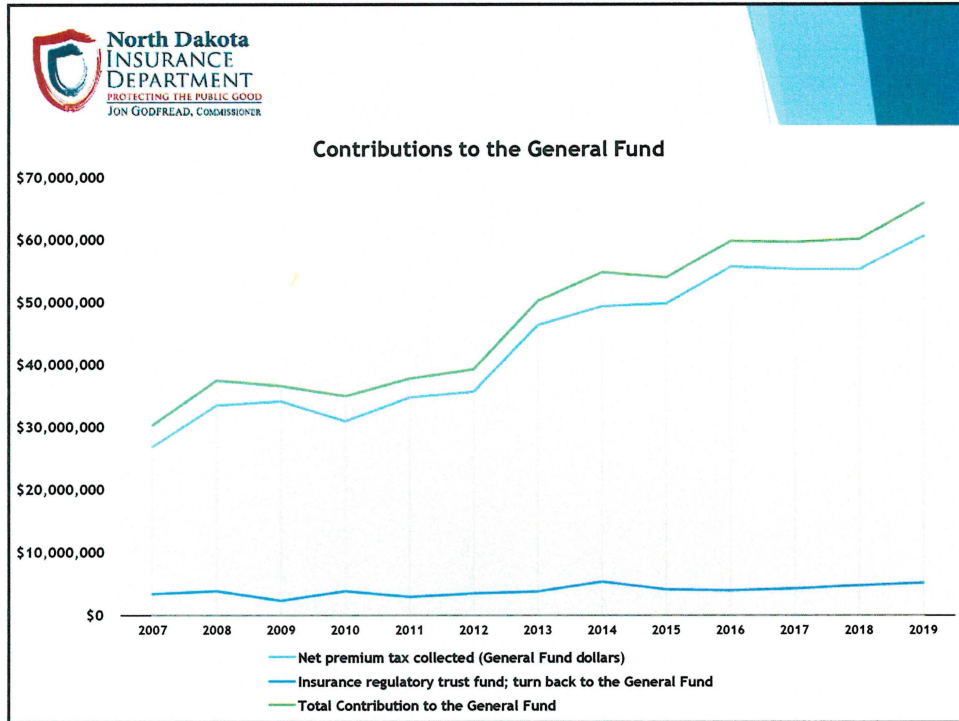
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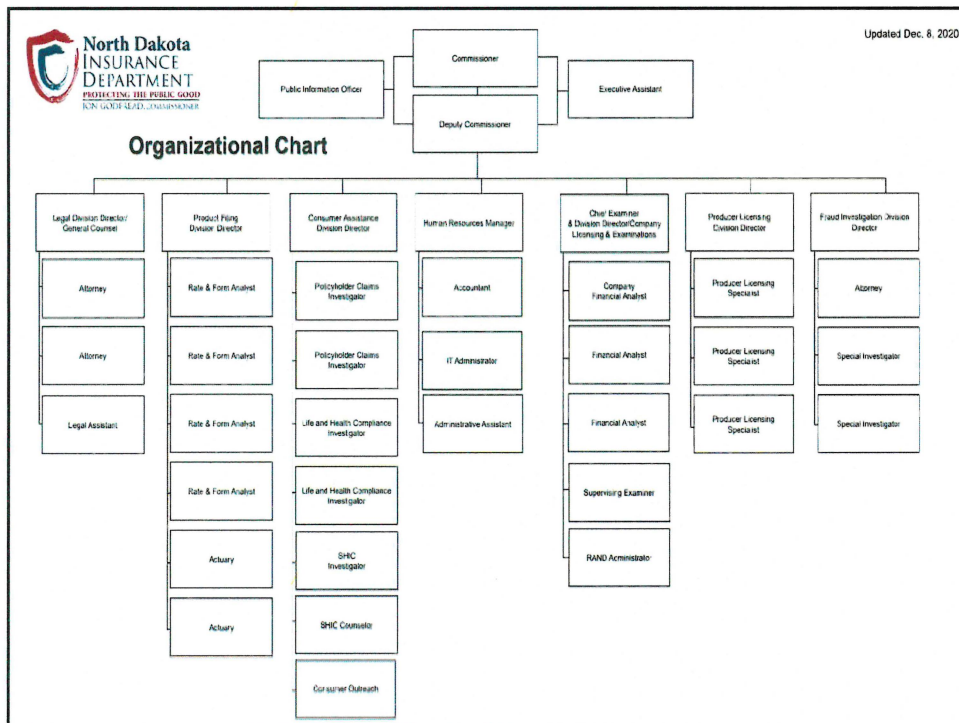
Who we were...

- ▶ It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we will treat all our constituencies with the highest ethical standards and respect they deserve.
- ▶ *The North Dakota Insurance Department takes pride in helping our citizens by providing effective, resourceful and caring services while inspiring the highest level of consumer trust.*

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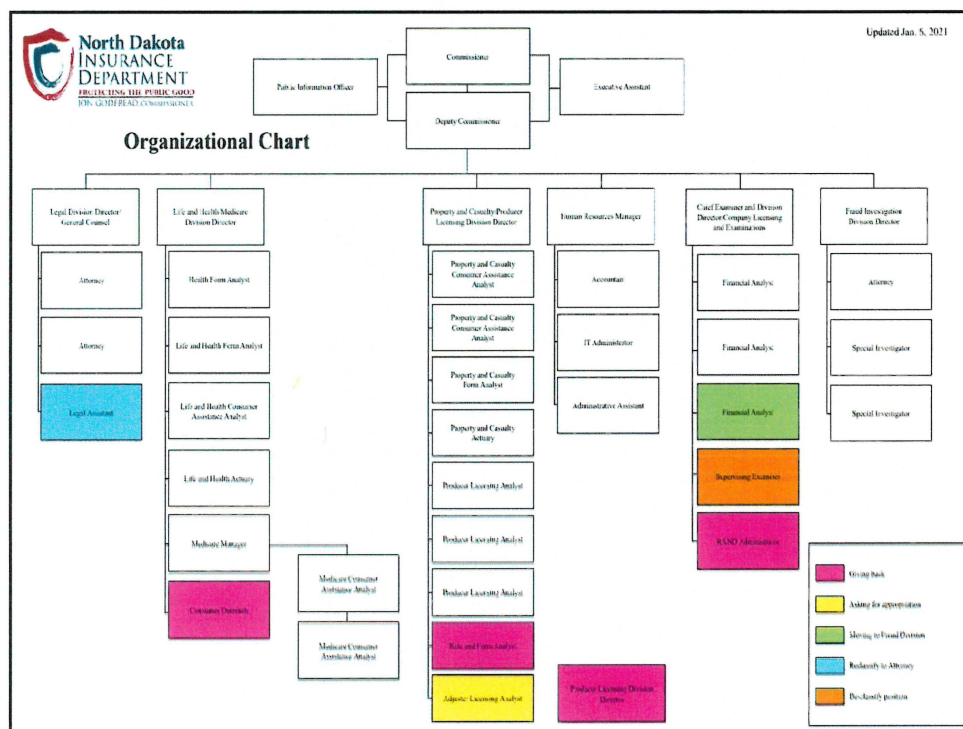


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Changes requested to 2021-23 Budget

- ▶ Declassify our Legal Assistant (\$142,442 salary and fringe) position to an Attorney (\$221,646 salary and fringe) position.
- ▶ Repurpose a vacant FTE from Company Licensing Division (\$210,711 salary and fringe) to strengthen the Fraud Division by adding another Fraud Investigator.
- ▶ Declassify our Supervising Examiner position. Requesting total \$279,203 salary and fringe for that position.
- ▶ Responsibility workload increase SHIC Lead (\$5,998 salary and fringe)
- ▶ 5 temporary employees to assist during SHIC open enrollment (\$108,000 increase to operations line)
- ▶ Funding approve Adjustor Licensing Position (\$115,276 salary and fringe)

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Changes requested to 2021-23 Budget

- ▶ Cutting a total of 4 FTEs from 2019-21 budget.
 - ▶ Producer Licensing Division Director (\$236,127 salary and fringe)
 - ▶ Retired Senior Analyst position (\$158,485 salary and fringe)
 - ▶ RAND Healthcare Review Analyst (\$146,880 salary and fringe)
 - ▶ Admin Assistant (\$115,171 salary and fringe)
- ▶ Continuing Appropriation for the Reinsurance Association of North Dakota (RAND)
- ▶ Outstanding Budget Items:
 - ▶ State Flexibility to Stabilize the Market Grant Program (\$445,000 federal grant funds)

8



Fire District Grant Fund

- ▶ Funding for Fire Departments and Fire Districts comes from a couple different sources (property taxes, benefits, etc.) but a significant portion of the funding has come from the Insurance premium tax. The Department administers the premium tax and from that, the Legislature appropriates an amount up to 100% of the fire insurance premium tax revenue collected.
- ▶ This is essentially a pass-through fund, whereby we collect the tax and pass that collection on to the fire districts. This fund was a continuing appropriation from 1887 - 1985. Since 1985, funding to the fire districts has fluctuated between 101% of the funds to as low as 48% of the funds available.

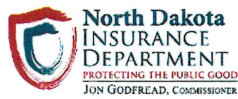
9



Fire District Grant Fund

- ▶ 2019 - 2021 Appropriation:
 - ▶ \$17,989,505 - Fire Departments
 - ▶ \$828,525 - North Dakota Fire Firefighter Association
 - ▶ \$18,818,030 - Total Appropriation
- ▶ 2019 - 2021 Actual Collections \$20,728,539.83
 - ▶ Additional \$1,910,509.83 to the General Fund
 - ▶ 90.8% to Fire Districts and 9.2% to the General Fund
- ▶ Requesting a continuing appropriation for the Fire District Grant Fund
 - ▶ 94.5% to direct payments to fire departments
 - ▶ 5.5% to North Dakota Firefighter Association

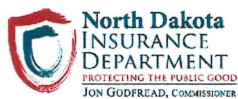
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Requested Appropriation

- ▶ 2021-23 Request
 - ▶ \$8,078,903 for salary and fringe
 - ▶ \$1,707,083 for operations
 - ▶ Total Appropriation
 - ▶ RAND Continuing Appropriation
 - ▶ Fire District Grant Fund Continuing Appropriation
 - ▶ 38 FTE Count
- ▶ 1.32% Reduction in salary and operating lines from 2019-21

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Last 5 years

	2015-17 Expenditures	2017-19 to 15-17 Difference	2017-19 Expenditures	17-19 to 19-21 Difference	2019-21 Expenditures	19-21 to 21-23 Difference	2021-2023 Request	2021-23 to 2015-17 Difference
Salaries	\$8,943,097	-4.40%	\$8,549,567	-4.67%	\$8,149,998	-0.87%	\$8,078,903	-9.66%
Operating	\$2,512,042	-13.23%	\$2,179,777	-18.95%	\$1,766,675	-3.37%	\$1,707,083	-32.04%
Total Salary & Operating	\$11,455,139	-6.34%	\$10,729,344	-7.57%	\$9,916,673	-1.32%	\$9,785,986	-14.57%
FTE	49.50	-7.07%	46	-10.87%	41	-7.32%	38	-23.23%

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