

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1295

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1295

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO.HB1295

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-18-05

Tape Number	Side A	Side B	Meter #
2	x		0-----44.5

Committee Clerk Signature *Diane Sloan*

Minutes:

**Rep Kretschmar:** introduced HB1295, on behalf of Volunteer Fire Dept. in his area & all over ND. All of the rural areas in ND are protected by Volunteer Fire Dept's ... dedicated volunteers who work hard. They would like some type of system of protection of insurance, or otherwise for the possibility of becoming disabled or a death in fighting a fire. This bill is the type of enabling legislation that would allow that. If appropriate, the state could pay this money from it's general fund. The bill would allow Volunteer Fire Dept. to purchase insurance for these happenings. I don't have any idea how much this would cost, but the insurance companies could figure it out. If the Committee decides there would some other way of financing this insurance, I would be happy to have it included it the bill. I hope you will give favorable consideration to this bill. (3.0)

**Rep Amerman:** If the funds don't come from the general fund, are they funds that the Fire Dept. raise through different activities?

**Rep Kretschmar:** Some of the funds that are pd from the Insurance Dept. to the Local Fire Dept. should be used for this cost & this bill provides that the Insurance Commissioner's Office would work with local Fire Dept's to set up a system.

**Rep Brandenburg:** (4.0) Appeared in support of HB 1295. There should be a way for volunteer firemen to have an insurance fund set up for them so they could get pd in the event of a tragedy with a life lost & a family left behind. There is a need, don't know how or where, possibly the state Insurance Fund.

**Rep Ekstrom:** (4.8) RE: disability benefits, any consideration about Worker's Compensation?

**Rep Brandenburg:** No, we don't have the answers.

**Rep Kasper:** Do you have any idea how many volunteer firefighters there are in the State of ND?

**Rep Brandenburg:** No

**Rep Clark:** If this legislation passes, will all volunteer firemen be covered?

**Rep Brandenburg:** You'd have to work with the cities & the Volunteer Fire Dept's, some will want to go with it & others not, that's why I can't give you specifics.

**Rep Kasper:** (6.5) Is there an Assoc of Volunteer Firefighters?

**Rep Brandenburg:** Yes there is, because I know of training that's held.

**Darrell Graf, Fire Svc Consultant:** (7.2) Appeared in support of HB1295. (See attached testimony)

**Rep Kasper:** (10.2) Does the City or County get involved in funding for Volunteer Fire Dept's when you buy a truck or clothes that the firefighters use?

**Darrell Graf:** In some communities, the City operates the Fire Dept. & the City has tax revenues & possibly grant funding & insurance tax refund money that shows up annually from the State Insurance Commissioner. Other Fire Protection Districts, which are similar to school districts, encompassing a rural area & many times a small community. Also Fire Dept's that are not rural fire districts & there are volunteer type dept. that go out & raise funds & apply for grants, etc, to get the money to buy the equipment.

**Chairman Keiser:** (11.4) How do you see the monies coming in being allocated to pay for the insurance premiums, what are the sources, do you understand that in this bill?

**Darrell Graf, Fire Svc Consultant:** Yes, I understand as Rep Kretschmar made his statement. He suggested probably not from the General Fund & I don't know enough about state funding to know where or how it should get there. If there was a statewide system where each dept. would put in \$100 or \$200 to buy a policy or contribute to a fund; initially this fund would have to be drawn from resource to provide immediate coverage, but then as years went on, when there's not a line of duty death (which there often isn't) the funds would be there to assist the family.

**Rep Ekstrom:** Could we ask the Insurance Commissioner to explain the funding?

**Jim Poolman, Insurance Commissioner:** I'll give you a brief outline of our budget hearings last week. We have 5 lines of insurance that report their premium tax & help compute the actual distribution of premium tax dollars to each individual Fire District. The companies that do business & write the 5 lines of insurance, are reported by Fire Districts at each policy with the amount of premium that's rolled into that Fire District (rural or city). Out of those dollars that supply the appropriation in our budget (incorporation for the last biennium has been \$5.2 million dollars, \$2.6 million/yr) that goes out of the premium tax collected in an appropriation & is

dispersed to all fire districts in ND based upon a figure of the premium dollars sold in that particular Fire District. The total appropriation based on the premium volume, it started at over 100% of the total premium tax that came in, was appropriated out to Fire Districts & it's about 50% of the total premium. Any appropriation directly affects the ending fund balance as a general fund, because the premium tax under that appropriated amount goes directly to the general fund.

**Rep Ekstrom:** (15.1) Will this bill in any way affect this existing insurance provisions or will you be prorating further, depending on how much money will come from premium insurance?

**Poolman:** In my non legal opinion, I don't think it will affect what has already happened in Fargo. I believe they could already pool & buy a liability policy through the ND Fire Fighters Assoc, there are alternatives that could bring cost benefits.

**Chairman Keiser:** (16.4) The Tool Chest legislation we passed 6 years ago would give them all the authority they would ever need to pool to & purchase insurance. All volunteer firefighters are covered by WSI; however, the Political Subdivisions are self insuring & as result, they don't want the liability.

**Rep Kasper:** (17.6) With the Association of Firefighters in ND & the ones that would be able to purchase their own, the problem that would arise is that not all political subdivisions would want to be a part of it, so you could have 70% say they will & 30% say they won't. Politically, what do you think would the reaction if the legislature set aside some of those dollars out of the distribution & stipulated that those dollars be held for the benefit of life & disability policy for the firefighters & they would work with brokers or yourself as an advisory capacity to try to purchase these benefits they're talking about?

**Poolman:** They would probably come unglued. The amount of money they get out of the whole allotment of dollars is incredibly small, barely enough to buy uniforms, & it's getting worse as people are migrating to the larger cities & there's less insurance sold in those areas creating a spiral of less money going to them. If you start mandating what those dollars would be able to be used for (could be on \$200) you may run into problems, especially in the rural areas.

**Rep Kasper:** (19.4) Do you have any idea of the number of volunteer fire fighters that we have in this state?

**Poolman:** I don't, but we have a representative of that organization here.

**Wayne Friesze, Mandan City & Rural Fire Dept.:** (20.1) I'm a volunteer firefighter for Mandan City & Rural. If something happens to me, I want my family to be protected. We don't get pd, we just go out & do it & it's important for us to know that our families will somewhat be taken care of.

**Rep Johnson:** (21.0) Can you purchase life insurance for yourself?

**Friesze:** I do have a small policy through work, but I don't think it would last or be enough.

**Rep Johnson:** (21.4) Are you covered as a volunteer fireman through the insurance you get through work?

**Friesze:** I'm not sure, I don't think my insurance company even knows that I am a volunteer firefighter. I've assumed that I've been covered through the Fire Dept. & with 3 kids & a wife, it may change my decision to continue.

**Rep Kasper:** (22.2) Is your policy for your personal coverage a group plan with your current full time employer?

**Friesze:** Yes

**Rep Kasper:** I would suggest that if you have a disability policy, that you ask them what are the exclusions on your disability policy ... a Life Insurance Policy could have no exclusions after 1 or 2 yrs, depending on the circumstances, but a disability could.

**Michael Raber:** My father was George Raber. I going to summarize a statement on behalf of my mother, who is here today. My father spent 41 yrs with the Volunteer Fire Dept. in Hebron, & I think we take it for granted that our communities will be protected. Unfortunately, now we're finding as a family, that there are provisions through WSI, but that are a lot of provisions that are holding us back from getting benefits. The people protecting us, our businesses & homes are our own citizens & they receive nothing from us but a lot of gratitude. Compensation does need to be addressed.

**Terry Dockter:** (25.6) The Chief in Hebron, appeared in support of HB1295. Trying to recruit new people & retain existing ones is getting to be more of a problem. We need something that the state guarantees that will help us keep people in our dept. & help us get more young people to come in.

**Rep Ekstrom:** How much money is allocated?

**Dockter:** (26.9) About \$2,500.00

**Rep Froseth:** (27.) How do you use that money?

**Dockter:** To pay for boots & coats, updated equipment & to keep us trained in all the new things that come up.

**Lois Hartmann, Exec Director of the ND Fire Fighters Assoc:** (28.1) appeared in support of HB1295. There are 388 Fire Dept's in ND, 4 are fully pd, there are 8 that are combination. ND has about 96% volunteer firefighters.



**Rep Kasper:** (29.0) About how many firefighters are there in the State of ND?

**Hartmann:** About 8,000.

**Rep Kasper:** How is your assoc funded?

**Hartmann:** Through an appropriation through the Insurance Commissioner's budget.

**Chairman Keiser:** As the head of the dept., are you pd?

**Hartmann:** Yes.

**Chairman Keiser:** Have you looked into the tool chest bill in terms of having the authority to bring these people together in 1 policy?

**Hartmann:** No I haven't but I will.

**Chairman Keiser:** The other issue is WSI, why are your volunteers not covered?

**Hartmann:** Many are covered & that's a local decision.

**Darrell Graf:** (31.0) Appeared in support of H1295 for Mrs. Raber, whose husband died of a heart attack ... she is here but too emotional to speak. It was during a fire in Hebron & the weather was extreme: draught, heat & wind with a large, hard to control fire. The pump on the truck that George Raber was driving quit, so he stepped out to see why & died of a heart attack. WSI has not covered this family; they asked for ambulance, ER & funeral expenses amounting to about \$8000. Worker's Comp denied the claim; an appeal was filed & Worker's Comp denied it again because the family did not prove that his stress rate was 50% higher than at a normal fire. What picture does that paint for the rest of the volunteer firemen in our state? Recruitment will be a problem. We need a new law to provide benefits to the family of line of duty deaths victims. With your support the volunteer firemen will know that their work is not in vain and that the state cares.

**Chairman Keiser:** ( 36.1) The District I represent charges a lot of tax money for fire & police. Why wouldn't those taxpayers provide that funding?

**Graf:** They probably should, but until an incident like this happens in their community, they don't have money for insurance. With the budget of \$52,0000, there's not enough to provide for the necessities such as equipment. The smaller the community, the worse it is. What if a 1/4% was charged on our vehicle insurance ... that way there would be some resources. There are ways to take care of this.

**Chairman Keiser:** (40.2) The Insurance Commissioner just went up to see how NY addressed this issue. We'll continue to work on this. **No opposition.**

**Rep Froseth:** Could we have someone from the Insurance Industry give us an estimate on what it would cost? Some of the smaller Fire Dept's don't get much money back from the Insurance Reserve Fund. Is it physically feasible to finance the policy?

**Rep Kasper:** (41.6) With 8,000 fire fighters for a \$50,000 life insurance & disability policy, you're looking at \$160,000 - \$200,000 per month in premiums to be covered for accident & sickness & that's \$2 1/2 million dollars per yr. You could set up a pretty good self funded plan without buying insurance. I don't think buying insurance is a solution.

**Poolman:** New York did pass legislation related to covering firefighters under insurance. We are exploring what they did, so I would ask that you hold this bill so we can look at alternatives.

**Chairman Keiser:** closed HB1295. (44.5)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1295

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 2-1-05

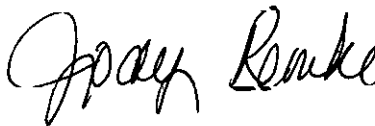
Tape Number  
3

Side A

Side B  
x

Meter #  
27.-32.3

Committee Clerk Signature



Minutes:

**Chairman Keiser:** Reconvened on HB 1295.

**Representative Clark:** I move a DO NOT PASS on HB 1295.

**Representative Dietrich:** SECOND the DO NOT PASS on HB 1295.

Motion carried. **VOTE: 13-YES 0-NO 1-Absent (EKSTROM).**

**Representative Amerman** will carry the bill on the floor.

Meeting adjourned.

# FISCAL NOTE

Requested by Legislative Council  
01/12/2005

Bill/Resolution No.: HB 1295

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1295 allows fire districts to purchase disability and life insurance for its firefighters from funds received through insurance premium tax collections. It requires that the Insurance Commissioner assist the fire districts in obtaining the insurance. The Insurance Commissioner anticipates that he will be able to provide the assistance with existing employees and resources so that there will be no fiscal impact if the bill is passed.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

**Name:** Charles E. Johnson  
**Phone Number:** 328-4984

**Agency:** Insurance Department  
**Date Prepared:** 01/14/2005

Date: 2-1-05  
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1295

House

INDUSTRY, BUSINESS AND LABOR

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Not Pass

Motion Made By

Rep. Clark

Seconded By

Rep. Dietrich

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman	X	
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	X		Rep. M. Ekstrom	A	A
Rep. D. Dietrich	X		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	X				
Rep. D. Ruby	X				
Rep. D. Vigasaa	X				

Total (Yes)

13

No

0

Absent

(1) Rep. EKstrom

Floor Assignment

Rep. Amerman

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
**February 2, 2005 6:56 a.m.**

**Module No: HR-22-1629**  
**Carrier: Amerman**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1295: Industry, Business and Labor Committee (Rep. Keiser, Chairman)**  
**recommends DO NOT PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).**  
**HB 1295 was placed on the Eleventh order on the calendar.**

2005 TESTIMONY

HB 1295

1295

MEMORANDUM

To: Jim Poolman, Insurance Commissioner  
From: Doug Holloway and Laurie Wolf  
Date: January 26, 2005  
Re: House Bill 1295 -- Volunteer Firefighters Benefits, comparison to NY Law

Commissioner:

Arising from discussions pertaining to House Bill 1295, you asked us to research the laws of New York, relating to benefits for Volunteer Firefighters.

The State of New York has established a compensation system for volunteer firefighters and for survivors of fallen volunteer firefighters, which parallels the New York workers compensation program and is administered by the New York Workers Compensation Board. Benefit scales may differ between the two funds. One notable difference is that surviving spouses and dependents of volunteer firefighters are eligible for a lump sum survivor benefit of \$50,000. Under workers compensation, survivor benefits are payable for the life of the surviving spouse in the same amount as the disability benefits that would have been payable to the injured worker.

Section 65-06-03 of the North Dakota Century Code brings volunteer firefighters under Workforce Safety and Insurance coverage, without establishing a separate fund or separate benefit schedules. Presumably, the full purview of benefits available to an injured employee, including survivorship benefits, would be available to an injured volunteer firefighter. Although the law is somewhat vague, it is believed survivorship benefits would be payable to the spouse of a fallen volunteer firefighter. The benefit would be based on the level of benefits the firefighter would have received if they were disabled in the line of duty rather than killed.

A unique aspect of New York insurance law, in the context of volunteer firefighters, pertains to automobile insurance coverage. Section 3425 of the New York Laws prohibits automobile insurers, when determining whether to cancel or non-renew a policy, from considering the fact a vehicle was involved in an accident, if the vehicle was being operated by a paid or volunteer member of a police or fire department, first aid squad or other law enforcement agency. Further, New York prohibits rate increases for persons involved in the emergency use of vehicles, where the insured had an accident while operating a motor vehicle in route to an emergency. These sections are applicable to both paid and volunteer firefighters, police, first aid providers and other law enforcement personnel.



*Every day in*

# **NORTH DAKOTA**

*Hometown Heroes*

*Lay their lives on the line for the citizens of OUR State. Now, they need OUR help!*

*Currently, no line of duty death or disability package exists for the Volunteer Firefighters of North Dakota. The families of those that become disabled or die in the line of duty suffer for the kindness and dedication of their family member who made the supreme sacrifice.*

*Millions of dollars are saved every year by the Citizens of North Dakota due to the unselfishness and kindness of Volunteer Firefighters doing a job when there are no funds to support or provide for a paid firefighting staff.*

*NOW is the time to do something for them in return. Please support a Volunteer Firefighter Benefits Act in North Dakota.*

When Hebron ND Volunteer Firefighter George Raber responded to the second fire of the day, July 31, 2004, it was his last. The severe heat, drought, wind, fire heading towards two farms, one fire truck out of service due to mechanical failure, was overwhelming. Then to add more stress to the occasion, Georges fire pump quit. George stepped out of the truck to find the problem with his pump, and fell to the ground. Unsuccessful attempts were made to revive George, as the fire grew. A very sad fire fighting team finally got the fire extinguished, and went home devastated, as they lost one of their finest.

After the family made it through this tragedy, they received another shock when Workforce Safety and Insurance denied their claim for funeral benefits. It must be proven that the stress that contributed to the fatal heart attack must be 50% or more of the stress normally encountered in the occupation.

It is now time for the people of our State to honor those who lay their lives on the line anytime, anywhere for the preservation of life and property. Since Ben Franklin organized the first Volunteer Fire Company in the United States, the fire service has been the premier volunteer organization in many, many communities in the country.

Whether a child is lost, an Alzheimer's patient has walked away, a tornado has devastated a community, a flood is approaching, a gas leak is occurring, a power line is down or people are trapped in a vehicle crash, the local volunteer fire fighters will respond and do what they can to mitigate the situation. Day or Night, Rain or Shine, Heat or Blizzard, they will be there. And as VOLUNTEERS.

There is no way the tax base could support paid firefighters in 90% of the communities of North Dakota, and the dedicated services of our volunteer firefighters sometimes go unnoticed and un-rewarded. But they keep on volunteering – to maintain a safe community and save a life or two.

But when one dies in the line of duty, not only does the Department feel a devastating loss as it was one of their brothers or sisters, but the family of the one who gave his life now has new issues facing them. Who will pay the funeral? Who will pay the bills? Who will bring home the groceries? The adjustments the family must now make are critical, and to receive word their loved one's benefits have been "denied" is devastating and unconscionable. The family gets a double hit, first the death, then the denial which shows less than a lack of care, honor and respect that their "*hometown hero*" deserves.

This is the time to create a Volunteer Firefighter Benefits Act for the survivors of those that die in the line of duty, or are totally disabled as a result of their volunteer service. This needs to be done NOW. An account with a \$50,000 payment per death/total disability needs to be established. For the services rendered statewide, this is a very small price for the people, but a certain helping hand and show of respect to the recipients.

North Dakota Line of Duty Deaths are far and few between, thank God, but when one does occur, we the people need to show we care and honor the individual for what they have done for us. This is a small token to the family that has just lost a loved one, but it is a far cry from a "denial". We all know that money will not replace the individual, but if it can pay expenses and give the family a "jump start" it would be a blessing for the family that is left behind.

Federal criteria (U.S. Department of Justice P.S.O.B.) are already established regarding to whom and under what circumstances benefits is bestowed, and their criteria are fair and just, and could be adapted to the North Dakota plan.

In 2004 there were 107 Line of Duty firefighter deaths in the United States. We in North Dakota had one - George Raber. 49 of the 107 were heart attacks and strokes, as was Georges. George had NO HISTORY of heart disease, and was healthy until the day he died.

***Let's put an end to the injustice right now. Let the Raber family be the last family that suffers through this double insult. Support a Volunteer Firefighters Benefits Act in North Dakota. They will "give it all" for us, now lets do what we can for them!***

**"No greater love has he –  
Than he who lays down his life for a friend"**