

March 19, 2025  
North Dakota Legislature  
House Energy and Natural Resources Committee

Representative Porter, Chairman, and members of the House Energy and Natural Resources Committee,

Thank you for giving the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the hearing on SB 2339.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty (P&C) insurance trade association in the country, with more than 1,400 member companies. NAMIC supports local mutual insurance companies up to many of the country's largest national insurers. NAMIC members represent 40 percent of the total P&C insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC's members who write P&C insurance in the State of North Dakota represent roughly 40% of the marketplace

NAMIC opposes this legislation as it shifts financial responsibility from utility companies to North Dakota residents and insurers in the case of a utility caused wildfire. This legislation would result in North Dakota residents losing their only real recourse to be made whole, should a utility caused wildfire occur. While we are concerned with the insurance provisions in this bill, unfortunately there are many North Dakota residents who are uninsured or under insured on their properties. Passage of this bill as is will take away their opportunity to recoup financial losses through civil proceedings.

We are absolutely in favor of wildfire mitigation plans. Risk mitigation is a cornerstone of our industry. We believe that all utilities should have such plans and we know that many of them do today. Working to reduce the risk of wildfire is a responsibility we all take seriously.

However, NAMIC and our members are not clear on why there should be special liability immunity or protection for utilities related to wildfires, when other entities and industries don't have such protections. We favor a system in which businesses and individuals are held responsible for the damages they may cause, regardless of whether it is a result of malice. Even the best laid plans can still result in a complete and total loss to North Dakota citizens. In the unfortunate event that something like a wildfire occurs, someone ultimately has to pay the costs.

Limiting the exposure of an electric utility does not decrease the overall cost of a wildfire. If limited liability is granted to electric utilities, this bill does not clarify who will pick up the tab. As a result, the average citizen will be tasked with picking up the pieces, either through



direct costs or increased insurance premiums, with limited access to traditional legal avenues.

When it comes to insurance, the ability to subrogate (or collect on the behalf of the insured) is currently considered in insurance rates, and insurers need to be able to recoup their costs through this process if there is a guilty party. Adding the costs associated with utility caused wildfires to insurers will simply shift that burden to the home or property owners through higher premiums or reduced coverage.

We hope and believe that utilities are doing everything that they can to clear vegetation and properly maintain their equipment. We don't believe there is a utility in North Dakota that is going to intentionally start a fire, but in the unfortunate circumstance that a wildfire is started by a utility, costs need to be recovered in a timely manner, without excessive legal hurdles.

Passing this bill as written will undoubtedly shift costs from utilities to North Dakota citizens and insurers. The question remains as to how much? We don't have that amount, but as costs increase, rate increases and insurance availability will be impacted. In the unfortunate event of a wildfire, the costs will have to be picked up by someone.

Again, we appreciate the opportunity to express our concerns before this committee and we request you **vote NO on SB 2339 in its current form.**

Thank you again for your time,

Phillip Arzen  
Regional Vice President, Midwest  
National Association of Mutual Insurance Companies (NAMIC)