

## ANALYSIS OF THE STATE FIRE AND TORNADO FUND FOR THE 2001-03 BIENNIUM

Beginning balance - July 1, 2001		\$16,688,094
Add estimated revenues		
Premium collections	\$6,900,000	
Investment income	2,000,000	
Boiler inspection fees	280,000	
Insurance recoveries	1,000,000	
Loss claims recovery	200,000	
Other	5,000	
Total estimated revenues		\$10,385,000
Total available		\$27,073,094
Less claims payments		
Loss claims payments	\$9,500,000	
1997 Red River Valley flood loss claims payments	150,000	
Insurance Department - Administration (2001 House Bill No. 1010)	831,145	
State Fire Marshal program (2001 House Bill No. 1003)	385,143	
Firemen's Association grants (2001 House Bill No. 1015)	126,000	
Claims-related payments	2,200,000	
Total estimated expenditures		\$13,192,288
Estimated ending balance - June 30, 2003		\$13,880,806

**NOTE:** The estimated June 30, 2003, balance made at the end of the 2001 Legislative Assembly was \$14,654,708. The decrease in the estimated balance of \$773,902 is due to the actual July 1, 2001, balance of \$16,688,094 being \$1,936,098 more than the July 1, 2001, balance estimated at the close of the 2001 Legislative Assembly of \$14,751,996, and 2001-03 biennium estimated expenditures of \$13,192,288 being \$2,300,000 more than the previous estimate of \$10,892,288. The 2001-03 biennium estimated expenditures are more than previously estimated due to claims payments being more than originally projected and an unanticipated increase in the Insurance Department's property reinsurance premium.

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.