

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2001-03 AND 2003-05 BIENNIUMS

	<u>2001-03 Biennium</u>	<u>2003-05 Biennium</u>
Beginning balance	\$16,688,094	\$14,442,949
Add estimated revenues		
Premium collections	\$7,460,000	\$7,500,000
Investment income	(200,000)	800,000
Boiler inspection fees	280,000	280,000
Loss claims and insurance recoveries	2,590,000	2,300,000
Anhydrous ammonia storage facility inspection fund (2001 HB 1010; 2003 SB 2010)	75,000	175,000
Total estimated revenues	<u>10,205,000</u>	<u>11,055,000</u>
Total available	\$26,893,094	\$25,497,949
Less estimated expenditures		
Loss claims payments	\$8,650,000	\$8,650,000
Insurance Department administration (2001 HB 1010; 2003 SB 2010) and anhydrous ammonia tank inspection costs	831,145	988,576
State Fire Marshal program (2001 HB 1003; 2003 SB 2003)	143,000 ¹	300,000
Firefighter's Association grants (2001 HB 1015; 2003 SB 2015)	126,000	126,000
Claims-related payments	<u>2,700,000</u>	<u>2,870,000</u>
Total estimated expenditures	<u>12,450,145</u>	<u>12,934,576</u>
Estimated ending balance	<u><u>\$14,442,949</u></u>	<u><u>\$12,565,373</u></u>

NOTE: 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 reserve balance is less than \$12 million, the Insurance Commissioner must increase assessments on policies.

¹ The 2001 Legislative Assembly provided the Attorney General a special funds appropriation of \$385,143 from the state fire and tornado fund for defraying the expenses relating to the State Fire Marshal program for the 2001-03 biennium. The Attorney General is currently estimating to spend only \$143,000 of the \$385,143 special funds appropriation.