

ANALYSIS OF THE STATE FIRE AND TORNADO FUND FOR THE 2005-07 BIENNIUM AS OF MAY 2006

Beginning balance - July 1, 2005		\$22,820,012
Add estimated revenues		
Premium collections	\$9,600,000	
Investment income	4,000,000	
Boiler inspection fees	320,000	
Loss claims and insurance recoveries	500,000	
Anhydrous ammonia storage facility inspection fund (2005 HB 1010)	<u>150,000</u>	
Total estimated revenues		<u>14,570,000</u>
Total available		\$37,390,012
Less estimated expenditures and transfers		
Loss claims payments	\$4,500,000	
Insurance Department administration (2005 HB 1010) and anhydrous ammonia tank inspection costs	1,138,576	
State Fire Marshal program (2005 HB 1003)	310,000	
Firefighters Association grants	126,000	
Claims-related payments	<u>3,500,000</u>	
Total estimated expenditures and transfers		<u>9,574,576</u>
Estimated ending balance - June 30, 2007		<u><u>\$27,815,436</u></u>

NOTE: The estimated June 30, 2007, balance made at the end of the 2005 legislative session was \$25,524,644. The increase in the estimated balance of \$2,290,792 is primarily due to the actual July 1, 2005, balance of \$22,820,012 being \$1,145,792 more than the July 1, 2005, balance estimated at the close of the 2005 legislative session of \$21,674,220 and the 2005-07 revised estimated revenues of \$14,570,000 being \$1,145,000 more than the previous estimate of \$13,425,000. The 2005-07 biennium estimated revenues are more than previously estimated primarily due to an increase in investment income.

FUND HISTORY

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.