

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS

	<u>2003-05 Biennium</u>	<u>2005-07 Biennium</u>
Beginning balance	\$16,263,796	\$21,674,220
Add estimated revenues		
Premium collections	\$9,250,000	\$9,300,000
Investment income	2,400,000	2,600,000
Boiler inspection fees	350,000	375,000
Loss claims and insurance recoveries	750,000	1,000,000
Anhydrous ammonia storage facility inspection fund (2003 SB 2010; 2005 HB 1010)	175,000	150,000
Total estimated revenues	<u>12,925,000</u>	<u>13,425,000</u>
Total available	\$29,188,796	\$35,099,220
Less estimated expenditures		
Loss claims payments	\$3,000,000	\$4,500,000
Insurance Department administration (2003 SB 2010; 2005 HB 1010) and anhydrous ammonia tank inspection costs	988,576	1,138,576
State Fire Marshal program (2003 SB 2003; 2005 HB 1003)	200,000 ¹	310,000
Firefighter's Association grants (2003 SB 2015; 2005 HB 1015)	126,000	126,000
Claims-related payments	<u>3,200,000</u>	<u>3,500,000</u>
Total estimated expenditures	<u>7,514,576</u>	<u>9,574,576</u>
Estimated ending balance	<u><u>\$21,674,220</u></u>	<u><u>\$25,524,644</u></u>

¹The 2003 Legislative Assembly provided the Attorney General a special funds appropriation of \$300,000 from the state fire and tornado fund for defraying the expenses relating to the State Fire Marshal program for the 2003-05 biennium. The Attorney General is currently estimating to spend only \$200,000 of the \$300,000 special funds appropriation.

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