

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
	Actual		Estimated	
Beginning balance		\$28,222,236		\$21,504,828
Add estimated revenues				
Premium collections	\$6,544,857		\$13,000,000	
Investment income	(3,564,114) ¹		6,000,000	
Boiler inspection fees	354,376		350,000	
Loss claims and insurance recoveries	7,879,970		300,000	
Anhydrous ammonia storage facility inspection fund (2007 SB 2010; 2009 HB 1010)	97,079		150,000	
Total estimated revenues		11,312,168		19,800,000
Total available		\$39,534,404		\$41,304,828
Less estimated expenditures and transfers				
Loss claims payments	\$12,292,420		\$5,000,000	
Claims-related payments	3,860,820		3,856,337	
Insurance Department administration and anhydrous ammonia inspection costs	1,444,220		1,746,267	
State Fire Marshal program (2007 SB 2003; 2009 HB 1003)	262,116		310,000	
North Dakota Firefighters Association grant (2007 SB 2010; 2009 HB 1010)	170,000		170,000	
Total estimated expenditures and transfers		18,029,576		11,082,604
Estimated ending balance		\$21,504,828		\$30,222,224

¹The fire and tornado fund had a decline in investment value of 9.85 percent for fiscal year 2009.

NOTE: The estimated June 30, 2011, balance made at the end of the 2009 legislative session was \$20,135,335. The increase in the estimated balance of \$10,086,889 is primarily due to higher than anticipated premium collections and investment revenue.

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.