

**DEPARTMENT 401 - INSURANCE COMMISSIONER
2025-27 BASE-LEVEL BUDGET**

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$10,746,226
Operating expenses	2,637,667
Grants	<u>2,400,000</u>
Total all funds	\$15,783,893
Less other funds	<u>15,783,893</u>
Total general fund	\$0
Full-time equivalent (FTE) positions	47.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salaries and wages for 37 FTE positions	\$0	\$8,541,041	\$8,541,041
2. Includes funding for the State Fire Marshal, of which \$2,205,185 is for salaries and wages for 10 FTE positions and \$549,155 is for operating expenses	\$0	\$2,754,340	\$2,754,340
3. Includes funding for operating expenses, primarily related to travel (\$500,000), professional services (\$559,500), and IT costs (\$862,814)	\$0	\$2,088,512	\$2,088,512
4. Includes funding for payments to the North Dakota Firefighter's Association	\$0	\$2,400,000	\$2,400,000

Continuing Appropriations

State bonding fund - North Dakota Century Code Section 26.1-21-03 - This fund was created to provide fidelity bond coverage to the state and its political subdivisions to protect against the theft of money and property by public officials and employees. Administration of the fund is contracted with the North Dakota Insurance Reserve Fund. For the 2021-23 biennium, the fund had (\$107,436) of revenues, \$16,115 of expenditures, and a June 30, 2023, fund balance of \$3,807,543.

State fire and tornado fund - Section 26.1-22-03 - This fund was created to provide affordable building and business personal property insurance coverage to state entities and political subdivisions. Administration of the fund is contracted with the North Dakota Insurance Reserve Fund. For the 2021-23 biennium, the fund had \$15,682,301 of revenues, \$21,025,676 of expenditures, and a June 30, 2023, fund balance of \$16,300,447.

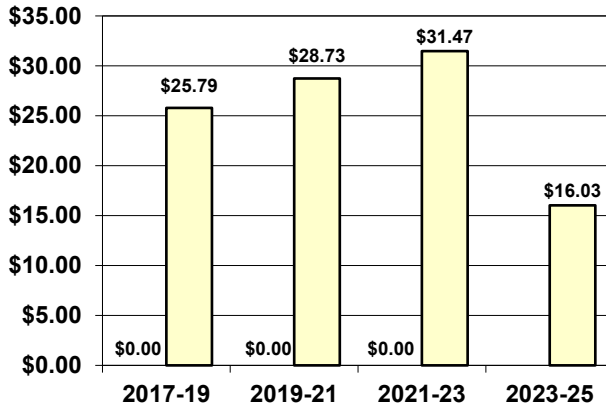
Reinsurance Association of North Dakota - Section 26.1-36.7-12 - Provides a continuing appropriation to the Insurance Commissioner for federal funding received by the Reinsurance Association of North Dakota to administer the invisible reinsurance pool. For the 2021-23 biennium, the Insurance Commissioner received and spent \$39,442,589 of federal funds.

Insurance tax distribution fund - Section 18-04-05 - Provides a continuing appropriation to the Insurance Commissioner for insurance premium taxes collected from the insurance lines identified in Section 18-04-04 and distributed to certified city fire departments, certified rural fire departments, and certified fire protection districts. For the 2021-23 biennium, the fund had \$21,867,640 of revenues, \$21,867,640 of expenditures, and a June 30, 2023, fund balance of \$0.

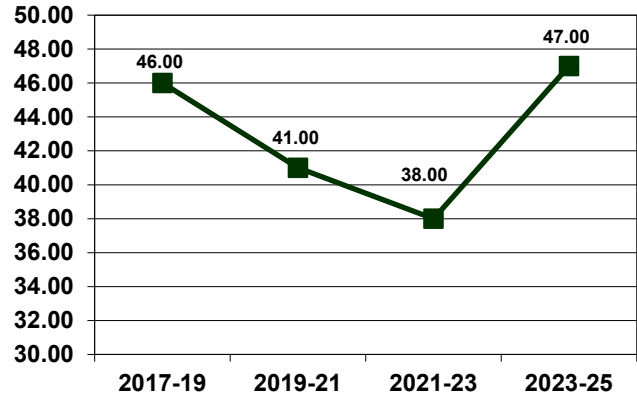
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$28,026,346	\$25,793,430	\$28,534,703	\$30,312,180	\$15,783,893
Increase (decrease) from previous biennium	N/A	(\$2,232,916)	\$2,741,273	\$1,777,477	(\$14,528,287)
Percentage increase (decrease) from previous biennium	N/A	(8.0%)	10.6%	6.2%	(47.9%)
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(8.0%)	1.8%	8.2%	(43.7%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Removed 3.5 FTE positions (\$724,448)
2. Reduced funding for operating expenses (\$357,265)
3. Reduced grants to fire departments to provide total ongoing funding of \$14,235,561 from the insurance tax distribution fund (\$1,445,656)

2019-21 Biennium

1. Added 2 new FTE positions, including a consumer assistance outreach coordinator position and a high-risk pool and health care reform coordinator position \$382,502
2. Removed 2 FTE positions and authorized the Insurance Commissioner to contract for the administration of the state fire and tornado fund and the state bonding fund under continuing appropriation authority (\$610,352)
3. Transferred the boiler inspection program, including 4 FTE positions, to the Department of Environmental Quality (\$753,365)
4. Increased funding from the insurance tax distribution fund for grants to fire districts to provide a total of \$17,989,505 for grants to fire departments and \$328,525 to the North Dakota Firefighter's Association \$3,753,944

2021-23 Biennium

1. Added 1 new FTE position for an insurance adjuster \$115,276
2. Removed 4 FTE positions, including a producer licensing division director, senior insurance form rate analyst, insurance company financial analyst, and office assistant (\$786,636)
3. Increased funding from the insurance tax distribution fund for grants to fire districts to provide a total of \$19,588,470 for grants to fire departments and \$1,140,070 to the North Dakota Firefighter's Association \$1,910,510

2023-25 Biennium

- 1. Transferred 1 FTE position to the Information Technology Department for IT unification, of which (\$226,656) is for decreases in salaries and wages and \$148,164 is for increases in operating expenses (\$78,492)
- 2. Added funding for additional operating expenses to provide a total of \$2,088,512 \$666,505
- 3. Transferred funding for the State Fire Marshal from the Attorney General \$2,162,899
- 4. Added 2 new FTE positions for deputy state fire marshals, of which \$407,380 is for salaries and benefits and \$184,061 is for related operating expenses \$591,441
- 5. Removed funding for payments to fire departments now provided as a continuing appropriation (\$19,588,470)
- 6. Added funding for North Dakota Firefighter's Association to provide a total of \$2,400,000 \$1,259,930

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$220,000	\$0	\$200,000	\$1,162,000	\$245,840

Major One-Time Other Funds Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

- 1. Health care analysis \$200,000

2021-23 Biennium

- 1. State flexibility to stabilize the market grant \$662,000
- 2. Coal and fossil fuel industry insurance study \$200,000
- 3. Reinsurance pool study (House Bill No. 1087) \$200,000

2023-25 Biennium

- 1. Retirement leave payouts for five positions \$98,300
- 2. Office remodel \$75,000
- 3. State Fire Marshal equipment \$72,540