

2021 HOUSE APPROPRIATIONS

HB 1010

Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
House Bill No. 1010

Executive Budget Comparison to Prior Biennium Appropriations

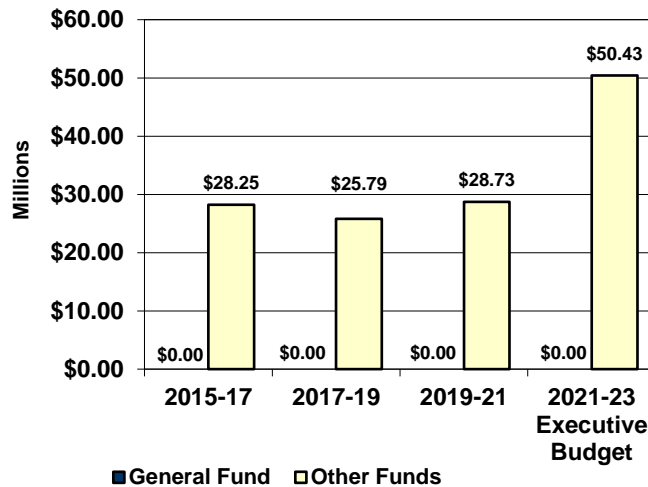
| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|--------------|--------------|--------------|
| 2021-23 Executive Budget | 39.00 | \$0 | \$50,426,100 | \$50,426,100 |
| 2019-21 Legislative Appropriations ¹ | 41.00 | 0 | 28,734,703 | 28,734,703 |
| Increase (Decrease) | (2.00) | \$0 | \$21,691,397 | \$21,691,397 |

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$21,488,350 for the Reinsurance Association of North Dakota (RAND) resulting from Emergency Commission action during the 2019-21 biennium.

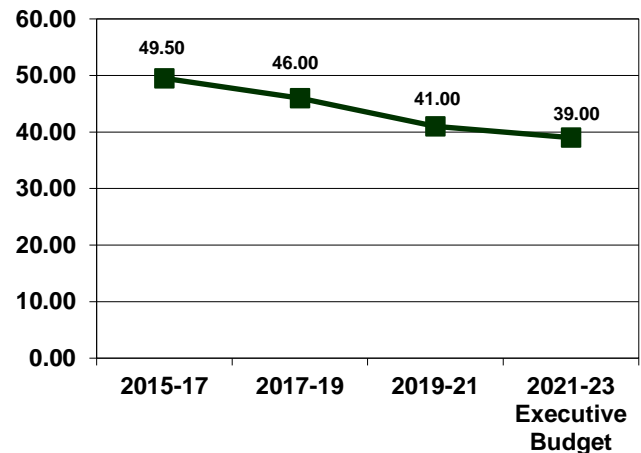
Ongoing and One-Time Other Funds Appropriations

| | Ongoing Other Funds Appropriation | One-Time Other Funds Appropriation | Total Other Funds Appropriation |
|------------------------------------|-----------------------------------|------------------------------------|---------------------------------|
| 2021-23 Executive Budget | \$50,426,100 | \$0 | \$50,426,100 |
| 2019-21 Legislative Appropriations | 28,534,703 | 200,000 | 28,734,703 |
| Increase (Decrease) | \$21,891,397 | (\$200,000) | \$21,691,397 |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|--------------|--------------|--------------|
| 2021-23 Executive Budget | \$0 | \$50,426,100 | \$50,426,100 |
| 2021-23 Base Level | 0 | 28,534,703 | 28,534,703 |
| Increase (Decrease) | \$0 | \$21,891,397 | \$21,891,397 |

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|---|--------------|-------------|-------------|
| 1. Provides funding for state employee salary and benefit increases, of which \$219,233 is for salary increases, \$2,005 is for health insurance increases, and \$45,118 is for retirement contribution increases | \$0 | \$266,356 | \$266,356 |
| 2. Adds funding for base payroll changes | \$0 | \$308,287 | \$308,287 |
| 3. Removes 2 FTE positions, including 1 FTE insurance rate analyst and 1 FTE insurance company financial analyst | \$0 | (\$305,365) | (\$305,365) |
| 4. Adjusts funding for operations | \$0 | \$29,913 | \$29,913 |
| 5. Adds funding for Microsoft Office 365 licensing expenses | \$0 | \$3,856 | \$3,856 |

| | | | |
|--|-----|--------------|--------------|
| 6. Adds funding from federal funds for RAND | \$0 | \$21,488,350 | \$21,488,350 |
| 7. Adds funding for an office remodeling project | \$0 | \$100,000 | \$100,000 |

Other Sections Recommended to be Added in the Executive Budget (As Detailed in the Attached Appendix)

Insurance tax distribution fund - Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association.

Unsatisfied judgment fund - Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.

Insurance Commissioner's salary - Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent the 1st year and 2 percent the 2nd year as follows:

Annual salary authorized by the Legislative Assembly in 2019:

| | |
|--------------|-----------|
| July 1, 2019 | \$107,885 |
| July 1, 2020 | \$110,582 |

Proposed annual salary recommendation in the 2021-23 executive budget:

| | |
|--------------|-----------|
| July 1, 2021 | \$112,794 |
| July 1, 2022 | \$115,050 |

Continuing Appropriations

State bonding fund - North Dakota Century Code Section 26.1-21-17 - 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.

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.

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1062 - Relates to insurance company records and the confidentiality of insurance filings.

House Bill No. 1086 - Relates to the state fire and tornado fund.

House Bill No. 1087 - Extends the invisible reinsurance pool for the individual health insurance market and appropriates \$200,000 from special funds to the Insurance Commissioner to study the establishment of an invisible reinsurance pool for the combination of the individual health insurance market with the small group health insurance market.

House Bill No. 1092 - Creates law relating to civil and administrative remedies used to combat insurance fraud.

House Bill No. 1093 - Removes the requirement for the State Auditor to evaluate the state's blanket bond coverage.

Senate Bill No. 2072 - Relates to insurance rebates and raffles.

Senate Bill No. 2073 - Relates to short-term limited-duration health insurance plans.

Senate Bill No. 2076 - Relates to reinsurance credit of insurers.

Senate Bill No. 2077 - Provides a monetary penalty on insurance companies that fail to report certain data to the Insurance Commissioner.

Senate Bill No. 2078 - Relates to licensing of insurance producers.

**Insurance Commissioner, Including Insurance Tax Payments to Fire
Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes**

| | Executive Budget Recommendation | | | |
|--|--|-------------------------|------------------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| 2021-23 Ongoing Funding Changes | | | | |
| Base payroll changes | | | \$308,287 | \$308,287 |
| Salary increase | | | 219,233 | 219,233 |
| Retirement contribution increase | | | 45,118 | 45,118 |
| Health insurance increase | | | 2,005 | 2,005 |
| Removes FTE positions | (2.00) | | (305,365) | (305,365) |
| Adjusts funding for operations | | | 29,913 | 29,913 |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 |
| Adds funding for RAND | | | 21,488,350 | 21,488,350 |
| Adds funding for an office remodel | | | 100,000 | 100,000 |
| Total ongoing funding changes | (2.00) | \$0 | \$21,891,397 | \$21,891,397 |
| One-time funding items | | | | |
| No one-time funding items | | | | \$0 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | (2.00) | \$0 | \$21,891,397 | \$21,891,397 |
| 2021-23 Total Funding | 39.00 | \$0 | \$50,426,100 | \$50,426,100 |
| <i>Total ongoing changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% |
| <i>Total changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% |

**Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments -
Budget No. 401**

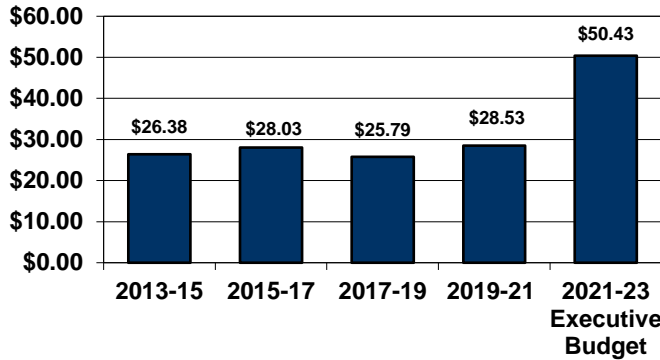
| | Executive Budget Recommendation |
|---------------------------------|---|
| Insurance tax distribution fund | Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. |
| Unsatisfied judgment fund | Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. |
| Insurance Commissioner's salary | Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent per year. |

Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments

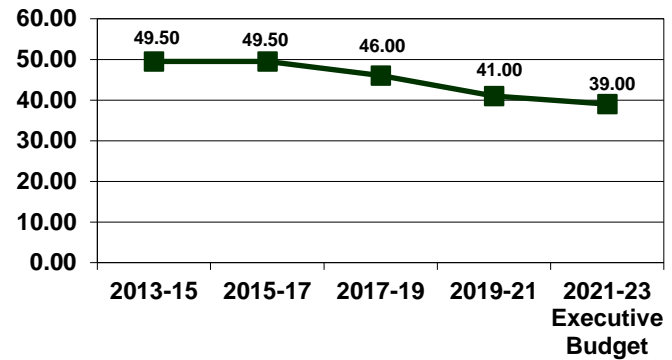
Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2013-15

Ongoing Other Funds Appropriations (in Millions)



FTE Positions



| Ongoing Other Funds Appropriations | | | | | |
|---|--------------|--------------|---------------|--------------|--------------------------|
| | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 Executive Budget |
| Ongoing other funds appropriations | \$26,377,090 | \$28,026,346 | \$25,793,430 | \$28,534,703 | \$50,426,100 |
| Increase (decrease) from previous biennium | N/A | \$1,649,256 | (\$2,232,916) | \$2,741,273 | \$21,891,397 |
| Percentage increase (decrease) from previous biennium | N/A | 6.3% | (8.0%) | 10.6% | 76.7% |
| Cumulative percentage increase (decrease) from 2013-15 biennium | N/A | 6.3% | (2.2%) | 8.2% | 91.2% |

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2015-17 Biennium

- Increased funding from the insurance tax distribution fund for grants to fire districts to provide a total of \$15,681,207 for grants to fire departments and \$890,000 to the North Dakota Firefighter's Association \$1,234,821
- Adjusted funding for operating expenses relating primarily to actuarial services, travel, and office rental (\$345,966)

2017-19 Biennium

- Removed 3.5 FTE positions (\$724,448)
- Reduced funding for operating expenses (\$357,265)
- Reduced grants to fire departments to provide total ongoing funding of \$14,235,561 from the insurance tax distribution fund (\$1,445,646)

2019-21 Biennium

- 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
- Removed 3 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)
- Transferred the boiler inspection program, including 4 FTE positions, to the Department of Environmental Quality (\$753,365)
- 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 \$828,525 to the North Dakota Firefighter's Association \$3,753,944

2021-23 Biennium (Executive Budget Recommendation)

- Removes 2 FTE positions (\$305,365)
- Adds funding from federal funds for RAND \$21,488,350

January 13, 2021

GOVERNOR'S RECOMMENDATION FOR THE INSURANCE COMMISSIONER AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and Wages | \$8,149,998 | \$ 269,278 | \$ 8,419,276 |
| Operating Expenses | 1,566,675 | 33,769 | 1,600,444 |
| Capital Assets | 0 | 100,000 | 100,000 |
| Grants | <u>0</u> | <u>21,488,350</u> | <u>21,488,350</u> |
| Total Special Funds | \$9,716,673 | \$21,891,397 | \$31,608,070 |
| Full-time Equivalent Positions | 41.00 | (2.00) | 39.00 |

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium.

| <u>One-Time Funding Description</u> | <u>2019-21</u> | <u>2021-23</u> |
|-------------------------------------|------------------|----------------|
| Health Care Analysis | <u>\$200,000</u> | <u>\$ 0</u> |
| Total Special Funds | \$200,000 | \$ 0 |

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$18,818,030 or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$17,989,505 and payments to the North Dakota firefighter's association in the amount of \$828,525 for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 4. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 5. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020~~ one hundred twelve thousand seven hundred ninety-four dollars through June 30, 2022, and one hundred ten thousand five hundred eighty-two one hundred fifteen thousand fifty dollars thereafter.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB1010
1/13/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

02:30 Chairman Vigesaa brought the meeting to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Meier, Representative Bellew and Representative Mock.

Discussion Topics:

- Appropriation request for the 2023-2025 budget
- NDIRF – North Dakota Insurance Reserve Fund

02:31 Jon Godfread, Commissioner, North Dakota Insurance Department – overview testimony #836.

02:36 Brennan Quintus, CEO, North Dakota Insurance Reserve Fund – testimony #714.

02:42 Jon Godfread continued with overview.

03:02 Shawn Weltikol, Fire Chief, Devils Lake Rural Fire Department – Testimony #833.

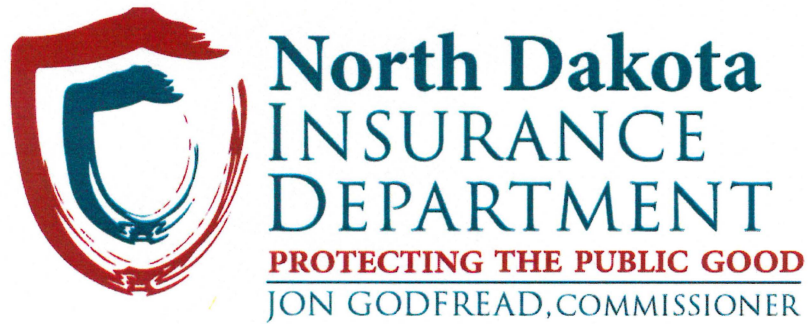
03:07 Robert Knuth, Training Director, North Dakota Firefighter's Association – Testimony #838.

Written Testimony – proposed amendment – testimony #834 – handed out but not discussed.

Written Testimony – State Audit Report – testimony #837-handed out but not discussed.

03: 28 Chairman Vigesaa adjourned the meeting.

Sheri Lewis, Committee Clerk



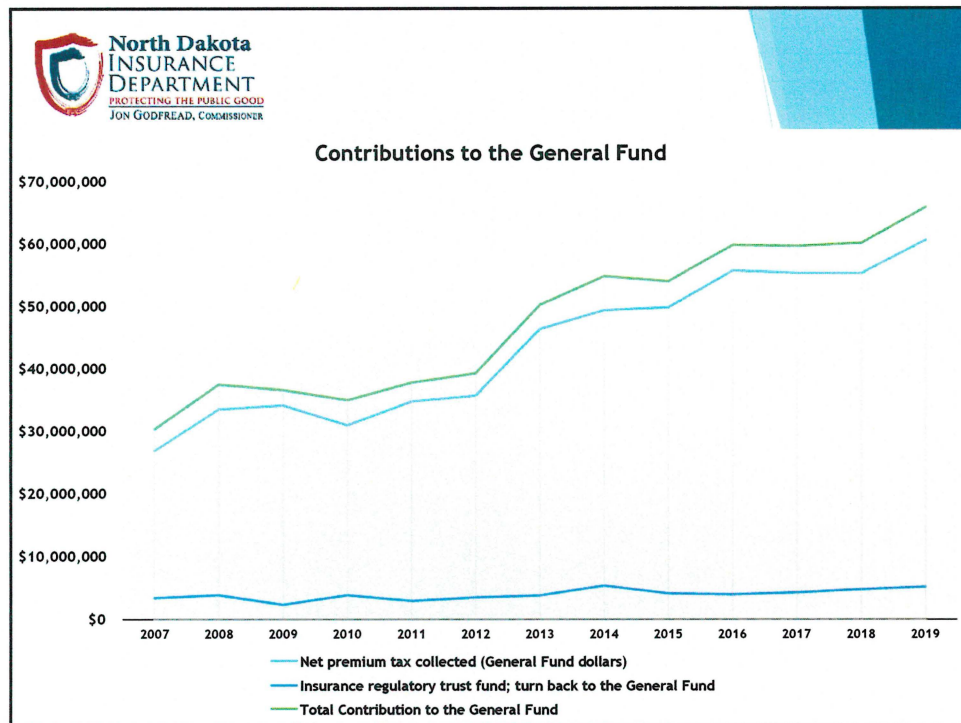
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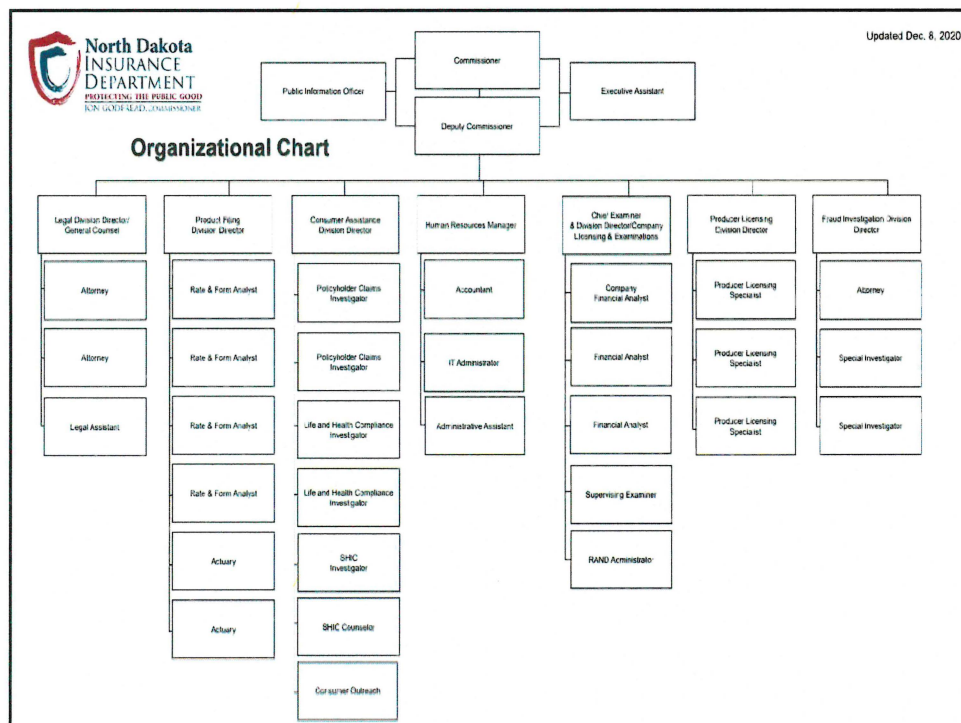
Who we were...

- ▶ It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we will treat all our constituencies with the highest ethical standards and respect they deserve.
- ▶ *The North Dakota Insurance Department takes pride in helping our citizens by providing effective, resourceful and caring services while inspiring the highest level of consumer trust.*

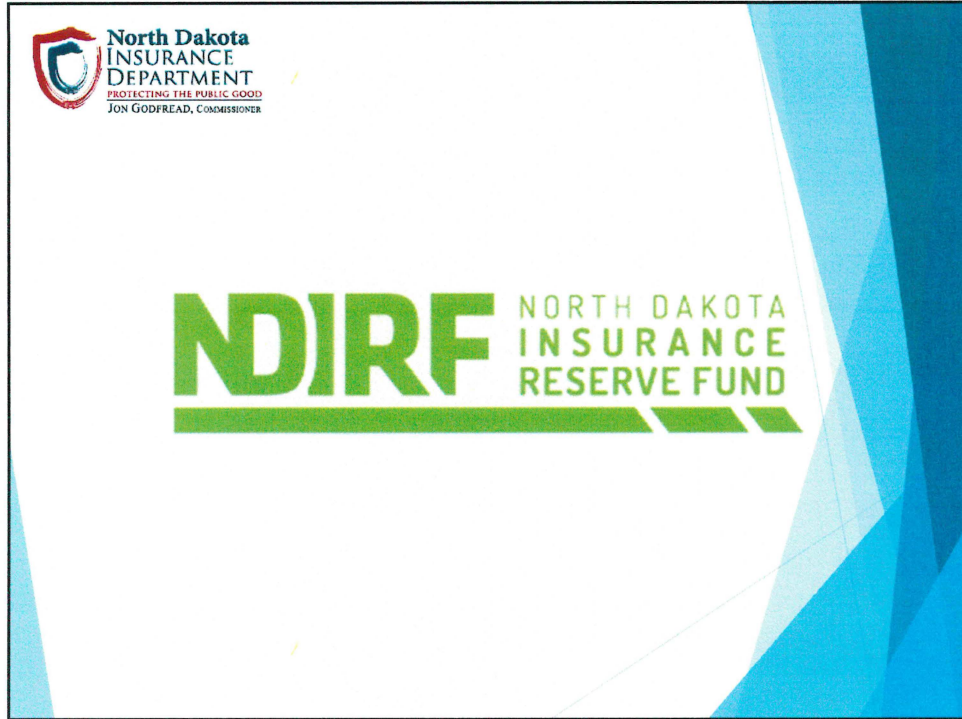
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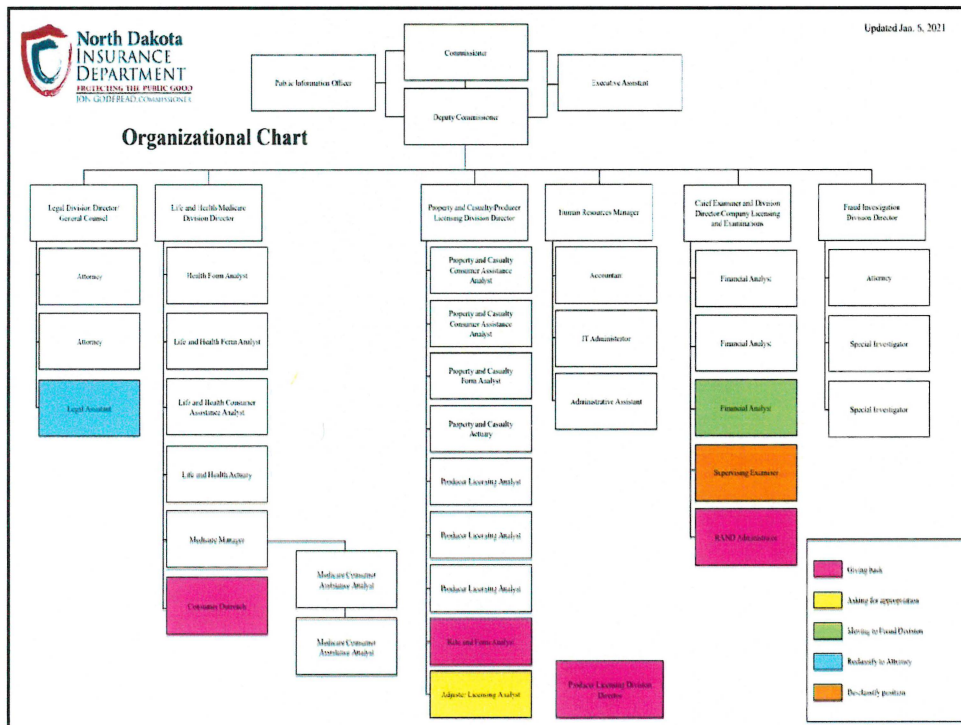
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6



Changes requested to 2021-23 Budget

- ▶ Declassify our Legal Assistant (\$142,442 salary and fringe) position to an Attorney (\$221,646 salary and fringe) position.
- ▶ Repurpose a vacant FTE from Company Licensing Division (\$210,711 salary and fringe) to strengthen the Fraud Division by adding another Fraud Investigator.
- ▶ Declassify our Supervising Examiner position. Requesting total \$279,203 salary and fringe for that position.
- ▶ Responsibility workload increase SHIC Lead (\$5,998 salary and fringe)
- ▶ 5 temporary employees to assist during SHIC open enrollment (\$108,000 increase to operations line)
- ▶ Funding approve Adjustor Licensing Position (\$115,276 salary and fringe)

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Changes requested to 2021-23 Budget

- ▶ Cutting a total of 4 FTEs from 2019-21 budget.
 - ▶ Producer Licensing Division Director (\$236,127 salary and fringe)
 - ▶ Retired Senior Analyst position (\$158,485 salary and fringe)
 - ▶ RAND Healthcare Review Analyst (\$146,880 salary and fringe)
 - ▶ Admin Assistant (\$115,171 salary and fringe)
- ▶ Continuing Appropriation for the Reinsurance Association of North Dakota (RAND)
- ▶ Outstanding Budget Items:
 - ▶ State Flexibility to Stabilize the Market Grant Program (\$445,000 federal grant funds)

8



Fire District Grant Fund

- ▶ Funding for Fire Departments and Fire Districts comes from a couple different sources (property taxes, benefits, etc.) but a significant portion of the funding has come from the Insurance premium tax. The Department administers the premium tax and from that, the Legislature appropriates an amount up to 100% of the fire insurance premium tax revenue collected.
- ▶ This is essentially a pass-through fund, whereby we collect the tax and pass that collection on to the fire districts. This fund was a continuing appropriation from 1887 - 1985. Since 1985, funding to the fire districts has fluctuated between 101% of the funds to as low as 48% of the funds available.

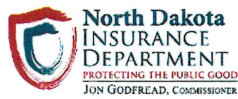
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Fire District Grant Fund

- ▶ 2019 - 2021 Appropriation:
 - ▶ \$17,989,505 - Fire Departments
 - ▶ \$828,525 - North Dakota Fire Firefighter Association
 - ▶ \$18,818,030 - Total Appropriation
- ▶ 2019 - 2021 Actual Collections \$20,728,539.83
 - ▶ Additional \$1,910,509.83 to the General Fund
 - ▶ 90.8% to Fire Districts and 9.2% to the General Fund
- ▶ Requesting a continuing appropriation for the Fire District Grant Fund
 - ▶ 94.5% to direct payments to fire departments
 - ▶ 5.5% to North Dakota Firefighter Association

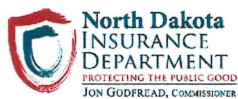
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Requested Appropriation

- ▶ 2021-23 Request
 - ▶ \$8,078,903 for salary and fringe
 - ▶ \$1,707,083 for operations
 - ▶ Total Appropriation
 - ▶ RAND Continuing Appropriation
 - ▶ Fire District Grant Fund Continuing Appropriation
 - ▶ 38 FTE Count
- ▶ 1.32% Reduction in salary and operating lines from 2019-21

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Last 5 years

| | 2015-17 Expenditures | 2017-19 to 15-17 Difference | 2017-19 Expenditures | 17-19 to 19-21 Difference | 2019-21 Expenditures | 19-21 to 21-23 Difference | 2021-2023 Request | 2021-23 to 2015-17 Difference |
|-----------------------------|-------------------------|-----------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|----------------------|-------------------------------------|
| Salaries | \$8,943,097 | -4.40% | \$8,549,567 | -4.67% | \$8,149,998 | -0.87% | \$8,078,903 | -9.66% |
| Operating | \$2,512,042 | -13.23% | \$2,179,777 | -18.95% | \$1,766,675 | -3.37% | \$1,707,083 | -32.04% |
| Total Salary & Operating | \$11,455,139 | -6.34% | \$10,729,344 | -7.57% | \$9,916,673 | -1.32% | \$9,785,986 | -14.57% |
| FTE | 49.50 | -7.07% | 46 | -10.87% | 41 | -7.32% | 38 | -23.23% |

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Testimony to the

Government Operations Division of the North Dakota House Appropriations Committee

January 13, 2021

Prepared by Brennan Quintus, CEO

North Dakota Insurance Reserve Fund

RE: House Bill No. 1010

Mr. Chairman and members of the Government Operations Division of the House Appropriations Committee, my name is Brennan Quintus and I am the CEO of the North Dakota Insurance Reserve Fund (NDIRF). The NDIRF is a government self-insurance pool that offers liability, automobile, and equipment risk coverage to political subdivisions in North Dakota. Over 2,550 local government entities have joined the NDIRF as members since 1986.

In addition, the NDIRF administers the North Dakota Fire and Tornado Fund (NDFT), which provides property risk coverage to North Dakota state agencies and political subdivisions, and the State Bonding Fund, which provides employee fidelity risk coverage to North Dakota state agencies and political subdivisions, through a contract for service with the North Dakota Insurance Department.

The NDIRF began administering the NDFT and the State Bonding Fund in 2019 after the North Dakota legislature authorized the ability of the Insurance Department to contract with the NDIRF for administration services of those two funds. Insurance Commissioner Jon Godfread has asked that I provide a brief overview of the transition process and an update regarding its success.

- The NDIRF is in the middle a three-year transition process that includes the following:
 - Year One (2019-2020): Understand the NDFT and State Bonding Fund operations and how those operations intertwine with current NDIRF operations
 - Year Two (2020-2021): Target immediate changes to operations and processes
 - Year Three (2021-2022): Provide updated coverage documents, rating, and other processes to mirror NDIRF operations. (We call it putting the NDIRF stamp on the NDFT and Bonding Fund)
- According to the financial information we have access to, here is a brief overview of the results of the transition:
 - Administrative and claims-related expenses were reduced by nearly \$320,000 from June 30, 2019 to June 30, 2020.
 - The NDFT policyholder count has increased from 1,164 to 1,187
 - NDFT Total Insured Value (TIV) has increased by nearly \$2,000,000,000 since June 2019.
 - NDFT policyholders now have access to NDIRF underwriting, loss control, and claims staff, dramatically enhancing NDFT policyholder service.

- NDFT reinsurance pricing rose from \$3,189,199 to \$4,144,048 from 2019 to 2020. The 2021 reinsurance renewal pricing increased less than 1% from 2020.
- The NDFT balance was \$20,916,806 as of June 30, 2020.

Thank you, Mr. Chairman, for the opportunity to provide you and the committee with an update regarding the NDFT and State Bonding Fund administration transition process. I would be happy to answer any questions the committee might have.

House Appropriations Committee

House Bill 1010

By Shawn Weltikol

January 13, 2021

Mr. Chairman and members of the committee, my name is Shawn Weltikol, Fire Chief of the Devils Lake Rural Fire Department and the current President of the North Dakota Fire Chief's Association.

I am requesting your support of House Bill 1010, in particular the distribution of the Insurance premium tax funds, and the continuing appropriations to the fire service. Fire departments across the state depend on these funds to keep their departments operating year to year. The equipment necessary to provide the best protection for firefighters who are willing to risk their lives to save members of our communities is expensive and has a life cycle. Maintenance, training, and yearly operating costs continue to go up. All of these items are necessary to ensure that our communities have a fire department that is prepared and able to respond when they call.

Since I am intimately involved in the operation of a fire department I would like to give you a quick look at the funding of the Devils Lake Rural Fire Department. Our department's annual operating budget is \$155,000 which includes \$120,000 from the mill levy and \$45,000 from the Insurance Premium Tax. During previous years our Premium Tax check was \$35,000. In the last session the fire service was awarded 100 percent of the Premium Tax with 94.5 percent going to fire departments and 5.5 percent going to the NDFA. The added \$10,000 allowed us to perform some much needed upgrades to our equipment, such as new hydrant valves, drip torches, and gas meters.

I believe that returning 100% of the Insurance Premium Tax, as suggested in the North Dakota State Auditors Report of the North Dakota Insurance Department, as well as a continuing appropriations of the Insurance Premium Tax is essential to the fire service and the safety of all Firefighters in North Dakota. If fire departments were to receive all of the funds collected, it is probable that a number of the fire departments across the state could decrease their ISO rating, thus reducing the cost of insurance premiums.

Thank you for your consideration in making the Insurance Premium Tax a continuing appropriation in House Bill 1010. I am available for any questions that you may have.

Testimony to the House Appropriations - Government Operations Division, Jan 13, 2021, Bismarck, ND.

Given by Robert Knuth, Training Director, North Dakota Firefighter's Association.

Good Afternoon Chairman Vigesaa and members of the Appropriations - Government Operations Division. My name is Rob Knuth and I am the Training Director for the North Dakota Firefighter's Association. I stand before you today in support of House Bill 1010 as well as the previous testimony heard from the Insurance Commissioner and the ND Fire Chief's Association.

As listed in ND Century Code chapter 18-03, it is our responsibility to develop and adopt a statewide fire education and training plan; coordinate fire service training at all levels; and establish procedures to govern the certification process for firefighter training. As we are a non-profit, educational 501(c)(3) organization, NDFA relies heavily on these funds, as does every fire department. All organized fire departments across the state belong to the North Dakota Firefighter's Association. The Association hosts an annual fire school and offers regional fire schools giving firefighters an opportunity to practice old skills and learn new skills that are required for the ever-changing demands placed on them.

In previous years I have stood before you and testified that the North Dakota Firefighter's Association has seen a decline in grant funding which funds most of our training that we provide. These trainings were, and hopefully will continue to be, offered for absolutely zero cost to our member fire departments. This year however, I am standing in front of you to testify that we have now lost our primary federal grant funding which provided over \$550,000 over the past 4 years. These funds were part of the FEMA Staffing for Adequate Fire and Emergency Response, or SAFER, grant that we received in November of 2016. Each year NDFA was able to request reimbursement for funds we utilized for putting on training classes, providing certifications, and providing training material to departments and firefighters.

Over these past four years the classes we utilized these funds for:

- trained 1086 students in basic firefighter skills;
- allowed 3,396 students to receive auto extrication certification or recertification;
- allowed 328 students to graduate with a certification from one of our Firefighter 1, Firefighter 2, or Hazardous Materials Operations academies;
- It funded all our individual certification test sites which certified
 - 460 new Firefighter I,
 - 296 Firefighter II,
 - 280 Hazardous Materials Operations personnel.

Also, over these four years the NDFA was able to provide 170 departments a total of 2639 technical training manuals totaling over \$187,000.00 all at zero cost to firefighters and departments. As you would agree, the loss of this funding is a major impact to not only the NDFA but to all fire departments in the state.

In July of 2020, the NDFA submitted our budget to the Office of Management and Budget and to the Office of the Insurance Commissioner as required by Century Code. This budget was based off 5.5% of the Insurance Tax Distribution fund collected in 2019. We strongly feel that if this amount is approved the NDFA will be able to continue providing the trainings, certification testing, and technical training manuals at zero cost to the departments.

In closing I wish to thank the committee for allowing me to present this testimony and again voice our support of House Bill 1010 as presented by the Insurance Commissioner and would welcome the chance to answer any questions you may have. Thank you.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, after "to" insert "amend and reenact sections 18-04-04.1 and 18-04-05 of the North Dakota Century Code, relating to the insurance tax distribution fund; and"

Page 1, lines 2 and 3, remove "; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund"

Page 1, replace lines 10 through 17 with:

"

| | Base Level | Adjustments or Enhancements | Appropriation |
|--------------------------------|------------|--------------------------------|---------------|
| Salaries and wages | 8,149,998 | (71,095) | 8,078,903 |
| Operating expenses | 1,566,675 | (59,592) | 1,607,083 |
| Capital assets | 0 | 100,000 | 100,000 |
| Grants | 0 | 0 | 0 |
| Total special funds | 9,716,673 | (30,687) | 9,785,986 |
| Full-time equivalent positions | 41 | (3) | 38 |

"

Page 1, remove lines 23 and 24

Page 2, remove lines 1 through 5

Page 2, after line 5, insert:

"SECTION 4 AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund.

The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-46, ~~subject to legislative appropriation.~~

SECTION 5 AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner – Continuing appropriation.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.

3. The insurance commissioner shall compute and disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, ~~subject to legislative appropriations.~~
4. The insurance commissioner shall compute the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. ~~The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year.~~ The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for ~~policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance~~ the lines of insurance identified under section 18-04-04 on property within the city of a certified city fire department, certified rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state.
5. Annually, the insurance commissioner shall determine the amount of insurance premium taxes collected from the insurance lines identified in section 18-04-04 and disburse five and one-half percent to the North Dakota firefighter's association, ninety-four and one-half percent to certified city fire departments, certified rural fire departments, and certified fire protection districts. Moneys authorized for disbursement under this section are appropriated from the insurance tax distribution fund to the insurance commissioner on a continuing basis for the purpose of this section.

SECTION 6. A new section to chapter 26.1-36.7 of the North Dakota Century Code is created and enacted as follows:

Federal funding – Administration of the association – Continuing appropriation

Annually, the association will be awarded federal funding through its innovation waiver approved under section 1332 of the federal Patient Protection and Affordable Care Act [Pub. L. 11-148; 119 Stat. 124; 42 U.S.C. 1801 et seq.]. Federal funding received under this waiver is appropriated to the insurance commissioner on a continuing basis for the purpose of this chapter."

Renumber accordingly

North Dakota Office of the State Auditor

North Dakota Insurance Department

Audit Report for the Biennium Ended June 30, 2019

Client Code 401



North Dakota State Auditor
Joshua C. Gallion



Why We Conducted this Audit

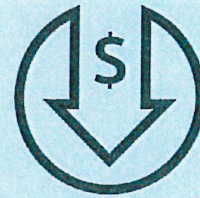
The purpose of this audit was to determine financial transactions including expenditures were made in accordance with law and appropriation requirements.

What We Found

The North Dakota Insurance Department collects insurance premium tax money paid by citizens to insurance companies annually. During our audit, we found that not all the premium money is going back to fire districts, rather some of it is put into the General Fund.

The state legislature limits how much money can be allocated to fire districts each year. Once that cap has been hit, the dollars exceeding the limit are legislatively required to be transferred to the General Fund.

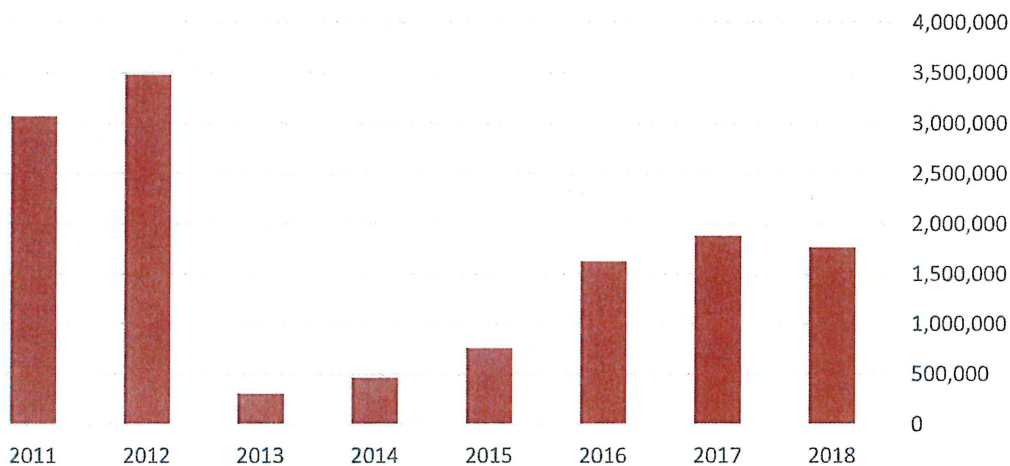
Over 20% of the amount collected was put into the General Fund, totaling \$3,648,941 during the biennium ended June 30, 2019.



Citizen Premiums Could Go Down

Citizen's property insurance premiums could potentially be lowered with increased funding to fire districts for updating or improving fire equipment, buildings, services, etc...in the community.

Fire Insurance Premium Tax Deposited into General Fund - Past 8 Years



GRAND TOTAL: \$13,355,445

KEY PERSONNEL

State Auditor's Office Staff

Robyn Hoffmann, CPA, Audit Manager
Dustin Walcker, Audit Supervisor
Delan Hellman, Senior Auditor
Alandra Kist, Auditor

Client Staff Contacts

Jon Godfread, Commissioner
Jeffrey Ubben, Deputy Commissioner
Rachel Kriege, Administration Division Director

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STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE – DEPT 117
BISMARCK, NORTH DAKOTA 58505

Transmittal Letter

August 12, 2019

The Honorable Jon Godfread, Insurance Commissioner

We are pleased to submit this audit of the North Dakota Insurance Department for the biennium ended June 30, 2019. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

The primary consideration in determining the contents of these audits is to produce informative audits to improve government. Statutory audit requirements are an important part of these audits and are addressed by our standard audit objective. Additionally, whenever possible additional audit objectives are included to increase responsiveness and effectiveness of state government.

Robyn Hoffmann, CPA was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 239-7291. We wish to express our appreciation to Commissioner Godfread and his staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

/S/

Joshua C. Gallion
State Auditor

cc: Legislative Audit and Fiscal Review Committee
Chris Kadrmas, Legislative Council Fiscal Analyst

Audit Results

Statutory Audit Requirements

The objective related to our statutory audit requirements is:

Are there any exceptions to report relating to statutorily required audit testing?

Statutorily required audit testing includes: performing the post audit of financial transactions, detecting and reporting any defaults, determining that expenditures have been made in accordance with law, appropriation acts, and emergency commission action, and evaluating blanket bond coverage. Defaults are defined as failures to do something required by duty or law. Bonding coverage provides insurance to state agencies for any default or wrongful act on the part of any public employee or public official.

Conclusion

No exceptions to our statutorily required audit testing were identified.

Background Information and Results

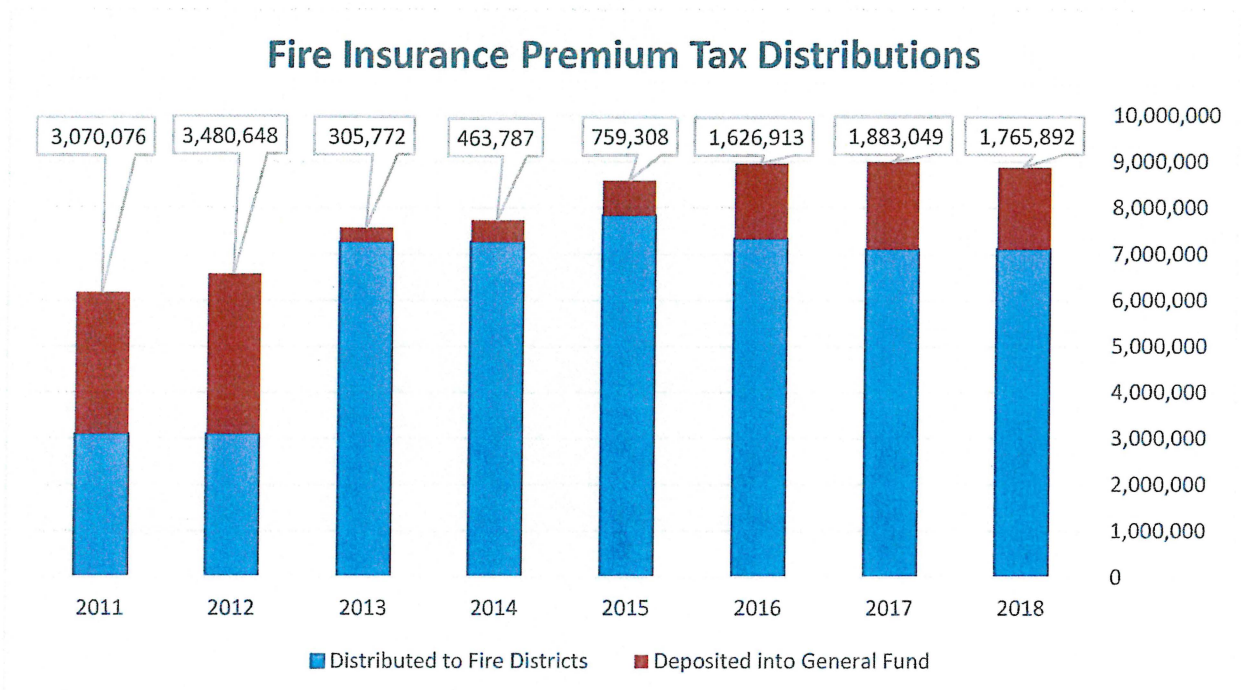
The North Dakota Insurance Department (Insurance Department) is a state regulatory agency headed by the Insurance Commissioner. The Insurance Department provides a variety of services including agent licensing and investigation, consumer protection, financial examinations, and company licensing.

The biggest source of revenue for the Insurance Department is insurance premium tax. This is a tax the Insurance Department collects every year on the gross amount of premiums, assessments, and fees that insurance companies received from North Dakota policyholders during the year. Over \$131 million was collected during the 2019 biennium. The types of insurance premiums that are involved include life, accident, health, property, casualty, and surplus lines of insurance. For fire insurance, the tax rate is one and three-fourths percent of the premiums paid which is then submitted to the Insurance Department.

Annually, in December of each year the Insurance Department pays the fire insurance tax money collected back out to certified city fire districts, certified rural fire departments, or certified fire protection districts. This is paid out in the same proportion as the amount of premiums received by insurance companies for fire policies on property within the city, certified rural fire protection district, or area served by the certified rural fire department to the total premiums for those policies in the state. The total amount that can be allocated back out each year is limited to the amount appropriated by the state legislature for this purpose, with the amount exceeding the limit required to be transferred to the General Fund.

We noted over the last eight years the amount collected by the Insurance Department for fire insurance tax always exceeded the amount that was allocated back to the fire districts each year, therefore, there was always fire insurance tax money put into the General Fund rather than going to the fire districts. During the biennium ended June 30, 2019 there was \$3,648,941, or over 20% of the amount collected, that was put into the General Fund. Over the past eight fire insurance premium tax distributions, a total of \$13,355,445, or over 21% of the amount collected, went into

the general fund rather than going back to the fire districts where the funds could be utilized to update or improve fire equipment, buildings, services, etc... in the community.



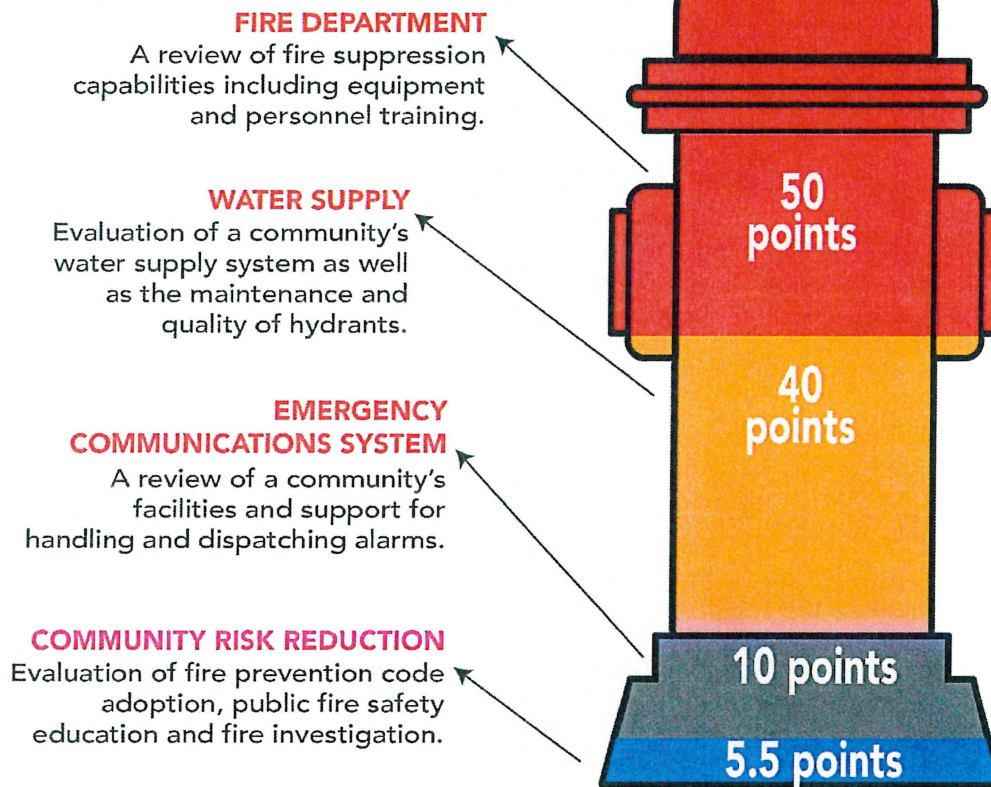
Source: Connect ND

North Dakota taxpayer's property insurance premiums are affected by a rating that is given to communities in the state by Insurance Services Office Mitigation (ISO), a private company.

ISO is an organization that is considered the leading source of information about property/casualty insurance risk. Through a program they have titled Public Protection Classification (PPC) Program, ISO evaluates municipal fire-protection efforts in communities throughout the United States. For ISO's purposes, there can be more than one community included in a North Dakota fire district. ISO performs their evaluations as a service to the insurance industry and does not charge a fee to the communities. The insurers may use ISO information as they see fit in their own business. A community's investment in fire mitigation is a proven and reliable predictor of future losses. Insurance companies use PPC information to help establish fair premiums for fire insurance – generally offering lower premiums in communities with better protection. Many communities use the PPC as a benchmark for measuring the effectiveness of their fire-protection services. The PPC program is also a tool that helps communities plan for, budget, and justify improvements.

ISO collects information on municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using their Fire Suppression Rating Schedule (FSRS). The FSRS is a manual containing the criteria ISO uses in reviewing the fire prevention and fire suppression capabilities of individual communities or fire protection areas. There are four major areas that get evaluated. Each area is weighted differently using a point system, with 105.5 being the maximum total points that a community could receive.

CRITERIA USED TO EVALUATE A COMMUNITY'S PUBLIC PROTECTION CLASSIFICATION



Source: ISOMitigation.com

ISO then assigns a PPC rating from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria.

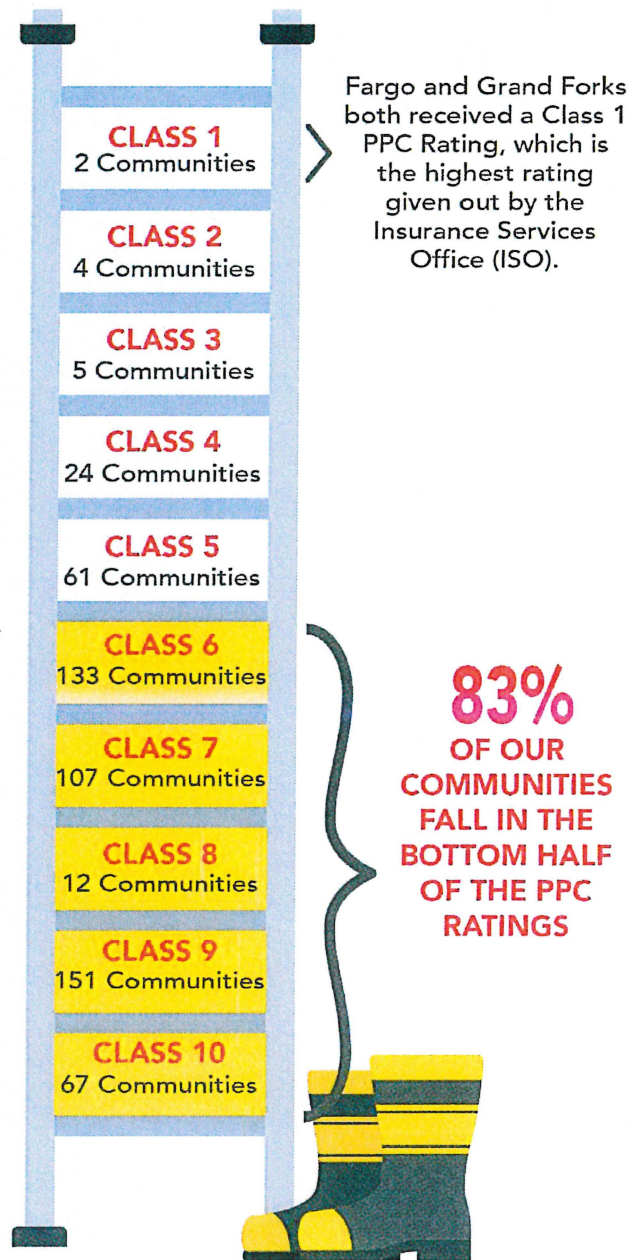
By classifying a community's ability to suppress fires, ISO helps communities evaluate their public fire-protection services. The program provides an objective, countrywide standard that helps fire departments in planning and budgeting for facilities, equipment, and training. And by securing lower fire insurance premiums for communities with better public protection, the PPC program provides incentives and rewards for communities that choose to improve their firefighting services.

According to ISO, most United States insurance companies including the largest ones use PPC information to offer coverages and establish deductibles for individual homes and businesses. Insurance companies, not ISO, establish the premiums they charge to policyholders. They use PPC information to help establish fair premiums for fire insurance – generally offering lower premiums in communities with better protection. Assuming all other factors are equal, the price of property insurance in a community with a good PPC is lower than in a community with a poor PPC. By offering economic benefits for communities that invest in their firefighting services, the program provides an additional incentive for improving and maintaining public fire protection.

The PPC ratings in the state of North Dakota vary from two communities that have the best class 1 rating and 67 communities with the lowest class 10 rating. The highest number of communities have the class 9 rating, as seen in the graph.

Each community's individual PPC rating and report is available to the fire chief or chief administrative official of that community by request directly from ISO.

ND COMMUNITIES BY PPC RATING



Source: ISOMitigation.com; 2017 Annual Report. Retrieved from <https://www.grandforks.gov/government/city-departments/fire/annual-report>; City of Fargo website. Retrieved from <http://fargond.gov/city-government/departments/fire/about>.

Internal Control

We gained an understanding of internal control and concluded as to the adequacy of their design. We also tested the operating effectiveness of those controls we considered necessary based on our assessment of audit risk.

Auditors are required to report deficiencies in internal control that are significant within the context of the objectives of the audit. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect: misstatements in financial or performance information, violations of laws and regulations or impairments of effectiveness or efficiency of operations, on a timely basis. Considering both qualitative and quantitative factors, we did not identify any deficiencies in internal control that were significant within the context of our audit objectives and based upon the audit work performed.

Scope

This audit of the Insurance Department is for the biennium ended June 30, 2019.

The Insurance Department has operations in the following locations. Each location was included in the audit scope:

- The central office in the State Capitol.
- An offsite location in Bismarck which houses the Consumer Assistance Center and the Special Funds Division.
- An offsite location in Bismarck which houses the Examinations and Company Licensing Division.

Methodology

To meet this objective, we:

- Performed detailed analytical procedures including computer-assisted auditing techniques. These procedures were used to identify high-risk transactions and potential problem areas for additional testing.
- Non-statistical sampling was used and the results were projected to the population. Where applicable, populations were stratified to ensure that particular groups within a population were adequately represented in the sample, and to improve efficiency by gaining greater control on the composition of the sample.
- Interviewed appropriate agency personnel.
- Queried the ConnectND (PeopleSoft) system for data analysis. Significant evidence was obtained from ConnectND.
- Observed the Insurance Department's processes and procedures.
- Inspected documentary evidence.
- Tested compliance with appropriation laws and regulations including related transfers. Where necessary, internal control was tested which included selecting representative samples to determine if controls were operating effectively and if laws were being followed consistently.

- Reviewed adequacy of blanket bond coverage by comparing coverage to state bonding guidelines.
- Performed an analysis of fire district premiums collected and amounts paid out to fire districts.
- Performed an analysis and selected a sample of high-risk transactions, including administrative expenses, for further testing.

In aggregate, there were no significant limitations or uncertainties related to our overall assessment of the sufficiency and appropriateness of audit evidence.

Authority and Standards

This biennial performance audit of the Insurance Department has been conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The criteria used to evaluate internal control is published in the publication *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book, GAO-14-704G). Agency management must establish and maintain effective internal control in accordance with policy of the Office of Management and Budget (OMB Policy 216).

Financial Statements

Statement of Revenues and Expenditures

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|--|----------------------|----------------------|
| <u>Revenues and Other Sources:</u> | | |
| Insurance Premium Tax | \$ 68,567,677 | \$ 63,273,934 |
| Licenses and Fees | 10,272,939 | 9,260,899 |
| Fire and Tornado Collections | 5,560,797 | 5,257,714 |
| Revenue from Federal Government | 250,951 | 286,986 |
| Insurance Recoveries | 137,958 | 158,749 |
| Fines and Penalties | 46,877 | 126,402 |
| Other Revenue | 2,017 | 1,231 |
| Bonding Fund Collections | 1,270 | 19,020 |
| Total Revenues and Other Sources | <u>\$ 84,840,486</u> | <u>\$ 78,384,935</u> |
| <u>Expenditures and Other Uses:</u> | | |
| Grants and Claims | \$ 12,337,757 | \$ 9,992,766 |
| Salaries and Benefits | 4,040,709 | 3,965,047 |
| Insurance | 3,266,460 | 3,220,290 |
| Professional Services | 545,594 | 258,536 |
| Rentals and Leases | 191,844 | 181,242 |
| IT Services | 170,291 | 171,515 |
| Travel | 115,759 | 91,631 |
| Operating Fees and Services | 86,141 | 47,124 |
| Supplies | 63,376 | 70,848 |
| Professional Development | 30,389 | 18,780 |
| Equipment | 19,465 | 18,564 |
| Other Expenditures | 2,582 | 1,429 |
| Transfers Out | 32,706 | 79,759 |
| Total Expenditures and Other Uses | <u>\$ 20,903,073</u> | <u>\$ 18,117,531</u> |

Source: ConnectND Financials

Statement of Appropriations

For the Biennium Ended June 30, 2019

| Expenditures by Line Item: | Final Appropriation | Expenditures | Unexpended Appropriation |
|------------------------------------|----------------------------|----------------------------|---------------------------------|
| Salaries and Wages | \$ 8,549,567 | \$ 8,005,756 | \$ 543,811 |
| Operating Expenses | 2,179,777 | 1,656,355 | 523,422 |
| Grants | <u>15,064,086</u> | <u>15,047,562</u> | <u>16,524</u> |
| Total | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |
| Expenditures by Source: | | | |
| Other | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |
| Total | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |

Source: ConnectND Financials

You may obtain audit reports on the internet at:

www.nd.gov/auditor

or by contacting the Office of the State Auditor at:

Email: ndsao@nd.gov

Phone: (701) 328-2241

Office of the State Auditor

600 East Boulevard Avenue – Department 117

Bismarck, ND 58505-0060

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB1010
1/20/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

10:30 **Chairman Vigesaa** brought the meeting to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Howe, Representative Bellew, Representative Meier and Representative Mock. Members absent: Representative Kempenich.

Discussion Topics:

- Appropriation for 2021-2023 biennium budget.
- Discussion of the green sheet.

10:32 **Alex Cronquist, Fiscal Analyst, ND Legislative Council**. Explained the green sheet and testimony #1947.

10:35 **Larry Martin, Fiscal Management Analyst, ND Office of Management and Budget**. Explained the green sheet.

Additional Written Testimony:

Alex Cronquist, Fiscal Analyst, ND Legislative Council submitted testimony #1949 and #1951 which were not discussed.

11:25 **Chairman Vigesaa** adjourned the meeting.

Sheri Lewis, Committee Clerk

**Insurance Commissioner, Including Insurance Tax Payments to Fire
Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes**

| | Executive Budget Recommendation | | | | House Version | | | |
|--|---------------------------------|-----------------|----------------|--------------|------------------|-----------------|----------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| 2021-23 Ongoing Funding Changes | | | | | | | | |
| Base payroll changes | | | \$308,287 | \$308,287 | | | | \$0 |
| Salary increase | | | 219,233 | 219,233 | | | | 0 |
| Retirement contribution increase | | | 45,118 | 45,118 | | | | 0 |
| Health insurance increase | | | 2,005 | 2,005 | | | | 0 |
| Removes FTE positions | (2.00) | | (305,365) | (305,365) | | | | 0 |
| Adjusts funding for operations | | | 29,913 | 29,913 | | | | 0 |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 | | | | 0 |
| Adds funding for RAND | | | 21,488,350 | 21,488,350 | | | | 0 |
| Adds funding for an office remodel | | | 100,000 | 100,000 | | | | 0 |
| Total ongoing funding changes | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | 0.00 | \$0 | \$0 | \$0 |
| One-time funding items | | | | | | | | |
| No one-time funding items | | | | \$0 | | | | \$0 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | 0.00 | \$0 | \$0 | \$0 |
| 2021-23 Total Funding | 39.00 | \$0 | \$50,426,100 | \$50,426,100 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| <i>Total ongoing changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | 0.0% | | 0.0% | 0.0% |
| <i>Total changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | 0.0% | | 0.0% | 0.0% |

**Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments -
Budget No. 401**

| | Executive Budget Recommendation | House Version |
|---------------------------------|---|---------------|
| Insurance tax distribution fund | Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. | |
| Unsatisfied judgment fund | Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. | |
| Insurance Commissioner's salary | Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent per year. | |



Wayne Stenehjem
ATTORNEY GENERAL

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September 23, 2019

To the Honorable, Senator Wanzek, Chairman of the Legislative Management's Budget Section and Committee members,

This report provides the overall expenditures by certified fire departments and district funds received from the insurance tax distribution fund and reserve fund balances for 2018 and other information available pursuant to N.D.C.C. 18-04-02. This report contains information regarding premiums obtained in 2016, funds distributed to fire departments in late 2017 and early 2018, and reported on in late 2018.

The Insurance Tax Distribution Fund was created in 1887, and revenue from the insurance premiums taxed was distributed to jurisdictions having qualified fire departments. Today, the funds distributed help communities maintain their fire service and level of protection. The level of fire protection provided by the fire department correlates to the Public Protection Classification (determined by Verisk), which affects the insurance tax rates in each respective community. Therefore, this money is a necessity for the health, safety and ability of fire departments and communities throughout North Dakota.

To receive a fund distribution under N.D.C.C. 18-04-05 a fire department must meet the following requirements:

- Submit a complete certificate of existence to the State Fire Marshal's Office by October 31.
- Have been in existence for at least eight months prior to the filing of the certificate of existence.
- Provide the minimum requirements for Insurance Services Office (ISO) - Public Protection Classification (PPC) of 9 or better.
- Be in compliance with the requirements to report fires as set forth in Section 18-01-06.

End of 2017 funds dispersed (spent in fiscal year 2018)

A total of \$544,267,885 in premiums were collected in 2016. According to fire department certificates of existence completed by fire departments and collected by the State Fire Marshal's office on October 31, 2018, the following numbers were reported from 368 fire departments:

Reporting Fire Departments

| | |
|---|-----|
| Total number of fire departments receiving funds..... | 368 |
| Departments with committed funds | 57 |
| Committed funds to be spent within 12 months | 29 |

| | |
|--|----|
| Committed funds to be spent within 2-5 years | 34 |
| Committed funds to be spent over 5 years | 1 |
| Departments with uncommitted funds | 16 |

Distribution to Fire Departments

| | |
|--|----------------|
| Funds received by fire departments | \$7,120,917.63 |
| Funds spent by October 31, 2017 | \$6,431,957.77 |
| Funds remaining | \$552,805.27 |
| Funds remaining committed | \$470,130.86 |
| Funds remaining uncommitted | \$82,674.41 |

Percentage of funds spent (data from time of certificate of existence, funds may have been spent by the time of this report):

| | |
|------------------------------------|-----|
| Funds spent in 2018 | 90% |
| Funds committed to a project | 7% |
| Funds not spent | 3% |

End of 2018 funds dispersed (spent in fiscal year 2019)

A total of \$537,183,536 in premiums were collected in 2017.

| | |
|---|----------------|
| Funds distributed to fire departments | \$7,117,781.00 |
|---|----------------|

2 fire departments did not complete their Certificate of Existence and did not receive any distribution in 2018.

| | |
|--|------------|
| - Edna Rural Fire Department | \$2,314.76 |
| - Fortuna Rural Fire Protection District | \$5,840.38 |

Total not distributed to fire departments

| | |
|--|------------|
| (Funds returned to general fund June 30, 2019) | \$8,155.14 |
|--|------------|

Information on amount of funds spent to date and what funds have been spent on has not been received. Certificates of existence were sent out in August 2019 and are due by October 31, 2019.

Concerns

From 2016, the number of departments receiving funding in 2017 decreased by 3, and the total amount of funding provided in 2017 decreased by \$158,300.62.

99 fire departments did not report on what items/services were purchased with funds.

10 fire departments did not report on amounts or how funds were spent.

NDCC 18-04 currently has two separate dates that Certificates of Existence must be submitted by (October 31 and March 1 each successive year) in order to receive funding. This leads to confusion in this process, and makes it difficult to enforce late submissions and timely reporting.

Recommendations

1. Update North Dakota Century Code to reflect a consistent timeline for budget reporting, and clarify date Certificates of Existence must be received by.

Summary

After review of the information collected under 18-04 and the Certificate of Existence program, it is clear that the funds distributed through the Insurance Tax distribution Fund are critical to the success and health of fire departments in North Dakota. Of the 73% of fire departments that reported what was purchased with the funds, all reported spending on mission critical items and objectives such as; personal protective equipment, vehicles/apparatus, facility maintenance, operations and firefighting equipment. With updates to the North Dakota Century Code and increased ease of using online reporting for the Certificate of Existence, fire department reporting should increase and the program as a whole should become more accountable.

References

Expenditure of ND Insurance Tax Distribution Funds – Funds Distributed 2017 Year End. Document maintained by the North Dakota State Fire Marshal's Office reflecting data collection from 2018 certificates of existence.

Fire District Totals Report. Updated as of August 29, 2019. Report provided by the North Dakota Insurance Commissioner's Office reflecting the distributions for year end 2017 (collected in 2016) and year end 2018 (collected 2017).

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--|-------------------------------|-------------------------|-------------------------------|--------------------|--|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| ABERCROMBIE FIRE PROT DIST | \$ 6,323.18 | \$ 6,323.18 | \$ - | | | | | | | Daily operations, purchase of thermal imager and four gas monitors, replacement of an engine, relief valve, and overhauling of all valves and gauges |
| ADAMS RURAL FIRE PROT DIST | \$ 7,939.40 | \$ 7,939.40 | \$ - | | | | | | | General maintenance and equipment |
| ALAMO RURAL FIRE PROT DIST | \$ 12,849.14 | | | | | | | | | |
| ALEXANDER RURAL FIRE PROTECTION DISTRICT | \$ 18,297.24 | \$ 18,297.24 | \$ - | | | | | | | Building and equipment maintenance |
| ALICE RURAL FIRE DIST | \$ 3,920.71 | \$ 3,920.71 | \$ - | | | | | | | Purchase of additional fire fighting equipment and PPE |
| ALMONT RURAL FIRE DIST | \$ 2,592.63 | \$ 2,592.63 | \$ - | | | | | | | Paid insurance, training, and purchase of various equipment |
| AMBROSE VOLUNTEER FIRE DEPT | \$ 1,097.10 | | | | | | | | | |
| AMIDON FIRE PROT DIST | \$ 3,541.00 | \$ 3,541.00 | \$ - | | | | | | | Building and new fire truck |
| ANAMOOSE RURAL FIRE PROT DIST | \$ 8,324.92 | \$ - | \$ 8,324.92 | \$ 8,324.92 | Accumulating for the purchase of a new fire truck | X | | | | |
| ANETA FIRE PROT DIST | \$ 10,123.76 | \$ 4,173.72 | \$ 5,950.04 | \$ 5,950.04 | The remaining will be put into the new equipment account with the intention of applying it to a newer water tanker truck | | X | | | \$4,173.72 spent for unexpected repairs to truck. |
| ANTLER FIRE DEPARTMENT | \$ 5,260.35 | \$ 5,260.35 | \$ - | | Replace Fire Truck | | | | | upkeep of fire hall |
| ANTLER FIRE PROT DIST | \$ 2,713.61 | \$ 2,713.61 | \$ - | | Replace Fire Truck | | | | | upkeep of fire hall |
| ARGUSVILLE FIRE PROT DIST | \$ 7,856.23 | \$ 7,856.23 | | | | | | | | new fire pump for tanker truck |
| ARNEGARD RURAL FIRE PROT DIST | \$ 10,586.44 | \$ 10,586.44 | \$ - | | | | | | | turnout gear, SCBAs, fuel, supplies |
| ARTHUR Volunteer FIRE Dept | \$ 9,776.69 | \$ 9,776.69 | \$ - | | | | | | | equip. repairs and operating expenses |
| ASHLEY FIRE PROTECTION DISTRICT | \$ 12,312.07 | \$ 12,312.07 | | | | | | | | downpayment on replacement freightliner pumper truck |
| BARNEY RURAL FIRE PROT DIST | \$ 11,643.48 | | \$ 11,643.48 | \$ 11,643.48 | Purchase of newer fire trucks | | | X | | |
| BATHGATE FIRE DEPARTMENT | \$ 858.63 | \$ 858.63 | \$ - | | | | | | | gear and leaf blowers |
| BEACH FIRE DEPARTMENT | \$ 9,188.56 | \$ 9,188.56 | \$ - | | | | | | | supplies, fuel, equip., operating expenses |
| BELCOURT RURAL FIRE DEPARTMENT | \$ 10,421.32 | \$ 10,421.32 | \$ - | | | | | | | training, maintenance |
| BELFIELD FIRE DEPT | \$ 12,654.60 | \$ 12,654.60 | | | | | | | | acquisition and outfitting of additional brush truck |
| BERTHOLD FIRE PROT DIST | \$ 23,174.29 | \$ 23,174.29 | \$ - | | | | | | | purchase of apparatus and other items/supplies |
| BEULAH RURAL FIRE PROT DIST | \$ 62,262.01 | \$ 62,262.01 | | | | | | | | maint. And upkeep of apparatus and building |
| BILLINGS COUNTY RURAL FIRE PROT DIST | \$ 13,071.84 | \$ 13,071.84 | \$ - | | | | | | | operating expenses |
| BINFORD FIRE PROT DIST | \$ 7,810.89 | | \$ 7,810.89 | \$ 7,810.89 | New clothing for Fire Fighters | X | | | | |
| BISBEE FIRE PROT DIST | \$ 9,343.34 | \$ 9,343.34 | \$ - | | | | | | | Bills & Maintenance |
| BISMARCK AIRPORT FIRE/RURAL METRO | \$ - | \$ - | \$ - | | | | | | | |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--------------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------|----------------------------------|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| BISMARCK FIRE DEPARTMENT | \$ 513,980.67 | \$ 513,980.67 | \$ - | | | | | | | Used for Fire Pension, new fire engines, and new fire station |
| BISMARCK Rural FIRE PROT DIST | \$ 157,315.32 | \$ 157,315.32 | \$ - | | | | | | | 50% General Expenses, 50% Fireman's Retirement Fund |
| BOTTINEAU FIRE DEPARTMENT | \$ 28,336.33 | \$ 28,336.33 | \$ - | | | | | | | equip. maint., ISO testing, 12 SCBA tanks, new grass unit |
| BOTTINEAU RURAL FIRE DEPT | \$ 27,507.63 | \$ 27,507.63 | \$ - | | | | | | | education, gas, utilities, dispatch, insurance, rapairs |
| BOWBELLS FIRE PROT DIST | \$ 11,491.79 | \$ 11,491.79 | \$ - | | | | | | | |
| BOWDON FIRE DEPARTMENT | \$ 7,146.84 | | \$ 7,146.84 | \$ 7,146.84 | Build larger fire hall | | X | | | |
| BOWDON RURAL FIRE DEPT | \$ 10,625.70 | | \$ 10,625.70 | \$ 10,625.70 | Build larger fire hall | | X | | | |
| BOWMAN FIRE DEPARTMENT | \$ 20,699.16 | \$ 20,699.16 | \$ - | | | | | | | operating expenses |
| BOWMAN RURAL FIRE DEPT | \$ 10,110.79 | \$ 10,110.79 | \$ - | | | | | | | operating expenses |
| BRADDOCK RURAL FIRE department | \$ 14,448.61 | \$ 14,448.61 | \$ - | | | | | | | |
| BROCKET-LAWTON FIRE PROT DIST | \$ 5,365.00 | \$ 5,365.00 | \$ - | | | | | | | General expenses |
| BUFFALO RURAL FIRE PROT DIST | \$ 26,450.26 | \$ 15,430.00 | \$ 11,020.00 | \$ 11,075.00 | Additional Turnout Gear | X | | | | hose, adapters, shut-off valve, training, fire extinguisher testing, LED emergency light replacement, truck, batteries for equipment, replacing turnout gear |
| BURLINGTON RURAL FIRE Prot Dist | \$ 10,151.09 | \$ 10,151.09 | \$ - | | | | | | | update tanker |
| BUTTE RURAL FIRE PROT DIST | \$ 6,740.09 | \$ 6,740.09 | \$ - | | | | | | | purchased used electric hydraulic pump and hydrolic hose reels |
| BUXTON FIRE PROT DIST | \$ 21,418.36 | | \$ 21,418.36 | | Purchase a new pumper | | X | | | |
| CALVIN RURAL FIRE DIST | \$ 5,605.58 | \$ 4,927.13 | \$ 678.45 | \$ 678.45 | Pay labor of roof repair | X | | | | put tin on the roof as the shingles needed replacing |
| CANDO FIRE DEPARTMENT | \$ 9,033.71 | \$ 9,033.71 | \$ - | \$ - | | | | | | Pump and truck maintenance, replaced water tank and pump on pump truck |
| CANDO RURAL FIRE PROT DIST | \$ 10,380.39 | \$ 10,380.39 | \$ - | \$ - | | | | | | purchase of a 2018 F350 pickup and water tank fire attack vehicle |
| CARPIO RURAL FIRE PROT DIST | \$ 11,196.97 | \$ 11,196.97 | | | | | | | | |
| CARRINGTON FIRE DEPT | \$ 27,313.53 | \$ 24,081.00 | \$ 3,232.53 | \$ 3,232.53 | Safety lights | X | | | | truck maint., PPE, tools, pump repairs |
| CARRINGTON RURAL FIRE DEPT | \$ 21,149.48 | \$ 17,939.00 | \$ 3,210.48 | \$ 3,210.48 | Safety lights | X | | | | truck maint., PPE, tools, pump repairs |
| CASSELTON FIRE DEPARTMENT | \$ 19,346.00 | \$ 10,000.00 | \$ 9,346.00 | \$ 9,000.00 | New apparatus, PPE | | X | | \$ 346.00 | operating |
| CASSELTON RURAL FIRE DEPT | \$ 32,485.00 | \$ 28,060.00 | \$ 4,425.00 | \$ 4,000.00 | SCBA Turnout Gear | | X | | \$ 425.00 | operating |
| CATHAY FIRE PROT DIST | \$ 10,313.34 | \$ 8,258.66 | \$ 2,054.68 | \$ - | | | | | \$ 2,054.68 | truck maint., operating expenses, training, new fire gear |
| CAVALIER FIRE DEPARTMENT | \$ 14,948.59 | \$ 14,948.59 | \$ - | | | | | | | resue truck |
| CAVALIER RURAL FIRE DEPARTMENT | \$ 23,425.69 | \$ 23,425.69 | \$ - | | | | | | | resue truck |
| CEDAR VALLEY FIRE PROT DIST | \$ 1,320.64 | | | | | | | | | |
| CENTRAL RURAL FIRE PROT DIST (Beach) | \$ 3,741.70 | \$ 3,741.70 | \$ - | | | | | | | supplies, fuel, operating equip. |
| CHRISTINE COMMUNITY FIRE DIST | \$ 5,814.82 | | | | | | | | | |
| CLEVELAND RURAL FIRE PROT DIST | \$ 15,384.61 | \$ 15,384.61 | \$ - | | Replace grass fire rig | | X | | | replace hose, 6 unit comm. System, heat image camera and system |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--|-------------------------------|-------------------------|-------------------------------|--------------------|---|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| COGSWELL FIRE PROT DIST | \$ 45,901.57 | \$ 12,607.97 | \$ 33,293.60 | \$ 33,293.60 | Fire Hall building fund | | X | | | PPE, gas detectors, dept. ins., equip./tools, truck maint. |
| COLUMBUS CITY FIRE DEPARTMENT | \$ 2,222.49 | \$ 2,222.49 | | | | | | | | |
| COLUMBUS RURAL FIRE DEPT | \$ 3,264.22 | \$ 3,264.22 | \$ - | | | | | | | heat for fire hall |
| COOPERSTOWN FIRE DEPT | \$ 8,771.97 | \$ 2,967.17 | \$ 5,804.80 | \$ 5,804.80 | Replace 4 air packs and 15 air tanks | | X | | | repaired and updates SCBA air compressor, purchased new SCBA battery packs, had hydro tanks tested |
| COOPERSTOWN RURAL FIRE DEPT | \$ 9,167.45 | \$ 3,100.00 | \$ 6,067.45 | \$ 6,067.45 | Replace pumper truck | | X | | | purchased new nozzles and hose and misc. tools as well as striping taped for our trucks |
| COURTENAY RURAL FIRE PROT DIST | \$ 10,050.93 | \$ 10,050.93 | \$ - | | | | | | | operating expenses |
| CROSBY RURAL FIRE Protection District | \$ 9,202.44 | \$ 9,202.44 | \$ - | | | | | | | Wildland Gear |
| CRYSTAL RURAL FIRE DIST | \$ 5,604.57 | \$ 5,604.57 | \$ - | \$ - | | | | | | equipment and upkeep of fire hall |
| DAHLEN RURAL FIRE DEPT | \$ 3,036.95 | \$ 3,036.95 | \$ - | | | | | | | |
| DAVENPORT RURAL FIRE PROT DIST | \$ 6,262.50 | \$ - | \$ 6,262.50 | \$ 6,262.50 | Replace nozzles on pumper and hand tools | | X | | | |
| DAWSON RURAL FIRE DIST | \$ 5,993.00 | \$ 5,993.00 | | | | | | | | bought used fire truck |
| DAZEY FIRE DEPARTMENT | \$ 12,464.50 | \$ 3,554.50 | \$ 8,910.00 | \$ 7,500.00 | New storm Siren | X | | | | update pumper truck |
| DAZEY FIRE PROT DIST | \$ 4,702.94 | \$ 4,702.94 | | | | | | | | update pumper truck |
| DEERING RURAL FIRE PROT DIST | \$ 5,127.71 | | | | | | | | | |
| DES LACS FIRE PROT DIST | \$ 5,287.45 | \$ 5,287.45 | | | | | | | | Maint. of fire trucks, pump cert. of the fleet, radio upgrades, PPE upgrades, FF cert. training, EMS training, SCBA testing and upgrades |
| DEVILS LAKE FIRE DEPT | \$ 47,737.69 | \$ 47,737.69 | \$ - | | | | X | | | Purchase of new rescue truck. |
| DEVILS LAKE RURAL FIRE DEPT | \$ 36,470.89 | \$ 36,470.89 | \$ - | | | | | | | engine 202 replacement |
| DICKINSON FIRE DEPARTMENT | \$ 177,993.20 | \$ 177,993.20 | \$ - | | | | | | | Unexpected Apparatus repair. Extension of vehicle exhaust system in Station 2. Apparatus purchase down payment. |
| DICKINSON RURAL FIRE DIST | \$ 49,583.19 | \$ 49,583.19 | \$ - | \$ - | | | | | | Purchase of PPE and apparatus |
| DONNYBROOK RURAL FIRE DIST | \$ 11,767.88 | \$ 11,767.88 | | | | | | | | two full sets of turnout gear and a pad for fire hall |
| DOUGLAS FIRE PROT DIST | \$ 3,234.86 | \$ 3,234.86 | \$ - | \$ - | | | | | | maint. Of bldg and equip. |
| DRAKE FIRE DEPARTMENT | \$ 2,157.13 | | | | | | | | | |
| DRAKE RURAL FIRE PROT DIST | \$ 7,912.00 | \$ 7,912.00 | | | | | | | | building project and equip. |
| DRAYTON RURAL FIRE DEPT | \$ 7,496.81 | \$ 7,496.81 | \$ - | | | | | | | Payment on engine |
| DRAYTON VOLUNTEER FIRE DEPT | \$ 7,127.45 | \$ 7,127.45 | \$ - | | | | | | | |
| DUNSEITH FIRE DEPARTMENT | \$ 3,625.00 | \$ 3,625.00 | | | | | | | | operating expenses |
| DUNSEITH RURAL FIRE PROT DIST | \$ 5,274.50 | \$ 5,274.50 | | | | | | | | fuel, repairs, equip. |
| DWIGHT RURAL FIRE PROT DIST | \$ 10,089.34 | \$ 10,089.34 | | | | | | | | purchased new protective gear for fighting structural fires |
| EAST ADAMS FIRE PROT DIST | \$ 3,362.02 | \$ 3,362.02 | | | | | | | | Contract with Lemmon FE |
| EDGELEY FIRE DEPARTMENT | \$ 12,918.87 | \$ 12,918.87 | | | | | | | | |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--|-------------------------------|----------------------------|-------------------------------|--------------------|--|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| EDGELEY RURAL FIRE DEPT | \$ 22,724.05 | \$ 22,724.05 | | | | | | | | |
| EDINBURG FIRE PROT DIST | \$ 6,915.50 | \$ 6,915.50 | \$ - | | | | | | | New hose, nozzles, and replaced turnout gear |
| EDMORE RURAL FIRE DEPT | \$ 9,079.02 | \$ 9,079.02 | \$ - | | | | | | | polaris ranger and skid unit |
| EDMORE VOLUNTEER FIRE DEPT | \$ 2,883.95 | \$ 2,883.95 | \$ - | | | | | | | polaris ranger & skid unit |
| EDNA RURAL FIRE DEPT | | | | | | | | | | |
| EGELAND FIRE PROT DIST | \$ 3,395.86 | \$ 3,395.86 | \$ - | | | | | | | |
| ELGIN FIRE PROT DIST | \$ 12,658.61 | \$ 14,250.60 | | | | | | | | Turnout gear, skid unit, misc. equip |
| ELLENDALE FIRE PROT DIST | \$ 26,542.61 | \$ 26,542.61 | | | | | | | | |
| EMERADO FIRE DEPARTMENT | | | | | | | | | | |
| EMERADO RURAL FIRE DEPT | \$ 10,218.08 | \$ 10,218.08 | \$ - | \$ - | | | | | | Repairs of both pumpers |
| ENDERLIN RURAL FIRE PROTECTION | \$ 29,839.43 | \$ 29,839.43 | \$ - | | | | | | | |
| EPPING RURAL FIRE PROT DIST | \$ 19,070.76 | \$ - | \$ 19,070.76 | \$ 19,070.76 | Renovate meeting area in existing fire hall | X | | | | |
| ERIE VOL FIRE DEPARTMENT | \$ 3,159.46 | \$ 3,159.46 | | | Update Truck | | X | | | up keep on truck, heat, and gas |
| ESMOND RURAL FIRE PROT DIST | \$ 12,267.37 | \$ 12,267.37 | \$ - | \$ - | | | | | | replaced brush truck with a 2002 |
| FAIRDALE RURAL FIRE Dept | \$ 4,850.13 | \$ 4,850.13 | \$ - | \$ - | | | | | | New sign on front of building, maintenance of building LP fuel, operating expenses, and updated AED for Fire Hall |
| FAIRMOUNT FIRE PROTECTION DISTRICT | \$ 18,000.00 | \$ 18,000.00 | \$ - | | Air packs and Bunker Gear | X | | | | equip. |
| FARGO FIRE DEPARTMENT | \$ 624,460.47 | \$ 624,460.47 | \$ - | \$ - | | | | | | |
| FERRY TOWNSHIP FIRE PROT DIST | \$ 11,996.24 | \$ 11,996.24 | \$ - | | | | | | | Equip., Maint., repairs |
| FESSENDEN FIRE PROT DIST | \$ 18,299.66 | \$ 18,299.66 | | | | | | | | helped pay for new brush truck |
| FINGAL FIRE PROT DIST | \$ 3,590.89 | | | | | | | | | |
| FINLEY FIRE PROTECTION DISTRICT | \$ 16,136.00 | \$ 16,136.00 | \$ - | \$ - | | | | | | Monthly payments for new pumper unit |
| FLASHER RURAL FIRE PROT DIST | \$ 11,576.21 | \$ 11,576.21 | \$ - | | | | | | | gas, vehicle maint., tires, generator, foam, blades |
| FORBES RURAL FIRE DEPT | \$ 5,435.32 | \$ 450.00 | \$ 4,985.32 | \$ 4,985.32 | Purchase truck and equipment | | X | | | repairs & maint. |
| FORDVILLE RURAL FIRE PROT DIST | \$ 8,385.64 | \$ 8,385.64 | \$ - | | | | | | | upgraded pumper |
| FORMAN RURAL FIRE PROTECTION DISTRICT | \$ 21,708.46 | \$ 21,708.46 | \$ - | \$ - | | | | | | 6 MSA SCBA airpacks, turnout gear, tanks |
| FORT RANSOM RURAL FIRE DEPT | \$ 13,477.08 | \$ 2,766.00 | \$ 10,711.08 | \$ 10,711.08 | New Fire Hal | | X | | | Insurance |
| FORT YATES FIRE PROT DIST | \$ 4,884.73 | \$ 3,381.53 | \$ 1,503.20 | | Hoses for pickup and new fire hoses | X | | | | windshield, ties, fuel pump replacement, pump motor repair, gas, fual, auto Ins. |
| FORTUNA RURAL FIRE PROT DIST | | | | | | | | | | |
| FREDONIA FIRE PROT DIST | \$ 2,800.00 | \$ 2,800.00 | \$ - | \$ - | | | | | | bought a diff. truck and added components and hoses, etc. |
| FULLERTON FIRE PROT DIST | \$ 22,839.00 | \$ 14,391.00 | \$ 8,448.00 | \$ 8,448.00 | New grass fire rig and PPE | X | | | | operating espenses, repaired siren, purchahsed truck siren, etc. |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

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|--|-------------------------------|-------------------------|-------------------------------|--------------------|----------------------------------|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| GACKLE FIRE PROT DIST | \$ 11,808.03 | \$ 11,808.03 | \$ - | \$ - | | | | | | General Operating. New building Payment |
| GALESBURG FIRE PROT DIST | \$ 9,453.16 | \$ 9,453.16 | \$ - | \$ - | | | | | | New Fire Truck |
| GARRISON FIRE DEPARTMENT | \$ 8,294.84 | \$ 8,294.84 | \$ - | \$ - | | | | | | Training |
| GARRISON RURAL FIRE Protection DIST | \$ 34,966.30 | \$ 34,966.30 | \$ - | \$ - | | | | | | Operating Expenses, Training and Equipment |
| GILBY FIRE PROT DIST | \$ 15,087.64 | \$ 15,087.64 | \$ 2,834.07 | | | | | | \$ 2,834.07 | General Operating Expenses |
| GLADSTONE CONSOLIDATED FIRE DIST | \$ 8,848.11 | \$ 8,848.11 | | | | | | | | Purchase of PPE |
| GLEN ULLIN FIRE PROT DIST | \$ 15,896.61 | \$ 15,896.61 | \$ - | | | | | | | |
| GLENBURN RURAL FIRE PROT DIST | \$ 15,406.24 | \$ - | \$ 15,406.24 | \$ 15,406.24 | Update tanker truck | | X | | | |
| GLENFIELD Rural FIRE DIST | \$ 9,364.31 | \$ 9,364.31 | | | | | | | | Grass Rig Gear, turn out gear, aripacks |
| GOLDEN VALLEY RURAL FIRE PROT DIST | \$ 4,148.49 | \$ 4,148.49 | \$ - | | | | | | | 2 sets of turnout gear for firemen |
| GOLVA Rural FIRE PROT DIST | \$ 3,565.50 | \$ 3,565.50 | | | | | | | | General Expenses |
| GOODRICH RURAL FIRE PROT DIST | \$ 9,564.77 | \$ 9,564.77 | \$ - | | | | | | | general operations |
| GRAFTON FIRE PROT DIST | \$ 22,330.14 | \$ 22,330.14 | \$ - | | | | | | | general operating expenses |
| GRAFTON VOLUNTEER FIRE DEPT | \$ 26,118.57 | \$ 26,118.57 | \$ - | \$ - | | | | | | general operating expenses |
| GRAND FORKS AIRPORT FD | \$ - | \$ - | \$ - | \$ - | | | | | | |
| GRAND FORKS FIRE DEPT | \$ 300,390.52 | \$ 300,390.52 | \$ - | | | | | | | |
| GRANDIN RURAL FIRE PROT DIST | \$ 17,742.31 | \$ 17,742.31 | | | Update equipment | | X | | | to pay a loan on a new fire truck |
| GRANVILLE RURAL FIRE PROT DIST | \$ 2,657.80 | \$ 2,657.80 | | | | | | | | purchased a pumper |
| GRASSY BUTTE Rural FIRE PROT DIST | \$ 3,728.59 | \$ 3,728.59 | \$ - | | | | | | | utilities |
| GREAT BEND RURAL FIRE DIST | \$ 4,131.64 | \$ 4,131.64 | \$ - | \$ - | | | | | | Turn out gear and other equip. |
| GREATER CARSON RURAL FIRE PROT DISTRICT | \$ 15,391.84 | \$ 15,391.84 | \$ - | | | | | | | day to day operations, including maint. And repair, fuel, utilities, and purchase of equipment as needed |
| GRENORA RURAL FIRE PROT DIST | \$ 15,985.97 | | \$ 15,985.97 | | | | | | \$ 15,985.97 | |
| GWINNER FIRE PROT DIST | \$ 15,677.12 | \$ 15,677.12 | \$ - | | | | | | | New Pumper |
| HAGUE FIRE PROT DIST | \$ 3,331.99 | \$ 3,331.99 | \$ - | \$ - | | | | | | repair & seal overhead doors, complete purchase of remote monitor on GMC unit |
| HALLIDAY RURAL FIRE PROT DIST | \$ 12,702.14 | \$ 12,702.14 | \$ - | | | | | | | maint. And operating. Purchased a pumper truck |
| HAMPDEN FIRE DEPARTMENT | \$ 2,647.96 | \$ 1,100.00 | \$ 1,500.00 | | | | | | | pay water bill & propane for heat |
| HANKINSON FIRE PROT DIST | \$ 16,635.78 | \$ 16,635.78 | \$ - | | | | | | | operating expenses |
| HANNAFORD RURAL FIRE DEPT | \$ 9,742.83 | \$ 5,516.00 | \$ 4,228.00 | \$ 4,000.00 | Turnout gear | X | | | \$ 228.00 | gas, service work on vehicles |
| HANNAH FIRE PROT DIST | \$ 9,762.00 | \$ 9,762.00 | \$ - | | | | | | | fire truck components |
| HARVEY RURAL FIRE PROT DIST | \$ 23,131.22 | \$ 23,131.22 | \$ - | | | | | | | bunker gear and payment to city |
| HARVEY Volunteer FIRE DEPARTMENT | \$ 16,342.75 | \$ 16,342.75 | \$ - | \$ - | | | | | | |
| HARWOOD AREA FIRE & RESCUE, INC | \$ 9,350.10 | \$ 9,350.10 | \$ - | | | | | | | building expansion |
| HASTINGS RURAL FIRE DEPT | \$ 1,009.93 | | \$ - | \$ - | | | | | | insurance, heat, fuel, electricity |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received
Funds Distributed 2017 Year End

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|---|-------------------------------|----------------------------|-------------------------------|--------------------|--|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| HATTON FIRE PROT DIST | \$ 21,446.68 | \$ 21,446.68 | \$ - | \$ - | | | | | | Payment on new building |
| HAZELTON FIRE PROT DIST | \$ 11,755.61 | \$ 11,755.61 | \$ - | | | | | | | Purchased 2 SCBAs and a liner for portable tank |
| HAZEN FIRE DEPARTMENT | \$ 19,421.31 | \$ 19,421.31 | \$ - | | | | | | | 4 SCBA, 14 hoses, spreader, ram |
| HAZEN RURAL FIRE DEPT | \$ 12,517.01 | \$ 12,517.01 | \$ - | | | | | | | 4 SCBA, 14 hoses, spreader, ram |
| HEBRON FIRE PROT DIST | \$ 13,147.42 | \$ 13,147.42 | \$ - | \$ - | | | | | | purchase of 2018 Ford F550 for brush fire fighting unit |
| Hector Intl Airport Fire Dept | \$ - | \$ - | \$ - | \$ - | | | | | | |
| HETTINGER FIRE PROT DIST | \$ 31,801.04 | \$ 31,801.04 | \$ - | | | | | | | |
| HILLSBORO FIRE DEPARTMENT | \$ 31,165.49 | \$ 31,165.49 | \$ - | \$ - | | | | | | replaced roof of fire hall |
| HOOPLE FIRE DEPARTMENT | \$ 2,926.61 | | | | | | | | | |
| HOOPLE RURAL FIRE PROTECTION DISTRICT | \$ 8,469.00 | | | | | | | | | |
| HOPE FIRE PROT DIST | \$ 18,603.40 | \$ 18,603.40 | | | | | | | | |
| HORACE RURAL FIRE PROT DIST | \$ 35,530.15 | \$ 35,530.15 | \$ - | | | | | | | used pumper truck |
| HORSE CREEK FIRE PROT DIS | \$ 1,277.09 | \$ 1,277.09 | | | | | | | | portable pickup units and fire flappers |
| HUNTER Volunteer Fire Dept | \$ 10,950.29 | \$ 10,950.29 | \$ - | | | | | | | gear, operational funds, fuel, repair, and ins. |
| INKSTER RURAL FIRE PROT DIST | \$ 5,696.59 | \$ 5,696.59 | | | | | | | | heating fuel, truck fuel, building, truck and Equip, insurance |
| JAMESTOWN FIRE DEPARTMENT | \$ 105,073.76 | \$ 86,298.46 | \$ 18,775.30 | \$ 18,751.50 | Laptops and camera systems for units | X | | | \$ 23.80 | Firefighter Ins., Retirement, General Supplies, Admin. Bond, Equipment, Advertising for jobs, and monthly bills |
| JAMESTOWN RURAL FIRE PROT DIST | \$ 62,160.25 | \$ 62,160.25 | \$ 201.00 | | | | | | | pay off of fire truck loan |
| JUD RURAL FIRE DIST | \$ 19,485.38 | \$ 7,865.96 | | | | | | | | Equipment |
| KARLSRUHE RURAL FIRE PROT DIST | \$ 7,927.65 | \$ 7,927.65 | | | New fire department building | | | | | |
| KATHRYN RURAL FIRE PROT DIST | \$ 4,741.68 | \$ 4,741.68 | \$ - | | | | | | | purchased water tanker truck |
| KENMARE FIRE DEPARTMENT | \$ 10,254.16 | \$ 10,254.16 | \$ - | | | | | | | training, equip. and expenses |
| KENMARE RURAL FIRE PROTECTION DISTRICT | \$ 21,621.15 | | \$ 21,621.15 | \$ 21,621.15 | Replace aging equipment | | X | | | |
| KENSAL FIRE PROT DIST | \$ 9,960.42 | \$ 9,960.42 | | | | | | | | |
| KINDRED COMMUNITY & RURAL FIRE PROT DIST | \$ 20,791.83 | \$ 20,791.83 | | | | | | | | pay down debt on new fire hall |
| KRAMER FIRE PROT DIST | \$ 5,000.00 | \$ 4,000.00 | \$ 1,000.00 | \$ 800.00 | Grass fires | | X | | \$ 200.00 | updating grass fire unit |
| KULM VOLUNTEER FIRE DEPT | \$ 10,196.00 | \$ - | | \$ 10,196.00 | Tanker replacement | | X | | | Repairs & Maint., training and Cert., fuel |
| LAKOTA FIRE PROT DIST | \$ 13,895.54 | \$ 13,895.54 | \$ - | \$ - | | | | | | Supplies, Fuel, Equipment |
| LAMOURE FIRE DEPARTMENT | \$ 6,203.52 | | \$ 6,203.52 | \$ 6,203.52 | Replace outdated air packs, compressors, and bunker gear | | X | | | |
| LAMOURE RURAL FIRE DEPT | \$ 24,890.31 | \$ 24,890.31 | | | | | | | | 2012 Peterbuilt Water Tanker to be outfitted for service. |
| LANGDON FIRE DEPARTMENT | \$ 21,264.77 | \$ 44,716.25 | | | | | | | | equip., utility bills, fuel, maint |
| LANGDON RURAL FIRE PROT DIST | \$ 28,154.37 | \$ 28,154.37 | \$ - | | | | | | | turnout gear, repairs |
| LANKIN FIRE DEPARTMENT | \$ 702.33 | \$ 702.33 | | | | | | | | upkeep of firehall |
| LANKIN RURAL FIRE DEPT | \$ 6,132.61 | \$ 6,132.61 | | | | | | | | New grass rig |
| LANSFORD Rural FIRE DIST | \$ 11,835.99 | \$ 11,835.99 | \$ - | | | | | | | Equip. |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received

Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--|-------------------------------|-------------------------|-------------------------------|--------------------|---|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| LARIMORE FIRE Prot. Dist. | \$ 24,559.31 | \$ 24,559.31 | \$ - | | | | | | | Training & Equip. |
| LEEDS RURAL FIRE PROT DIST | \$ 25,595.10 | \$ 25,595.10 | \$ - | \$ - | | | | | | Boots, coats, bunker gear, radios and skid unit |
| LEHR FIRE District | \$ 916.55 | \$ 916.55 | | | | | | | | Truck Repairs |
| LEONARD FIRE PROT DIST | \$ 14,595.95 | \$ 14,595.95 | \$ - | \$ - | | | | | | purchase of F-350 grass rig |
| LIDGERWOOD RURAL FIRE PROT DIST | \$ 18,683.39 | \$ 18,683.39 | | | | | | | | equip. And training |
| LIGNITE FIRE PROT DIST | \$ 6,409.35 | \$ 6,409.35 | \$ - | \$ - | | | | | | pay ins. Premiums |
| LINTON FIRE DIST | \$ 20,865.20 | \$ 20,865.20 | | | | | | | | Equip., Training |
| LISBON FIRE DEPARTMENT | \$ 17,768.95 | \$ 17,768.95 | | | | | | | | operating expenses, uniforms & coats, food for meetings, equip & supplies |
| LISBON RURAL FIRE PROT DIST | \$ 25,457.37 | \$ 25,457.37 | \$ - | | | | | | | Equip. and Gear for Firefighters |
| LITCHVILLE FIRE DEPARTMENT | \$ 2,240.23 | \$ 2,240.23 | \$ - | | | | | | | maint. Repair to pumper truck |
| LITCHVILLE RURAL FIRE DEPT | \$ 11,777.16 | \$ 11,777.16 | | | | | | | | maint. Repair to Unit 2 pumper truck |
| MADDOCK FIRE PROT DIST | \$ 13,673.48 | \$ - | \$ - | \$ 13,673.48 | Build new fire hall | | X | | | |
| MANDAN FIRE DEPARTMENT | \$ 155,122.09 | \$ 155,122.09 | \$ - | | | X | | | | 80% of funds were used for FT firefighter pension and the remaining balance went toward lease payments on 2016 Pierce pumper |
| MANDAN RURAL FIRE PROT DIST | \$ 60,777.01 | \$ 48,900.00 | \$ 11,877.00 | \$ 10,500.00 | Purchase of 35 extrication/wildland coats | X | | | \$ 1,377.00 | \$25,000 toward purchase of a 2018 brush truck; \$23,000 for stipend pay for firefighters |
| MANDAREE FIRE PROT DIST | \$ - | \$ - | \$ - | \$ - | | | | | | |
| MANTADOR FIRE PROT DIST | \$ 5,022.43 | \$ 5,022.43 | \$ - | | Turn out gear | | | | | |
| MAPLETON FIRE DEPARTMENT | \$ 8,907.65 | \$ 8,907.65 | \$ - | \$ - | | | | | | Suppleneted purchase of a new fire engine |
| MARION FIRE DEPARTMENT | \$ 2,814.64 | \$ 2,645.88 | \$ 168.76 | \$ - | | | | | \$ 168.76 | repairs to truck |
| MARION RURAL FIRE DEPT | \$ 14,880.22 | \$ 14,680.85 | \$ 199.37 | \$ - | | | | | \$ 199.37 | building and truck repairs |
| MARMARTH Volunteer FIRE PROTECTION DISTRICT | \$ 1,748.49 | \$ 1,748.49 | | | | | | | | Fire Dept. Maint. & Equip. |
| MAX RURAL FIRE PROT DIST | \$ 17,198.96 | \$ 14,798.00 | \$ 2,400.96 | \$ 2,400.96 | | | | | | training, equip, and office |
| MAXBASS RURAL FIRE PROT DIST | \$ 5,843.58 | \$ 4,200.00 | \$ 1,643.58 | \$ 1,643.58 | | | | | | turnout gear |
| MAYVILLE FIRE & RESCUE DEPT | \$ 24,529.74 | \$ 24,529.74 | | | | | | | | annual expenses, training expenses, rope gear, hydro bottles, equip. |
| MCCLUSKY RURAL FIRE PROT DIST | \$ 10,578.42 | \$ 10,578.42 | | | | | | | | |
| MCHENRY RURAL FIRE DEPT | \$ 8,687.96 | \$ 6,000.00 | \$ 2,687.00 | \$ 2,687.00 | Purchase SCBA tanks | X | | | | general operating expenses |
| MCKENZIE COUNTY RURAL FIRE PROT DIST | \$ 31,364.27 | | | | | | | | | wildland gear, structure boots, tanker truck, general operating expenses |
| MCVILLE FIRE PROT DIST | \$ 8,453.67 | \$ 8,453.67 | \$ - | | | | | | | |
| MEDINA CITY & RURAL FIRE PROT DIST | \$ 7,586.68 | \$ 7,586.68 | | | | | | | | |
| MEDORA FIRE DEPARTMENT | \$ 6,148.68 | \$ 6,148.68 | \$ - | | | | | | | |
| MERCER RURAL FIRE PROT DIST | \$ 6,437.73 | \$ 6,437.73 | \$ - | | | | | | | equip., truck repair, maint., supplies, fuel |
| MICHIGAN CITY FIRE DEPT | \$ 8,521.27 | \$ 8,521.27 | | | | | | | | |
| MICHIGAN-WHITMAN FIRE PROTECTION DISTRICT | \$ 8,521.27 | \$ 8,521.27 | | | Upgrade brush truck from 1987 F350 | | | | | purchased a body for 2012 F550 truck |
| MILNOR FIRE PROT DIST | \$ 22,090.09 | \$ 22,672.58 | | | | | | | | Concrete, Generator |
| MILTON RURAL FIRE PROT DIST | \$ 6,113.78 | \$ - | \$ 6,113.78 | \$ 6,113.78 | New grassland fighting unit | | | | | |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received
Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|------------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------|--|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| MINNEWAUKAN RURAL FIRE PROT DIST | \$ 5,397.67 | | \$ 5,397.67 | \$ 5,397.67 | New fire hall | X | | | | The fund are for constuction of a new fire hall |
| MINOT FIRE DEPARTMENT | \$ 304,748.35 | \$ 304,748.35 | \$ - | \$ - | | | | | | Operatioal Costs |
| MINOT RURAL FIRE PROT DIST | \$ 79,251.67 | \$ 79,251.67 | \$ - | \$ - | Set aside for the purchase of new self-contained breathing apparatus | | X | | | Fire Dept Operations |
| MINTO RURAL FIRE PROT DIST | \$ 16,832.46 | \$ 16,832.46 | \$ - | | | | | | | replaced roof on fire hall |
| MOHALL FIRE DEPARTMENT | \$ 9,336.51 | \$ 9,336.51 | \$ - | \$ - | | | | | | PPE, extrication tools |
| MOHALL Rural FIRE PROT DIST | \$ 6,086.49 | \$ 6,086.49 | \$ - | | | | | | | PPE, extrication tools |
| MOORETON FIRE DEPARTMENT | \$ 3,426.03 | \$ 3,426.03 | \$ - | | | | | | | updated gear |
| MOORETON FIRE PROT DIST | \$ 9,232.96 | \$ 9,232.96 | \$ - | | | | | | | updated gear |
| MOTT FIRE PROT DIST | \$ 22,852.73 | \$ 22,852.73 | | | | | | | | equip., training, repairs |
| MOUNTAIN-THINGVALLA FIRE PROT DIST | \$ 4,169.22 | | | | | | | | | |
| MUNICH Rural Fire Dept | \$ 18,028.13 | \$ 18,028.13 | \$ - | \$ - | | | | | | Air packs and Tanks |
| MYLO FIRE PROT DIST #1 | \$ 3,206.19 | \$ 3,206.19 | | | | | | | | equipment and bills |
| NAPOLEON RURAL FIRE PROT DIST | \$ 16,419.24 | \$ 16,419.24 | \$ - | \$ - | | | | | | Purchased new 2017 Brush Truck for wildfires. Cost was \$95,000 |
| NECHE FIRE PROTECTION DISTRICT | \$ 6,588.44 | \$ 6,588.44 | \$ - | | | | | | | truck fund and building updates and equip. |
| NEKOMA FIRE PROT DIST | \$ 5,354.14 | \$ 5,354.14 | \$ - | | | | | | | maint., new hose and reel, updating equip. |
| NEW ENGLAND FIRE DEPT | \$ 8,694.65 | \$ 8,694.65 | \$ - | | | | | | | |
| NEW ENGLAND Rural FIRE PROT DIST | \$ 10,866.77 | \$ 10,866.77 | | | | | | | | New SBAs, extraction equip., maint. 0of fire vehicles |
| NEW LEIPZIG RURAL FIRE PROT DIST | \$ 8,198.05 | \$ 8,198.05 | \$ - | \$ - | Major repairs and building fund | | X | | | Purchased used pumper.tanker |
| NEW ROCKFORD FIRE DEPT | \$ 11,500.83 | \$ 11,500.83 | | | | | | | | Training, building expenses, apparatus repai |
| NEW ROCKFORD RURAL FIRE PROT DIST | \$ 14,188.20 | \$ 14,188.20 | | | | | | | | Figtherfighting PPE, training and equip. |
| NEW SALEM FIRE PROT DIST | \$ 25,299.98 | \$ 17,525.19 | \$ 7,774.79 | \$ 7,774.79 | Driveway and doors for firehall | X | | | | building and grounds, driveway |
| NEW TOWN CITY FIRE DEPARTMENT | \$ 17,460.43 | \$ 17,460.43 | | | | | | | | Turnout gear, radio, gas, communication, propane, maintenance |
| NEW TOWN RURAL FIRE PROT DIST #3 | \$ 18,521.60 | \$ 18,521.60 | | \$ 18,521.60 | New fire truck | X | | | | |
| NEWBURG RURAL FIRE PROT DIST | \$ 9,201.00 | \$ 9,201.00 | \$ - | | | | | | | purchase and payment on new pumper |
| NIAGARA RURAL FIRE PROT DIST | \$ 5,528.36 | \$ 5,528.36 | | | Building expansion | | X | | | Bought new tanker truck |
| NOME FIRE PROT DIST | \$ 3,461.21 | \$ 3,461.21 | \$ - | | | | | | | power, fuel, repair |
| NOONAN FIRE DEPARTMENT | \$ 2,823.99 | \$ 2,823.99 | | | | | | | | vehicle repair, maintenance, fuel, equip |
| NOONAN RURAL FIRE DEPT | \$ 4,321.88 | \$ 4,321.88 | | | | | | | | vehicle repair, pump repair, fuel, Maintenance |
| NORTHWOOD FIRE PROT DIST | \$ 19,900.99 | \$ 19,900.99 | \$ - | | | | | | | |
| OAKES FIRE DEPARTMENT | \$ 53,520.35 | \$ 53,520.35 | \$ - | \$ - | | | | | | New brush truck and day to day operations |
| OBERON FIRE DEPARTMENT | \$ 1,372.47 | \$ 100.00 | \$ 1,272.47 | | | | X | | | |
| OBERON RURAL FIRE DEPT | \$ 3,053.32 | \$ 500.00 | \$ 2,553.32 | | | | X | | | |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

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|---|-------------------------------|-------------------------|-------------------------------|--------------------|----------------------------------|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| OLIVER COUNTY FIRE PROT DIST | \$ 19,855.18 | \$ 19,855.18 | \$ - | \$ - | | | | | | |
| ORISKA FIRE DEPARTMENT | \$ 2,377.00 | \$ 565.10 | \$ 1,811.90 | \$ 184.90 | Increase city water supply | | X | | | repair & tune fire truck fuel tank and pump |
| OSNABROCK FIRE DEPARTMENT | \$ 1,855.12 | \$ 1,855.12 | | | | | | | | Electricity, Heating, Mnaintenance |
| OSNABROCK RURAL FIRE PROT DIST | \$ 9,836.05 | \$ 9,836.05 | \$ - | | | | | | | |
| PAGE FIRE PROT DIST | \$ 23,082.86 | \$ 5,893.40 | \$ 17,189.46 | \$ 17,189.46 | | | | | | |
| PARK RIVER FIRE PROT DIST | \$ 6,736.36 | | | | | | | | | fire protection |
| PARK RIVER Volunteer FIRE DEPARTMENT | \$ 10,739.24 | \$ 10,739.24 | | | | | | | | |
| PARSHALL RURAL FIRE PROT DISTRICT | \$ 24,000.00 | \$ 24,000.00 | \$ - | \$ - | | | | | | |
| PEKIN FIRE PROT DIST | \$ 5,093.00 | \$ - | \$ 5,093.30 | \$ 5,093.30 | New steel rook on fire Hall | | | | | |
| PEMBINA RURAL FIRE DEPT | \$ 6,563.34 | \$ - | \$ 6,563.34 | \$ 6,563.34 | | | | | | |
| PEMBINA VOLUNTEER FIRE DEPT | \$ 3,654.62 | \$ - | \$ 3,654.62 | \$ 3,654.62 | | | | | | |
| PETERSBURG FIRE PROT DIST | \$ 5,961.02 | \$ 5,961.02 | | | | | | | | |
| PETTIBONE FIRE PROT DIST | \$ 4,261.96 | \$ 4,261.96 | \$ - | | | | | | | |
| PICK CITY Municipal FIRE DEPARTMENT | \$ 2,198.64 | \$ 2,198.64 | \$ - | | | | | | | |
| PINGREE FIRE PROT DIST | \$ 3,782.59 | \$ 3,782.59 | | | | | | | | Updating, maintenance |
| PISEK RURAL FIRE PROT DIST | \$ 2,447.22 | \$ 2,447.22 | \$ - | | Building repairs | X | | | | repairs and upgrades to building |
| PLAZA FIRE PROT DIST | \$ 15,864.46 | \$ 15,864.46 | | | Update trucks | | X | | | building and truck upkeep, extraction equip. and fire gear |
| PORTAL INTERNATIONAL FIRE DEPT | \$ - | \$ - | | | | | | | | |
| PORTAL RURAL FIRE DEPT | \$ 2,275.55 | \$ 2,275.55 | \$ - | | | | | | | pay Ray for fire protection |
| PORTLAND FIRE PROT DIST | \$ 23,552.71 | \$ 23,552.71 | \$ - | | | | | | | |
| POWERS LAKE FIRE PROT DIST | \$ 12,269.71 | \$ 12,269.71 | | | | | | | | operating, utilities |
| RAY FIRE PROT DIST | \$ 22,240.08 | \$ 22,240.08 | | | | | | | | Maint. On trucks, building; fuel, water, foam, replacing nozzle and hand tools |
| REEDER FIRE PROT DIST | \$ 7,740.32 | \$ 7,740.32 | \$ - | \$ - | | | | | | Equip. |
| REGENT RURAL FIRE PROT DIST #1 | \$ 12,310.00 | \$ 12,310.00 | | | | | | | | Payment for purchase of 2015 Chevy grass unit truck & new MSA air pack |
| REYNOLDS FIRE PROT DIST | \$ 12,355.15 | \$ 12,355.15 | | | | | | | | equipment |
| RHAME RURAL FIRE PROT DIST | \$ 7,147.89 | \$ 7,147.89 | | | | | | | | replace bed, tank, pump on grass unit; truck chassie |
| RICHARDTON FIRE DISTRICT | \$ 15,707.20 | \$ 15,707.20 | \$ - | | | | | | | |
| RIVERDALE FIRE DEPARTMENT | \$ 3,742.33 | \$ 2,941.35 | \$ 800.98 | | | | | | | PPE |
| ROBINSON FIRE PROT DIST | \$ 5,918.41 | \$ 3,313.07 | \$ 2,605.34 | \$ - | | | | | \$ 2,605.34 | |
| ROCK LAKE RURAL FIRE PROT DIST | \$ 9,098.17 | \$ 9,098.17 | \$ - | | | | | | | payment on tanker |
| ROGERS FIRE DEPT | \$ 2,255.91 | | | | | | | | | |
| ROLETTE FIRE PROT DIST | \$ 10,570.61 | \$ 10,570.61 | | | | | | | | New Turnout gear |
| ROLETTE CITY FIRE DEPARTMENT | \$ 4,520.34 | \$ 4,520.34 | \$ - | \$ - | | | | | | |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

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|---|-------------------------------|-------------------------|-------------------------------|--------------------|--|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| ROLLA RURAL FIRE PROT DIST #4 | \$ 7,614.81 | \$ - | \$ 7,614.81 | \$ 7,614.81 | Replace a quick attack vehicle | | | | | |
| ROLLA Volunteer FIRE DEPARTMENT | \$ 10,648.92 | \$ 10,648.92 | \$ - | \$ - | | | | | | equipment, reparis, maintenancew, insurance expenses, supplies, paper expenses, training, county radio tower usage |
| RUGBY FIRE PROT DIST | \$ 20,662.69 | \$ 20,662.69 | | | | | | | | operating and training expenses |
| RUGBY Volunteer FIRE DEPARTMENT | \$ 21,398.94 | | \$ 21,398.94 | | Extrication bunker gear including boots and gloves; radio equip. | | | | | |
| RUTLAND-CAYUGA FIRE PROT DIST | \$ 10,418.83 | \$ 10,418.83 | \$ - | \$ - | | | | | | equipment |
| RYDER-MAKOTI Rural FIRE PROTECTION DISTRICT | \$ 12,186.50 | \$ 12,186.50 | \$ - | \$ - | | | | | | Payment on new Fire Truck |
| SAINT JOHN FIRE PROT DIST #5 | \$ 6,836.00 | \$ 6,836.00 | \$ - | | | | | | | utilities and Ins. For FD and building |
| SAINT THOMAS RURAL FIRE PROT DIST | \$ 11,082.38 | \$ 11,082.38 | \$ - | | | | | | | Fire truck payment |
| SANBORN FIRE DEPARTMENT | \$ 2,300.32 | \$ 629.54 | \$ 1,670.78 | \$ 1,500.00 | Replace hose and turnout gear | X | | | \$ 170.78 | truck repairs |
| SANBORN RURAL FIRE PROT DIST | \$ 6,478.84 | \$ 6,478.84 | \$ - | | | | | | | equip. and training |
| SARLES RURAL FIRE PROT DIST | \$ 5,418.76 | \$ 5,418.76 | \$ - | | | | | | | |
| SAWYER FIRE PROT DIST | \$ 11,622.42 | \$ 11,622.42 | \$ - | | | | | | | bunker gear, SCBAs, tools |
| SCRANTON FIRE PROT DIST | \$ 14,248.53 | \$ - | \$ 14,248.53 | | | | | | \$ 14,248.53 | |
| SELFRIDGE RURAL FIRE DIST | \$ 4,158.02 | \$ 4,158.02 | \$ - | | | | | | | fire extinguishers, AED supplies, PPE |
| SENTINEL RURAL FIRE PROT DIST | \$ 2,394.67 | \$ 2,394.67 | | | | | | | | operating |
| SHARON FIRE DEPARTMENT | \$ 6,384.88 | \$ - | \$ 6,384.88 | \$ 6,384.88 | Improve equip. and firefighter safety; improve grass fire unit | X | | | | |
| SHERWOOD FIRE DISTRICT | \$ 10,609.42 | | | | | | | | | |
| SHEYENNE FIRE DEPARTMENT | \$ 1,902.00 | \$ 1,902.00 | \$ - | | | | | | | Purchased new PPE |
| SHEYENNE RURAL FIRE DEPT | \$ 5,968.00 | \$ 5,968.00 | \$ - | | | | | | | purchase of new PPE |
| SIBLEY FIRE DEPARTMENT | \$ 1,493.34 | \$ 1,493.34 | \$ - | \$ - | | | | | | heat and elec. For fire hall, roof of fire hall, truck upkeep |
| SIOUX-YELLOWSTONE RURAL FIRE PROT DIST | \$ 4,970.63 | \$ 4,970.63 | | | | | | | | Fire Protection Contract with Fairview Fire Dept |
| SOLENE FIRE PROT DIST | \$ 2,969.79 | \$ 2,969.79 | \$ - | | | | | | | propane, electricity, gas for fire trucks, up keep on trucks |
| SOURIS Rural FIRE PROT DIST | \$ 10,043.74 | \$ 10,043.74 | | | | | | | | |
| SOUTH HEART FIRE PROT DIST | \$ 13,704.57 | \$ 13,704.57 | \$ - | | | | | | | pay off storage building |
| SOUTHWEST FIRE PROT DIST/Pollock | \$ 564.00 | | | | | | | | | |
| SPIRIT LAKE FIRE DEPARTMENT | \$ 1,132.50 | | | | | | | | | |
| STANLEY FIRE DEPARTMENT | \$ 21,526.65 | | \$ - | | | | | | | Battery Operated Extraction Tools |
| STANLEY RURAL FIRE PROT DIST | \$ 21,372.64 | \$ 21,526.65 | | | | | | | | Battery Operated Extraction Tools |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

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|---------------------------------------|-------------------------------|-------------------------|-------------------------------|--------------------|----------------------------------|---|-----------|--------------|----------------------|--|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| STANTON CITY FIRE DEPT | \$ 8,839.00 | \$ 5,000.00 | \$ 3,839.00 | \$ 3,839.00 | Operating budget for FD | | | | | used to buy a used fire engine, air pack cert., fire extinguisher, annual inspections, and fule and Maint. Of trucks and fire equip. |
| STANTON RURAL FIRE PROT DIST | \$ 6,689.83 | \$ - | \$ 6,689.83 | \$ 6,689.83 | New fire hall | | X | | | |
| STARKWEATHER FIRE PROT DIST | \$ 10,130.93 | \$ 10,130.93 | | | | | | | | upgrading equip. and apparatus |
| STEELE VOL FIRE DIST | \$ 14,597.05 | \$ 14,597.05 | | | | | | | | Equipment |
| STERLING RURAL FIRE PROT DIST | \$ 8,933.92 | \$ 8,933.92 | \$ - | | | | | | | wildland equipment |
| STRASBURG FIRE PROTECTION DISTRICT | \$ 10,026.19 | \$ 10,026.19 | \$ - | \$ - | | | | | | updated bunker gear |
| STREETER FIRE PROT DIST | \$ 6,260.72 | \$ - | \$ 6,260.72 | \$ 6,260.72 | Fire turck | X | | | | |
| SURREY FIRE PROT DIST | \$ 12,845.57 | \$ 12,845.57 | | | | | | | | purchased 12 new handheld radios |
| SYKESTON FIRE PROT DIST | \$ 10,731.50 | \$ 10,629.00 | | | | | | | | grain bin extraction equip. and purchase of 2 air packs with thermal imaging |
| TAPPEN FIRE PROT DIST | \$ 8,561.93 | \$ 8,561.93 | \$ - | | | | | | | installed new tank on pumper truck |
| TAYLOR Rural FIRE PROT DIST | \$ 8,277.72 | \$ 7,000.00 | \$ 1,277.72 | | | | | | \$ 1,277.72 | equip. and training |
| THOMPSON Rural FIRE PROT DIST | \$ 29,934.51 | \$ 29,934.51 | | | | | | | | repair of extraction equip. and trucks |
| TIOGA FIRE DEPARTMENT | \$ 21,531.22 | \$ 21,531.22 | | | | | | | | equipment replacement and updates |
| TIOGA RURAL FIRE DEPT | \$ 20,954.14 | \$ 20,954.14 | \$ - | | | | | | | maint./equip. |
| TOLLEY FIRE DEPARTMENT | \$ 3,235.28 | \$ 3,235.28 | \$ - | | | | | | | |
| TOLNA RURAL FIRE DIST | \$ 9,421.72 | \$ - | | | | | | | | Equipment & Supplies |
| TOWER CITY RURAL FIRE PROT DIST | \$ 10,422.72 | | | | | | | | | |
| TOWNER FIRE DEPARTMENT | \$ 7,719.72 | \$ 7,719.72 | \$ - | \$ - | | | | | | updated helmets and gloves and winter hoods for cold weather |
| TOWNER RURAL Fire Prot Dist | \$ 7,179.57 | \$ 1,127.47 | \$ 6,052.10 | \$ 6,052.10 | Future fire truck | | X | | | |
| TRENTON VOL FIRE DEPT | \$ 2,181.09 | \$ 2,181.09 | \$ - | | | | | | | |
| TURTLE LAKE Rural FIRE PROT DIST | \$ 11,834.00 | \$ 11,834.00 | | | | | | | | turnout gear |
| TUTTLE FIRE PROT DIST | \$ 4,073.56 | | | | | | | | | |
| TWIN BUTTES Volunteer Fire Dept | \$ - | \$ - | | | | | | | | |
| UNDERWOOD FIRE PROT DIST | \$ 24,850.76 | \$ 24,850.76 | \$ - | | | | | | | turnout gear & security System |
| UPHAM FIRE PROT DIST | \$ 6,437.51 | \$ 6,437.51 | | | | | | | | |
| VALLEY CITY FIRE DEPT | \$ 41,620.00 | \$ 41,620.00 | | | | | | | | recruitement and retention |
| VALLEY CITY RURAL FIRE PROT DIST | \$ 28,309.88 | \$ 28,309.88 | \$ - | \$ - | | | | | | expenses including trucj repairs, maint., and equip. purchases |
| VELVA FIRE DEPARTMENT | \$ 8,841.90 | \$ 6,400.00 | \$ 2,441.90 | \$ 2,000.00 | Turnout gear | X | | | \$ 441.90 | |
| VELVA Rural FIRE PROT DIST | \$ 13,093.76 | \$ 8,000.00 | \$ 5,093.76 | \$ 5,093.76 | Replacement of PPE and trucks | X | | | | |
| VERONA FIRE DEPARTMENT | \$ 2,683.90 | \$ 2,683.90 | | | | | | | | new transponder, fire equip., eDispatch, ND Ins. Premium |

EXPENDITURE OF ND INSURANCE TAX DISTRIBUTION FUNDS

Fire Department Data Received
Funds Distributed 2017 Year End

| FIRE DEPARTMENT | FUNDS RECEIVED END OF 2017 | AMOUNT SPENT TO DATE | REMAINING FUNDS TO DATE | COMMITTED FUNDS | PUPOSE FOR COMMITTED FUNDS | TIMEFRAME FOR USE OF COMMITTED FUNDS | | | UNCOMMITTED FUNDS | ITEMS/SERVICES PURCHASED WITH FUNDS |
|--------------------------------|-------------------------------|-------------------------|-------------------------------|----------------------|--|---|-----------|--------------|----------------------|---|
| | | | | | | 12 Months or less | 2-5 Years | Over 5 Years | | |
| VERONA RURAL FIRE DEPT | \$ 8,962.84 | \$ 2,146.90 | \$ 6,100.00 | | Purchase 12 sets of wetland/grass fire protection, 6 reflective vests, and 18 grass fire masks | X | | | | purchased a new fire coat/pant set for new member |
| WAHPETON FIRE DEPARTMENT | \$ 59,274.13 | \$ 56,274.13 | \$ - | | | | | | | SCBA equip. and firefighter pension fund distributions |
| WALCOTT-COLFAX FIRE PROT DIST | \$ 20,567.55 | \$ 20,567.55 | \$ - | | | | | | | |
| WALES FIRE DEPT | \$ 1,730.12 | \$ 1,730.12 | \$ - | | | | | | | ATV with skid unit |
| WALHALLA FIRE PROT DIST | \$ 14,866.07 | \$ - | \$ 14,866.07 | | Equipment updates | | X | | | |
| WALHALLA VOLUNTEER FIRE DEPT | \$ 7,882.23 | \$ - | \$ 7,882.23 | | Equipment updates | | X | | | |
| WARWICK RURAL FIRE PROT DIST | \$ 3,176.62 | \$ 3,176.62 | \$ - | | | | | | | Purchase of Pumper Truck from Devils Lake Rural |
| WASHBURN FIRE DEPARTMENT | \$ 9,676.73 | \$ 9,676.73 | \$ - | \$ - | | | | | | Thermal Imagin Camera |
| WASHBURN RURAL FIRE PROT DIST | \$ 12,337.84 | | \$ 12,337.84 | \$ 12,337.84 | Replace 14 sets of SCBA appartus and 14 spare tanks | | X | | | |
| WATFORD CITY VOL FIRE DEPT | \$ 43,147.69 | \$ 43,147.69 | \$ - | | | | | | | firefighter retirement |
| WEST DUNN FIRE PROT DIST | \$ 33,804.33 | \$ 33,804.33 | \$ - | \$ - | | | | | | tools and equip. upgrades |
| WEST FARGO FIRE DEPT | \$ 163,984.00 | \$ 163,984.00 | \$ - | \$ - | | | | | | Toward a new rescue truck |
| WEST FARGO RURAL FIRE DEPT | \$ 21,861.91 | \$ 21,861.91 | \$ - | \$ - | | | | | | New gear, hoses and appliances, training |
| WESTHOPE RURAL FIRE PROT DIST | \$ 11,281.00 | \$ 11,281.00 | \$ - | | | | | | | operating costs |
| WILDROSE FIRE PROT DIST | \$ 6,574.74 | \$ 6,574.74 | | | | | | | | general operating, vehicle & building upkeep |
| WILLISTON FIRE DEPARTMENT | \$ 159,284.73 | \$ 159,284.73 | \$ 21,024.73 | \$ 21,024.73 | Completion of training building and equipment | X | | | | New trainging building |
| WILLISTON RURAL FIRE PROT DIST | \$ 56,228.92 | \$ 28,114.46 | \$ 28,114.46 | \$ 28,114.46 | New tanker | X | | | | New tanker |
| WILLOW CITY FIRE PROT DIST | \$ 11,050.68 | \$ 11,050.68 | | | | | | | | New Equip. |
| WILTON FIRE PROT DIST | \$ 25,040.24 | \$ 25,040.24 | \$ - | \$ - | | | | | | |
| WIMBLEDON FIRE PROT DIST | \$ 11,009.82 | \$ 11,009.82 | | | | | | | | tanker pymnt, new springs and tank for grass rig |
| WING RURAL FIRE PROT DIST | \$ 10,938.00 | \$ 10,938.00 | | | Turnout gear | X | | | | Upkeep and purchase of fire trucks |
| WISHEK FIRE PROT DIST | \$ 14,749.28 | \$ 14,749.28 | \$ - | | | | | | | New Truck |
| WOLFORD FIRE PROT DIST | \$ 5,168.31 | \$ 5,168.31 | \$ - | \$ - | | | | | | bought equipment and a different grass uni |
| WOODWORTH RURAL FIRE PROT DIST | \$ 7,285.68 | \$ 7,285.68 | \$ - | | | | | | | fuel for fire trucks, utilities, improvements to equip. |
| WYNDMERE RURAL FIRE PROT DIST | \$ 19,163.20 | \$ 19,163.20 | \$ - | | | | | | | Payment on new truck from 2015 |
| ZAP RURAL FIRE PROT DIST | \$ 3,674.08 | \$ 3,674.08 | | | | | | | | toward loan for pumper truck |
| ZEELAND FIRE PROT DIST | \$ 6,704.70 | \$ 6,704.70 | \$ - | | | | | | | upkeep and turnout gear |
| | | | | | | | | | | |
| TOTALS | \$ 7,120,917.63 | \$ 6,431,957.77 | \$ 552,805.27 | \$ 470,130.86 | | | | | \$ 42,586.92 | |

Fire District Totals Report

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 0011 | ABERCROMBIE F/P DIST | 54 | 483,508 | \$6,323.18 |
| 0031 | ADAMS F/P DISTRICT | 43 | 607,094 | \$7,939.40 |
| 0071 | ALAMO F/P DISTRICT | 41 | 982,522 | \$12,849.14 |
| 0081 | ALEXANDER F/P DISTRICT | 93 | 1,399,116 | \$18,297.24 |
| 0101 | ALICE F/P DISTRICT | 38 | 299,801 | \$3,920.71 |
| 0121 | ALMONT F/P DISTRICT | 23 | 198,248 | \$2,592.63 |
| 0141 | AMBROSE FIRE DEPT | 14 | 172,425 | \$2,254.93 |
| 0161 | AMIDON F/P DISTRICT | 26 | 270,793 | \$3,541.35 |
| 0171 | ANAMOOSE F/P DISTRICT | 42 | 636,573 | \$8,324.92 |
| 0181 | ANETA F/P DISTRICT | 46 | 774,123 | \$10,123.76 |
| 0191 | ANTLER F/P DISTRICT | 20 | 402,238 | \$5,260.35 |
| 0190 | ANTLER FIRE DEPT | 15 | 207,499 | \$2,713.61 |
| 0231 | ARGUSVILLE F/P DIST | 51 | 600,734 | \$7,856.23 |
| 0241 | ARNEGARD F/P DISTRICT | 74 | 809,502 | \$10,586.44 |
| 0251 | ARTHUR F/P DISTRICT | 49 | 747,584 | \$9,776.69 |
| 0270 | ASHLEY FIRE DEPT | 50 | 941,454 | \$12,312.07 |
| 0271 | ASHLEY RURAL FIRE DEPT | 31 | 506,114 | \$6,618.82 |
| 0361 | BARNEY F/P DISTRICT | 38 | 890,330 | \$11,643.48 |
| 0390 | BATHGATE FIRE DEPT | 16 | 65,656 | \$858.63 |
| 0410 | BEACH FIRE DEPT | 68 | 702,612 | \$9,188.56 |
| 0421 | BELCOURT RURAL FIRE DEPT | 68 | 796,876 | \$10,421.32 |
| 0440 | BELFIELD FIRE DEPT | 81 | 967,646 | \$12,654.60 |
| 0491 | BERTHOLD F/P DISTRICT | 74 | 1,772,044 | \$23,174.29 |
| 0511 | BEULAH F/P DISTRICT | 90 | 4,760,924 | \$62,262.01 |
| 0501 | BILLINGS COUNTY F/P DIST | 41 | 999,551 | \$13,071.84 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 0521 | BINFORD F/P DISTRICT | 51 | 597,267 | \$7,810.89 |
| 0531 | BISBEE F/P DISTRICT | 39 | 672,506 | \$8,794.84 |
| 0541 | BISMARCK F/P DISTRICT | 143 | 12,029,265 | \$157,315.32 |
| 0540 | BISMARCK FIRE DEPT | 189 | 39,302,020 | \$513,980.67 |
| 0591 | BOTTINEAU F/P DISTRICT | 57 | 2,103,397 | \$27,507.63 |
| 0590 | BOTTINEAU FIRE DEPT | 84 | 2,166,764 | \$28,336.33 |
| 0601 | BOWBELLS F/P DISTRICT | 48 | 878,654 | \$11,490.79 |
| 0610 | BOWDON FIRE DEPT | 27 | 370,691 | \$4,847.79 |
| 0611 | BOWDON RURAL FIRE DEPT | 53 | 1,159,806 | \$15,167.61 |
| 0630 | BOWMAN FIRE DEPT | 81 | 1,582,781 | \$20,699.16 |
| 0631 | BOWMAN RURAL FIRE DEPT | 36 | 773,131 | \$10,110.79 |
| 0641 | BRADDOCK F/P DISTRICT | 30 | 315,774 | \$4,129.60 |
| 0701 | BROCKET-LAWTON F/P DIST | 29 | 410,260 | \$5,365.26 |
| 0731 | BUFFALO F/P DISTRICT | 52 | 2,022,544 | \$26,450.26 |
| 0750 | BURLINGTON FIRE DEPT | 65 | 648,191 | \$8,476.86 |
| 0751 | BURLINGTON RURAL FIRE DP | 47 | 776,213 | \$10,151.09 |
| 0781 | BUTTE F/P DISTRICT | 54 | 515,387 | \$6,740.09 |
| 0791 | BUXTON F/P DISTRICT | 69 | 1,637,775 | \$21,418.36 |
| 0821 | CALVIN F/P DISTRICT | 28 | 428,636 | \$5,605.58 |
| 0831 | CANDO F/P DISTRICT | 34 | 793,746 | \$10,380.39 |
| 0830 | CANDO FIRE DEPT | 52 | 690,771 | \$9,033.71 |
| 0861 | CARPIO F/P DISTRICT | 54 | 856,187 | \$11,196.97 |
| 0870 | CARRINGTON FIRE DEPT | 85 | 2,088,555 | \$27,313.53 |
| 0871 | CARRINGTON RURAL FIRE DP | 47 | 1,617,215 | \$21,149.48 |
| 0881 | CARSON F/P DISTRICT | 47 | 725,193 | \$9,483.87 |
| 0900 | CASSELTON FIRE DEPT | 90 | 1,479,340 | \$19,346.39 |
| 0901 | CASSELTON RURAL FIRE DP | 102 | 2,484,062 | \$32,485.86 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|------------------|--------------------------|----------------------|-----------------------|----------------------|
| 0911 | CATHAY F/P DISTRICT | 31 | 788,619 | \$10,313.34 |
| 0920 | CAVALIER FIRE DEPT | 76 | 1,143,058 | \$14,948.59 |
| 0921 | CAVALIER RURAL FIRE DEPT | 67 | 1,791,268 | \$23,425.69 |
| 0931 | CEDAR VALLEY F/P DIST | 9 | 100,984 | \$1,320.64 |
| 0941 | CENTRAL-BEACH F/P DIST | 19 | 286,113 | \$3,741.70 |
| 0991 | CHRISTINE F/P DISTRICT | 49 | 444,636 | \$5,814.82 |
| 1011 | CLEVELAND F/P DISTRICT | 42 | 1,176,399 | \$15,384.61 |
| 1041 | COGSWELL F/P DISTRICT | 41 | 3,509,907 | \$45,901.57 |
| 1090 | COLUMBUS FIRE DEPT | 34 | 169,945 | \$2,222.49 |
| 1091 | COLUMBUS RURAL FIRE DEPT | 25 | 249,602 | \$3,264.22 |
| 1110 | COOPERSTOWN FIRE DEPT | 65 | 670,757 | \$8,771.97 |
| 1111 | COOPERSTOWN RURAL FIRE | 42 | 700,998 | \$9,167.45 |
| 1151 | COURTENAY F/P DISTRICT | 35 | 768,554 | \$10,050.93 |
| 1180 | CROSBY FIRE DEPT | 65 | 870,425 | \$11,383.17 |
| 1181 | CROSBY RURAL FIRE DEPT | 35 | 703,673 | \$9,202.44 |
| 1191 | CRYSTAL F/P DISTRICT | 41 | 428,559 | \$5,604.57 |
| 1221 | DAHLEN F/P DISTRICT | 19 | 232,223 | \$3,036.95 |
| 1231 | DAVENPORT F/P DISTRICT | 52 | 478,868 | \$6,262.50 |
| 1241 | DAWSON F/P DISTRICT | 48 | 458,261 | \$5,993.01 |
| 1251 | DAZEY F/P DISTRICT | 27 | 359,615 | \$4,702.94 |
| 1250 | DAZEY FIRE DEPT | 24 | 953,110 | \$12,464.50 |
| 1261 | DEERING F/P DISTRICT | 37 | 392,095 | \$5,127.71 |
| 1301 | DES LACS F/P DISTRICT | 40 | 447,890 | \$5,857.38 |
| 1310 | DEVILS LAKE FIRE DEPT | 131 | 3,650,308 | \$47,737.69 |
| 1311 | DEVILS LAKE RURAL FIRE | 85 | 2,637,920 | \$34,497.97 |
| 1341 | DICKINSON F/P DISTRICT | 85 | 3,791,426 | \$49,583.19 |
| 1340 | DICKINSON FIRE DEPT | 178 | 13,610,419 | \$177,993.20 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 1361 | DONNYBROOK F/P DISTRICT | 38 | 920,870 | \$12,042.88 |
| 1381 | DOUGLAS F/P DISTRICT | 34 | 247,357 | \$3,234.86 |
| 1401 | DRAKE F/P DISTRICT | 36 | 605,021 | \$7,912.29 |
| 1400 | DRAKE FIRE DEPT | 33 | 164,947 | \$2,157.13 |
| 1410 | DRAYTON FIRE DEPT | 51 | 545,007 | \$7,127.45 |
| 1411 | DRAYTON RURAL FIRE DEPT | 36 | 573,251 | \$7,496.81 |
| 1451 | DUNSEITH F/P DISTRICT | 38 | 403,320 | \$5,274.50 |
| 1450 | DUNSEITH FIRE DEPT | 31 | 240,860 | \$3,149.90 |
| 1471 | DWIGHT F/P DISTRICT | 45 | 771,491 | \$10,089.34 |
| 1481 | EAST ADAMS F/P DISTRICT | 10 | 120,607 | \$1,577.26 |
| 1490 | EDGELEY FIRE DEPT | 51 | 987,854 | \$12,918.87 |
| 1491 | EDGELEY RURAL FIRE DEPT | 41 | 1,737,616 | \$22,724.05 |
| 1501 | EDINBURG F/P DISTRICT | 44 | 528,800 | \$6,915.50 |
| 1510 | EDMORE FIRE DEPT | 33 | 220,524 | \$2,883.95 |
| 1511 | EDMORE RURAL FIRE DEPT | 28 | 694,236 | \$9,079.02 |
| 2971 | EDNA F/P DISTRICT | 19 | 177,000 | \$2,314.76 |
| 1531 | EGELAND F/P DISTRICT | 18 | 259,668 | \$3,395.86 |
| 1551 | ELGIN F/P DISTRICT | 68 | 967,953 | \$12,658.61 |
| 1561 | ELLENDAL F/P DISTRICT | 79 | 2,029,606 | \$26,542.61 |
| 1591 | EMERADO RURAL FIRE DEPT | 71 | 781,335 | \$10,218.08 |
| 1621 | ENDERLIN F/P DISTRICT | 82 | 2,281,700 | \$29,839.43 |
| 1641 | EPPING F/P DISTRICT | 73 | 1,458,264 | \$19,070.76 |
| 1651 | ERIE RURAL FIRE DEPT | 24 | 241,591 | \$3,159.46 |
| 1661 | ESMOND F/P DISTRICT | 40 | 938,036 | \$12,267.37 |
| 1671 | FAIRDALE F/P DISTRICT | 29 | 370,870 | \$4,850.13 |
| 1691 | FAIRMOUNT F/P DISTRICT | 50 | 1,178,931 | \$15,417.73 |
| 1700 | FARGO FIRE DEPT | 223 | 47,749,963 | \$624,460.47 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 1705 | FERRY TOWNSHIP F/P DIST | 77 | 917,304 | \$11,996.24 |
| 1711 | FESSENDEN F/P DISTRICT | 55 | 1,399,301 | \$18,299.66 |
| 1731 | FINGAL F/P DISTRICT | 30 | 274,581 | \$3,590.89 |
| 1741 | FINLEY F/P DISTRICT | 51 | 1,233,852 | \$16,135.97 |
| 1751 | FLASHER F/P DISTRICT | 52 | 885,186 | \$11,576.21 |
| 1781 | FORBES F/P DISTRICT | 27 | 415,617 | \$5,435.32 |
| 1791 | FORDVILLE F/P DISTRICT | 45 | 641,216 | \$8,385.64 |
| 1800 | FOREST RIVER FIRE DEPT | 29 | 203,661 | \$2,663.42 |
| 1811 | FORMAN F/P DISTRICT | 74 | 1,659,958 | \$21,708.46 |
| 1831 | FORT RANSOM F/P DISTRICT | 37 | 1,026,033 | \$13,418.17 |
| 1871 | FORT YATES F/P DISTRICT | 41 | 374,280 | \$4,894.73 |
| 1861 | FORTUNA F/P DISTRICT | 25 | 446,590 | \$5,840.38 |
| 1901 | FREDONIA F/P DISTRICT | 22 | 217,256 | \$2,841.21 |
| 1921 | FULLERTON F/P DISTRICT | 34 | 1,746,479 | \$22,839.96 |
| 1931 | GACKLE RURAL FIRE DEPT | 40 | 902,912 | \$11,808.03 |
| 1951 | GALESBURG F/P DISTRICT | 35 | 722,845 | \$9,453.16 |
| 1981 | GARRISON F/P DISTRICT | 76 | 2,707,371 | \$35,406.23 |
| 1980 | GARRISON FIRE DEPT | 50 | 619,852 | \$8,106.25 |
| 2011 | GILBY F/P DISTRICT | 66 | 1,153,691 | \$15,087.64 |
| 2021 | GLADSTONE F/P DISTRICT | 50 | 676,579 | \$8,848.11 |
| 2061 | GLEN ULLIN F/P DISTRICT | 73 | 1,215,549 | \$15,896.61 |
| 2041 | GLENBURN F/P DISTRICT | 69 | 1,178,053 | \$15,406.24 |
| 2051 | GLENFIELD F/P DISTRICT | 43 | 716,051 | \$9,364.31 |
| 2071 | GOLDEN VALLEY F/P DIST | 39 | 317,218 | \$4,148.49 |
| 2081 | GOLVA F/P DISTRICT | 31 | 272,639 | \$3,565.50 |
| 2091 | GOODRICH F/P DISTRICT | 43 | 731,379 | \$9,564.77 |
| 2121 | GRAFTON F/P DISTRICT | 49 | 1,707,495 | \$22,330.14 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 2120 | GRAFTON FIRE DEPT | 97 | 1,997,181 | \$26,118.57 |
| 2130 | GRAND FORKS FIRE DEPT | 197 | 22,969,646 | \$300,390.52 |
| 2141 | GRANDIN F/P DISTRICT | 83 | 1,261,387 | \$16,496.06 |
| 2161 | GRANVILLE F/P DISTRICT | 58 | 763,776 | \$9,988.45 |
| 2171 | GRASSY BUTTE F/P DIST | 36 | 285,416 | \$3,732.59 |
| 2181 | GREAT BEND F/P DISTRICT | 22 | 315,930 | \$4,131.64 |
| 2191 | GRENORA F/P DISTRICT | 60 | 1,222,382 | \$15,985.97 |
| 2211 | GWINNER F/P DISTRICT | 76 | 1,198,766 | \$15,677.12 |
| 2221 | HAGUE F/P DISTRICT | 24 | 254,784 | \$3,331.99 |
| 2241 | HALLIDAY F/P DISTRICT | 70 | 971,281 | \$12,702.14 |
| 2291 | HAMPDEN F/P DISTRICT | 23 | 202,479 | \$2,647.96 |
| 2301 | HANKINSON F/P DISTRICT | 76 | 1,272,071 | \$16,635.78 |
| 2321 | HANNAFORD RURAL FIRE DP | 44 | 744,995 | \$9,742.83 |
| 2331 | HANNAH F/P DISTRICT | 17 | 506,273 | \$6,620.89 |
| 2381 | HARVEY F/P DISTRICT | 57 | 1,471,592 | \$19,245.06 |
| 2380 | HARVEY FIRE DEPT | 83 | 1,249,664 | \$16,342.75 |
| 2391 | HARWOOD F/P & RESCUE | 54 | 714,964 | \$9,350.10 |
| 2400 | HASTINGS FIRE DEPT | 7 | 77,225 | \$1,009.93 |
| 2411 | HATTON RURAL FIRE DEPT | 66 | 1,639,941 | \$21,446.68 |
| 2421 | HAVANA F/P DISTRICT | 2 | 15,161 | \$198.27 |
| 2441 | HAZELTON F/P DISTRICT | 42 | 898,904 | \$11,755.61 |
| 2451 | HAZEN F/P DISTRICT | 41 | 967,514 | \$12,652.87 |
| 2450 | HAZEN FIRE DEPT | 85 | 1,538,922 | \$20,125.59 |
| 2471 | HEBRON F/P DISTRICT | 63 | 1,005,330 | \$13,147.42 |
| 2521 | HETTINGER F/P DISTRICT | 81 | 2,646,948 | \$34,616.04 |
| 2541 | HILLSBORO FIRE & RESCUE | 85 | 2,383,099 | \$31,165.49 |
| 2561 | HOOPLE F/P DISTRICT | 31 | 647,590 | \$8,469.00 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 2560 | HOOPLE FIRE DEPT | 33 | 223,786 | \$2,926.61 |
| 2571 | HOPE F/P DISTRICT | 68 | 1,422,527 | \$18,603.40 |
| 2581 | HORACE F/P DISTRICT | 104 | 2,716,847 | \$35,530.15 |
| 2591 | HORSE CREEK F/P DISTRICT | 12 | 97,654 | \$1,277.09 |
| 2601 | HUNTER F/P DISTRICT | 53 | 837,324 | \$10,950.29 |
| 2621 | INKSTER F/P DISTRICT | 33 | 435,595 | \$5,696.59 |
| 2631 | JAMESTOWN F/P DISTRICT | 127 | 4,753,140 | \$62,160.22 |
| 2630 | JAMESTOWN FIRE DEPT | 131 | 8,034,565 | \$105,073.76 |
| 2681 | JUD F/P DISTRICT | 30 | 601,478 | \$7,865.96 |
| 2701 | KARLSRUHE F/P DISTRICT | 34 | 606,195 | \$7,927.65 |
| 2711 | KATHRYN F/P DISTRICT | 34 | 362,577 | \$4,741.68 |
| 2760 | KENMARE FIRE DEPT | 64 | 784,094 | \$10,254.16 |
| 2761 | KENMARE RURAL FIRE DEPT | 46 | 1,653,282 | \$21,621.15 |
| 2771 | KENSAL F/P DISTRICT | 35 | 761,633 | \$9,960.42 |
| 2801 | KINDRED RURAL FIRE DEPT | 87 | 1,589,867 | \$20,791.83 |
| 2841 | KRAMER F/P DISTRICT | 23 | 431,923 | \$5,648.57 |
| 2851 | KULM RURAL FIRE DEPT | 47 | 748,608 | \$9,790.08 |
| 2871 | LAKOTA F/P DISTRICT | 61 | 1,062,536 | \$13,895.54 |
| 2880 | LAMOURE FIRE DEPT | 57 | 474,358 | \$6,203.52 |
| 2881 | LAMOURE RURAL FIRE DEPT | 61 | 1,903,261 | \$24,890.31 |
| 2901 | LANGDON F/P DISTRICT | 42 | 2,152,851 | \$28,154.37 |
| 2900 | LANGDON FIRE DEPT | 78 | 1,626,031 | \$21,264.77 |
| 2911 | LANKIN F/P DISTRICT | 23 | 468,936 | \$6,132.61 |
| 2910 | LANKIN FIRE DEPT | 25 | 53,704 | \$702.33 |
| 2921 | LANSFORD F/P DISTRICT | 50 | 905,050 | \$11,835.99 |
| 2930 | LARIMORE FIRE DEPT | 67 | 680,848 | \$8,903.94 |
| 2931 | LARIMORE RURAL FIRE DEPT | 65 | 1,197,103 | \$15,655.37 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 2981 | LEEDS F/P DISTRICT | 72 | 1,957,154 | \$25,595.10 |
| 3000 | LEHR FIRE DEPT | 20 | 70,085 | \$916.55 |
| 3001 | LEHR RURAL FIRE DEPT | 18 | 270,208 | \$3,533.70 |
| 3021 | LEONARD F/P DISTRICT | 57 | 1,116,093 | \$14,595.95 |
| 3041 | LIDGERWOOD F/P DISTRICT | 73 | 1,428,643 | \$18,683.39 |
| 3051 | LIGNITE F/P DISTRICT | 54 | 490,097 | \$6,409.35 |
| 3061 | LINTON F/P DISTRICT | 74 | 1,595,477 | \$20,865.20 |
| 3071 | LISBON F/P DISTRICT | 62 | 1,946,622 | \$25,457.37 |
| 3070 | LISBON FIRE DEPT | 82 | 1,238,501 | \$16,196.76 |
| 3080 | LITCHVILLE FIRE DEPT | 32 | 171,301 | \$2,240.23 |
| 3081 | LITCHVILLE RURAL FIRE DP | 29 | 900,552 | \$11,777.16 |
| 3221 | MADDOCK F/P DISTRICT | 56 | 1,045,556 | \$13,673.48 |
| 3251 | MANDAN F/P DISTRICT | 92 | 4,647,372 | \$60,777.01 |
| 3250 | MANDAN FIRE DEPT | 155 | 11,861,558 | \$155,122.09 |
| 3291 | MANTADOR F/P DISTRICT | 31 | 384,045 | \$5,022.43 |
| 3320 | MAPLETON FIRE DEPT | 65 | 681,132 | \$8,907.65 |
| 3330 | MARION FIRE DEPT | 29 | 215,224 | \$2,814.64 |
| 3331 | MARION RURAL FIRE DEPT | 48 | 1,137,830 | \$14,880.22 |
| 3341 | MARMARTH RURAL FIRE DIST | 24 | 133,700 | \$1,748.49 |
| 3371 | MAX F/P DISTRICT | 66 | 1,315,135 | \$17,198.96 |
| 3381 | MAXBASS F/P DISTRICT | 34 | 419,307 | \$5,483.58 |
| 3391 | MAYVILLE FIRE DEPT | 88 | 1,875,690 | \$24,529.74 |
| 3161 | MCCLUSKY F/P DISTRICT | 48 | 808,889 | \$10,578.42 |
| 3181 | MCHENRY RURAL FIRE DEPT | 44 | 664,333 | \$8,687.96 |
| 3191 | MCKENZIE COUNTY F/P DIST | 92 | 2,398,299 | \$31,364.27 |
| 3211 | MCVILLE F/P DISTRICT | 57 | 646,418 | \$8,453.67 |
| 3411 | MEDINA F/P DISTRICT | 47 | 580,123 | \$7,586.68 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 3420 | MEDORA FIRE DEPT | 37 | 470,165 | \$6,148.68 |
| 3461 | MERCER F/P DISTRICT | 46 | 492,267 | \$6,437.73 |
| 3481 | MICHIGAN F/P DISTRICT | 45 | 651,587 | \$8,521.27 |
| 3501 | MILNOR F/P DISTRICT | 79 | 1,689,140 | \$22,090.09 |
| 3511 | MILTON F/P DISTRICT | 31 | 482,457 | \$6,309.44 |
| 3521 | MINNEWAUKAN F/P DISTRICT | 32 | 412,738 | \$5,397.67 |
| 3520 | MINNEWAUKAN FIRE DEPT | 28 | 160,655 | \$2,101.00 |
| 3531 | MINOT F/P DISTRICT | 104 | 6,060,054 | \$79,251.67 |
| 3530 | MINOT FIRE DEPT | 181 | 23,302,872 | \$304,748.35 |
| 3541 | MINTO F/P DISTRICT | 71 | 1,287,110 | \$16,832.46 |
| 3561 | MOHALL F/P DISTRICT | 29 | 465,409 | \$6,086.49 |
| 3560 | MOHALL FIRE DEPT | 67 | 677,341 | \$8,858.07 |
| 3591 | MOORETON F/P DISTRICT | 25 | 706,007 | \$9,232.96 |
| 3590 | MOORETON FIRE DEPT | 34 | 261,975 | \$3,426.03 |
| 3601 | MOTT F/P DISTRICT | 60 | 1,747,456 | \$22,852.73 |
| 3611 | MOUNTAIN F/P DISTRICT | 27 | 226,258 | \$2,958.94 |
| 3631 | MUNICH F/P DISTRICT | 52 | 1,378,538 | \$18,028.13 |
| 3641 | MYLO F/P DISTRICT | 18 | 245,164 | \$3,206.19 |
| 3661 | NAPOLEON F/P DISTRICT | 59 | 1,255,513 | \$16,419.24 |
| 3681 | NECHE F/P DISTRICT | 47 | 503,791 | \$6,588.44 |
| 3691 | NEKOMA F/P DISTRICT | 28 | 409,410 | \$5,354.15 |
| 3721 | NEW ENGLAND F/P DISTRICT | 34 | 830,938 | \$10,866.77 |
| 3720 | NEW ENGLAND FIRE DEPT | 54 | 664,845 | \$8,694.65 |
| 3741 | NEW LEIPZIG F/P DISTRICT | 41 | 591,564 | \$7,736.31 |
| 3750 | NEW ROCKFORD FIRE DEPT | 64 | 879,422 | \$11,500.83 |
| 3751 | NEW ROCKFORD RURAL FIRE | 34 | 1,084,914 | \$14,188.20 |
| 3761 | NEW SALEM F/P DISTRICT | 68 | 1,934,587 | \$25,299.98 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 3771 | NEW TOWN F/P DISTRICT | 60 | 1,416,272 | \$18,521.60 |
| 3770 | NEW TOWN FIRE DEPT | 79 | 1,335,128 | \$17,460.43 |
| 3711 | NEWBURG F/P DISTRICT | 38 | 703,565 | \$9,201.02 |
| 3781 | NIAGARA F/P DISTRICT | 28 | 422,731 | \$5,528.36 |
| 3801 | NOME F/P DISTRICT | 33 | 264,665 | \$3,461.21 |
| 3810 | NOONAN FIRE DEPT | 23 | 215,939 | \$2,823.99 |
| 3811 | NOONAN RURAL FIRE DEPT | 15 | 330,477 | \$4,321.88 |
| 3841 | NORTHWOOD F/P DISTRICT | 83 | 1,521,748 | \$19,900.99 |
| 3871 | OAKES F/P DISTRICT | 91 | 4,092,484 | \$53,520.35 |
| 3880 | OBERON FIRE DEPT | 18 | 104,947 | \$1,372.47 |
| 3881 | OBERON RURAL FIRE DEPT | 16 | 233,475 | \$3,053.32 |
| 3891 | OLIVER COUNTY F/P DIST | 88 | 1,518,245 | \$19,855.18 |
| 3900 | ORISKA FIRE DEPT | 24 | 178,427 | \$2,333.42 |
| 3931 | OSNABROCK F/P DISTRICT | 36 | 752,123 | \$9,836.05 |
| 3930 | OSNABROCK FIRE DEPT | 24 | 160,603 | \$2,100.32 |
| 3951 | PAGE F/P DISTRICT | 60 | 1,765,053 | \$23,082.86 |
| 3971 | PARK RIVER F/P DISTRICT | 31 | 515,102 | \$6,736.36 |
| 3970 | PARK RIVER FIRE DEPT | 70 | 821,186 | \$10,739.24 |
| 3981 | PARSHALL F/P DISTRICT | 73 | 1,993,685 | \$26,072.85 |
| 3991 | PEKIN F/P DISTRICT | 30 | 389,464 | \$5,093.30 |
| 4000 | PEMBINA RURAL FIRE DEPT | 62 | 501,872 | \$6,563.34 |
| 4001 | PEMBINA RURAL FIRE DEPT | 25 | 279,454 | \$3,654.62 |
| 4031 | PETERSBURG F/P DISTRICT | 38 | 455,815 | \$5,961.02 |
| 4041 | PETTIBONE RURAL FIRE DP | 32 | 325,895 | \$4,261.96 |
| 4050 | PICK CITY FIRE DEPT | 40 | 168,121 | \$2,198.64 |
| 4061 | PINGREE F/P DISTRICT | 29 | 289,239 | \$3,782.59 |
| 4071 | PISEK F/P DISTRICT | 32 | 187,129 | \$2,447.22 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 4081 | PLAZA F/P DISTRICT | 58 | 1,213,091 | \$15,864.46 |
| 4101 | PORTAL F/P DISTRICT | 28 | 174,002 | \$2,275.55 |
| 4111 | PORTLAND F/P DISTRICT | 71 | 1,800,980 | \$23,552.71 |
| 4121 | POWERS LAKE F/P DISTRICT | 62 | 938,215 | \$12,269.71 |
| 4171 | RAY F/P DISTRICT | 73 | 1,700,609 | \$22,240.08 |
| 4181 | REEDER F/P DISTRICT | 44 | 591,871 | \$7,740.32 |
| 4201 | REGENT F/P DISTRICT | 42 | 941,363 | \$12,310.88 |
| 4211 | REYNOLDS F/P DISTRICT | 57 | 944,748 | \$12,355.15 |
| 4221 | RHAME F/P DISTRICT | 25 | 546,570 | \$7,147.89 |
| 4231 | RICHARDTON F/P DISTRICT | 75 | 1,201,066 | \$15,707.20 |
| 4240 | RIVERDALE FIRE DEPT | 44 | 286,161 | \$3,742.33 |
| 4251 | ROBINSON RURAL FIRE DEPT | 31 | 452,557 | \$5,918.41 |
| 4261 | ROCK LAKE F/P DISTRICT | 41 | 695,700 | \$9,098.17 |
| 4270 | ROGERS FIRE DEPT | 26 | 172,500 | \$2,255.91 |
| 4281 | ROLETTE F/P DISTRICT | 32 | 808,292 | \$10,570.61 |
| 4280 | ROLETTE FIRE DEPT | 47 | 345,652 | \$4,520.34 |
| 4291 | ROLLA F/P DISTRICT | 32 | 582,274 | \$7,614.81 |
| 4290 | ROLLA FIRE DEPT | 62 | 814,280 | \$10,648.92 |
| 4331 | RUGBY F/P DISTRICT | 53 | 1,579,992 | \$20,662.69 |
| 4330 | RUGBY FIRE DEPT | 87 | 1,636,290 | \$21,398.94 |
| 4351 | RUTLAND-CAYUGA F/P DIST | 49 | 796,686 | \$10,418.83 |
| 4361 | RYDER-MAKOTI F/P DIST | 70 | 931,852 | \$12,186.50 |
| 4411 | SANBORN F/P DISTRICT | 32 | 495,411 | \$6,478.84 |
| 4410 | SANBORN FIRE DEPT | 33 | 175,896 | \$2,300.32 |
| 4441 | SARLES F/P DISTRICT | 24 | 414,351 | \$5,418.76 |
| 4451 | SAWYER F/P DISTRICT | 60 | 888,719 | \$11,622.42 |
| 4461 | SCRANTON F/P DISTRICT | 50 | 1,089,527 | \$14,248.53 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|---------------------------|---------------|----------------|---------------|
| 4471 | SELFRIDGE F/P DISTRICT | 28 | 317,947 | \$4,158.02 |
| 4491 | SENTINEL BUTTE F/P DIST | 24 | 183,111 | \$2,394.67 |
| 4500 | SHARON FIRE DEPT | 23 | 488,226 | \$6,384.88 |
| 4521 | SHERWOOD F/P DISTRICT | 37 | 811,259 | \$10,609.42 |
| 4530 | SHEYENNE FIRE DEPT | 29 | 145,492 | \$1,902.70 |
| 4531 | SHEYENNE RURAL FIRE DEPT | 31 | 456,368 | \$5,968.25 |
| 4540 | SIBLEY FIRE DEPT | 19 | 114,190 | \$1,493.34 |
| 4551 | SIOUX-YELLOWSTONE F/P DIS | 40 | 380,084 | \$4,970.63 |
| 4561 | SOLENE F/P DISTRICT | 31 | 227,088 | \$2,969.79 |
| 4571 | SOURIS F/P DISTRICT | 32 | 768,004 | \$10,043.74 |
| 4591 | SOUTH HEART F/P DISTRICT | 59 | 1,047,933 | \$13,704.57 |
| 4611 | SOUTHWEST F/P DISTRICT | 6 | 43,129 | \$564.03 |
| 4621 | SPIRIT LAKE FIRE DEPT | 19 | 86,598 | \$1,132.50 |
| 4381 | ST JOHN F/P DISTRICT | 48 | 461,852 | \$6,039.97 |
| 4401 | ST THOMAS F/P DISTRICT | 50 | 847,425 | \$11,082.38 |
| 4641 | STANLEY F/P DISTRICT | 90 | 1,634,279 | \$21,372.64 |
| 4640 | STANLEY FIRE DEPT | 96 | 1,646,056 | \$21,526.65 |
| 4651 | STANTON F/P DISTRICT | 25 | 204,293 | \$2,671.69 |
| 4650 | STANTON FIRE DEPT | 49 | 675,958 | \$8,839.99 |
| 4661 | STARKWEATHER F/P DIST | 40 | 774,671 | \$10,130.93 |
| 4671 | STEELE F/P DISTRICT | 75 | 1,116,177 | \$14,597.05 |
| 4681 | STERLING F/P DISTRICT | 63 | 683,141 | \$8,933.92 |
| 4701 | STRASBURG F/P DISTRICT | 38 | 766,662 | \$10,026.19 |
| 4721 | STREETER F/P DISTRICT | 35 | 478,732 | \$6,260.72 |
| 4731 | SURREY F/P DISTRICT | 69 | 982,249 | \$12,845.57 |
| 4761 | SYKESTON F/P DISTRICT | 37 | 820,595 | \$10,731.51 |
| 4781 | TAPPEN RURAL FIRE DEPT | 50 | 654,696 | \$8,561.93 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 4791 | TAYLOR F/P DISTRICT | 44 | 565,548 | \$7,396.08 |
| 4821 | THOMPSON F/P DISTRICT | 90 | 2,288,971 | \$29,934.51 |
| 4840 | TIOGA FIRE DEPT | 85 | 1,646,405 | \$21,531.22 |
| 4841 | TIOGA RURAL FIRE DEPT | 65 | 1,602,278 | \$20,954.14 |
| 4860 | TOLLEY FIRE DEPT | 23 | 247,389 | \$3,235.28 |
| 4871 | TOLNA F/P DISTRICT | 44 | 720,441 | \$9,421.72 |
| 4881 | TOWER CITY F/P DISTRICT | 45 | 796,983 | \$10,422.72 |
| 4891 | TOWNER F/P DISTRICT | 29 | 548,993 | \$7,179.57 |
| 4890 | TOWNER FIRE DEPT | 48 | 590,296 | \$7,719.72 |
| 4901 | TRENTON F/P DISTRICT | 40 | 166,779 | \$2,181.09 |
| 4921 | TURTLE LAKE F/P DISTRICT | 58 | 904,912 | \$11,834.18 |
| 4931 | TUTTLE F/P DISTRICT | 31 | 311,489 | \$4,073.56 |
| 4941 | UNDERWOOD F/P DISTRICT | 78 | 1,900,237 | \$24,850.76 |
| 4961 | UPHAM F/P DISTRICT | 36 | 492,250 | \$6,437.51 |
| 4980 | VALLEY CITY FIRE DEPT | 127 | 3,197,078 | \$41,810.48 |
| 4981 | VALLEY CITY RURAL FIRE | 64 | 2,210,163 | \$28,903.88 |
| 4991 | VELVA F/P DISTRICT | 55 | 1,001,227 | \$13,093.76 |
| 4990 | VELVA FIRE DEPT | 78 | 676,104 | \$8,841.90 |
| 5020 | VERONA FIRE DEPT | 23 | 205,227 | \$2,683.90 |
| 5021 | VERONA RURAL FIRE DEPT | 23 | 685,352 | \$8,962.84 |
| 5050 | WAHPETON FIRE DEPT | 122 | 4,532,453 | \$59,274.13 |
| 5061 | WALCOTT-COLFAX F/P DIST | 87 | 1,572,717 | \$20,567.55 |
| 5070 | WALES FIRE DEPT | 18 | 132,295 | \$1,730.12 |
| 5081 | WALHALLA F/P DISTRICT | 33 | 1,136,748 | \$14,866.07 |
| 5080 | WALHALLA FIRE DEPT | 52 | 602,722 | \$7,882.23 |
| 5101 | WARWICK F/P DISTRICT | 29 | 242,903 | \$3,176.62 |
| 5111 | WASHBURN F/P DISTRICT | 51 | 943,425 | \$12,337.84 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|----------------------|--------------------------|---------------|--------------------|-----------------------|
| 5110 | WASHBURN FIRE DEPT | 66 | 739,940 | \$9,676.73 |
| 5120 | WATFORD CITY FIRE DEPT | 143 | 3,299,329 | \$43,147.69 |
| 5151 | WEST DUNN F/P DISTRICT | 133 | 2,584,880 | \$33,804.33 |
| 5160 | WEST FARGO FIRE DEPT | 160 | 12,539,262 | \$163,984.91 |
| 5161 | WEST FARGO RURAL FIRE DP | 93 | 1,671,692 | \$21,861.91 |
| 5181 | WESTHOPE F/P DISTRICT | 54 | 862,612 | \$11,281.00 |
| 5241 | WILDROSE F/P DISTRICT | 37 | 502,744 | \$6,574.74 |
| 5251 | WILLISTON F/P DISTRICT | 104 | 4,299,598 | \$56,228.92 |
| 5250 | WILLISTON FIRE DEPT | 187 | 12,179,858 | \$159,284.73 |
| 5261 | WILLOW CITY F/P DISTRICT | 45 | 845,001 | \$11,050.68 |
| 5271 | WILTON F/P DISTRICT | 96 | 1,914,726 | \$25,040.24 |
| 5281 | WIMBLEDON F/P DISTRICT | 51 | 841,876 | \$11,009.82 |
| 5301 | WING F/P DISTRICT | 40 | 398,502 | \$5,211.50 |
| 5311 | WISHEK F/P DISTRICT | 55 | 1,127,818 | \$14,749.28 |
| 5321 | WOLFORD F/P DISTRICT | 25 | 395,200 | \$5,168.31 |
| 5341 | WOODWORTH RURAL FIRE DP | 37 | 515,050 | \$6,735.68 |
| 5351 | WYNDMERE F/P DISTRICT | 68 | 1,636,022 | \$21,395.43 |
| 5391 | ZAP F/P DISTRICT | 35 | 280,942 | \$3,674.08 |
| 5401 | ZEELAND F/P DISTRICT | 31 | 556,863 | \$7,282.50 |
| Grand Totals: | | | 544,267,885 | \$7,117,781.05 |

Fire District Totals Report

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 0011 | ABERCROMBIE F/P DIST | 53 | 470,054 | \$6,228.30 |
| 0031 | ADAMS F/P DISTRICT | 42 | 573,777 | \$7,602.65 |
| 0071 | ALAMO F/P DISTRICT | 42 | 602,571 | \$7,984.18 |
| 0081 | ALEXANDER F/P DISTRICT | 83 | 1,182,791 | \$15,672.20 |
| 0101 | ALICE F/P DISTRICT | 44 | 1,050,127 | \$13,914.38 |
| 0121 | ALMONT F/P DISTRICT | 22 | 224,843 | \$2,979.21 |
| 0141 | AMBROSE FIRE DEPT | 10 | 82,799 | \$1,097.10 |
| 0161 | AMIDON F/P DISTRICT | 24 | 175,347 | \$2,323.38 |
| 0171 | ANAMOOSE F/P DISTRICT | 48 | 574,415 | \$7,611.10 |
| 0181 | ANETA F/P DISTRICT | 50 | 864,090 | \$11,449.35 |
| 0191 | ANTLER F/P DISTRICT | 21 | 413,057 | \$5,473.08 |
| 0190 | ANTLER FIRE DEPT | 12 | 220,324 | \$2,919.33 |
| 0231 | ARGUSVILLE F/P DIST | 49 | 567,812 | \$7,523.61 |
| 0241 | ARNEGARD F/P DISTRICT | 72 | 788,754 | \$10,451.14 |
| 0251 | ARTHUR F/P DISTRICT | 52 | 726,269 | \$9,623.20 |
| 0271 | ASHLEY RURAL FIRE DEPT | 64 | 791,491 | \$10,487.40 |
| 0361 | BARNEY F/P DISTRICT | 33 | 673,915 | \$8,929.50 |
| 0390 | BATHGATE FIRE DEPT | 16 | 65,752 | \$871.23 |
| 0410 | BEACH FIRE DEPT | 68 | 636,306 | \$8,431.17 |
| 0421 | BELCOURT RURAL FIRE DEPT | 72 | 785,127 | \$10,403.08 |
| 0440 | BELFIELD FIRE DEPT | 83 | 883,941 | \$11,712.38 |
| 0491 | BERTHOLD F/P DISTRICT | 73 | 1,537,693 | \$20,374.72 |
| 0511 | BEULAH F/P DISTRICT | 95 | 3,746,139 | \$49,637.03 |
| 0501 | BILLINGS COUNTY F/P DIST | 44 | 957,290 | \$12,684.27 |
| 0521 | BINFORD F/P DISTRICT | 50 | 633,013 | \$8,387.54 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 0531 | BISBEE F/P DISTRICT | 47 | 696,669 | \$9,230.99 |
| 0541 | BISMARCK F/P DISTRICT | 158 | 11,187,667 | \$148,238.65 |
| 0540 | BISMARCK FIRE DEPT | 193 | 40,779,503 | \$540,335.94 |
| 0591 | BOTTINEAU F/P DISTRICT | 69 | 2,317,857 | \$30,712.03 |
| 0590 | BOTTINEAU FIRE DEPT | 81 | 1,922,858 | \$25,478.22 |
| 0601 | BOWBELLS F/P DISTRICT | 49 | 690,573 | \$9,150.22 |
| 0610 | BOWDON FIRE DEPT | 31 | 394,209 | \$5,223.34 |
| 0611 | BOWDON RURAL FIRE DEPT | 56 | 1,076,563 | \$14,264.66 |
| 0630 | BOWMAN FIRE DEPT | 74 | 1,343,147 | \$17,796.95 |
| 0631 | BOWMAN RURAL FIRE DEPT | 42 | 882,445 | \$11,692.56 |
| 0641 | BRADDOCK F/P DISTRICT | 28 | 261,649 | \$3,466.90 |
| 0701 | BROCKET-LAWTON F/P DIST | 32 | 473,572 | \$6,274.92 |
| 0731 | BUFFALO F/P DISTRICT | 55 | 1,405,430 | \$18,622.21 |
| 0750 | BURLINGTON FIRE DEPT | 65 | 655,537 | \$8,685.99 |
| 0751 | BURLINGTON RURAL FIRE DP | 55 | 539,153 | \$7,143.88 |
| 0781 | BUTTE F/P DISTRICT | 55 | 469,877 | \$6,225.96 |
| 0791 | BUXTON F/P DISTRICT | 71 | 1,884,372 | \$24,968.28 |
| 0821 | CALVIN F/P DISTRICT | 28 | 492,988 | \$6,532.18 |
| 0831 | CANDO F/P DISTRICT | 44 | 966,465 | \$12,805.84 |
| 0830 | CANDO FIRE DEPT | 48 | 641,573 | \$8,500.96 |
| 0861 | CARPIO F/P DISTRICT | 54 | 845,169 | \$11,198.65 |
| 0870 | CARRINGTON FIRE DEPT | 85 | 1,811,163 | \$23,998.24 |
| 0871 | CARRINGTON RURAL FIRE DP | 55 | 1,854,436 | \$24,571.62 |
| 0881 | CARSON F/P DISTRICT | 47 | 736,908 | \$9,764.17 |
| 0900 | CASSELTON FIRE DEPT | 72 | 1,377,426 | \$18,251.15 |
| 0901 | CASSELTON RURAL FIRE DP | 97 | 2,655,105 | \$35,180.63 |
| 0911 | CATHAY F/P DISTRICT | 29 | 516,186 | \$6,839.56 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|------------------|--------------------------|----------------------|-----------------------|----------------------|
| 0920 | CAVALIER FIRE DEPT | 72 | 1,113,071 | \$14,748.40 |
| 0921 | CAVALIER RURAL FIRE DEPT | 76 | 1,971,127 | \$26,117.80 |
| 0931 | CEDAR VALLEY F/P DIST | 7 | 108,187 | \$1,433.50 |
| 0941 | CENTRAL-BEACH F/P DIST | 27 | 331,951 | \$4,398.41 |
| 0991 | CHRISTINE F/P DISTRICT | 51 | 423,025 | \$5,605.16 |
| 1011 | CLEVELAND F/P DISTRICT | 44 | 1,097,205 | \$14,538.17 |
| 1041 | COGSWELL F/P DISTRICT | 39 | 1,913,665 | \$25,356.41 |
| 1090 | COLUMBUS FIRE DEPT | 31 | 130,968 | \$1,735.35 |
| 1091 | COLUMBUS RURAL FIRE DEPT | 26 | 283,164 | \$3,751.98 |
| 1110 | COOPERSTOWN FIRE DEPT | 56 | 642,962 | \$8,519.37 |
| 1111 | COOPERSTOWN RURAL FIRE | 58 | 805,275 | \$10,670.04 |
| 1151 | COURTENAY F/P DISTRICT | 37 | 372,021 | \$4,929.35 |
| 1180 | CROSBY FIRE DEPT | 53 | 808,040 | \$10,706.68 |
| 1181 | CROSBY RURAL FIRE DEPT | 40 | 846,228 | \$11,212.68 |
| 1191 | CRYSTAL F/P DISTRICT | 40 | 564,104 | \$7,474.48 |
| 1221 | DAHLEN F/P DISTRICT | 19 | 246,646 | \$3,268.11 |
| 1231 | DAVENPORT F/P DISTRICT | 50 | 509,520 | \$6,751.23 |
| 1241 | DAWSON F/P DISTRICT | 51 | 536,773 | \$7,112.34 |
| 1251 | DAZEY F/P DISTRICT | 35 | 390,639 | \$5,176.04 |
| 1250 | DAZEY FIRE DEPT | 23 | 186,152 | \$2,466.55 |
| 1261 | DEERING F/P DISTRICT | 35 | 369,374 | \$4,894.27 |
| 1301 | DES LACS F/P DISTRICT | 43 | 399,047 | \$5,287.45 |
| 1310 | DEVILS LAKE FIRE DEPT | 135 | 3,784,477 | \$50,145.02 |
| 1311 | DEVILS LAKE RURAL FIRE | 97 | 2,752,482 | \$36,470.89 |
| 1341 | DICKINSON F/P DISTRICT | 97 | 3,565,925 | \$47,249.16 |
| 1340 | DICKINSON FIRE DEPT | 177 | 13,675,284 | \$181,200.04 |
| 1361 | DONNYBROOK F/P DISTRICT | 42 | 584,190 | \$7,740.63 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 1381 | DOUGLAS F/P DISTRICT | 34 | 308,153 | \$4,083.08 |
| 1401 | DRAKE F/P DISTRICT | 43 | 539,404 | \$7,147.20 |
| 1400 | DRAKE FIRE DEPT | 28 | 167,407 | \$2,218.17 |
| 1410 | DRAYTON FIRE DEPT | 59 | 890,377 | \$11,797.66 |
| 1411 | DRAYTON RURAL FIRE DEPT | 35 | 818,690 | \$10,847.79 |
| 1451 | DUNSEITH F/P DISTRICT | 40 | 429,016 | \$5,684.54 |
| 1450 | DUNSEITH FIRE DEPT | 26 | 218,524 | \$2,895.48 |
| 1471 | DWIGHT F/P DISTRICT | 53 | 1,304,902 | \$17,290.19 |
| 1481 | EAST ADAMS F/P DISTRICT | 7 | 90,186 | \$1,194.98 |
| 1490 | EDGELEY FIRE DEPT | 48 | 678,769 | \$8,993.81 |
| 1491 | EDGELEY RURAL FIRE DEPT | 37 | 1,682,341 | \$22,291.33 |
| 1501 | EDINBURG F/P DISTRICT | 45 | 557,645 | \$7,388.90 |
| 1510 | EDMORE FIRE DEPT | 29 | 179,238 | \$2,374.94 |
| 1511 | EDMORE RURAL FIRE DEPT | 30 | 742,922 | \$9,843.85 |
| 2971 | EDNA F/P DISTRICT | 23 | 203,820 | \$2,700.65 |
| 1531 | EGELAND F/P DISTRICT | 21 | 312,222 | \$4,137.00 |
| 1551 | ELGIN F/P DISTRICT | 61 | 880,335 | \$11,664.60 |
| 1561 | ELLENDAL F/P DISTRICT | 79 | 2,729,658 | \$36,168.47 |
| 1591 | EMERADO RURAL FIRE DEPT | 70 | 915,388 | \$12,129.06 |
| 1621 | ENDERLIN F/P DISTRICT | 85 | 2,269,758 | \$30,074.71 |
| 1641 | EPPING F/P DISTRICT | 70 | 1,317,094 | \$17,451.74 |
| 1651 | ERIE RURAL FIRE DEPT | 23 | 249,786 | \$3,309.71 |
| 1661 | ESMOND F/P DISTRICT | 42 | 927,651 | \$12,291.55 |
| 1671 | FAIRDALE F/P DISTRICT | 29 | 365,333 | \$4,840.73 |
| 1691 | FAIRMOUNT F/P DISTRICT | 53 | 1,167,811 | \$15,473.71 |
| 1700 | FARGO FIRE DEPT | 230 | 48,720,044 | \$645,549.58 |
| 1705 | FERRY TOWNSHIP F/P DIST | 75 | 1,169,970 | \$15,502.32 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 1711 | FESSENDEN F/P DISTRICT | 62 | 1,495,543 | \$19,816.22 |
| 1731 | FINGAL F/P DISTRICT | 33 | 359,378 | \$4,761.82 |
| 1741 | FINLEY F/P DISTRICT | 60 | 1,468,173 | \$19,453.56 |
| 1751 | FLASHER F/P DISTRICT | 53 | 794,580 | \$10,528.33 |
| 1781 | FORBES F/P DISTRICT | 23 | 549,465 | \$7,280.51 |
| 1791 | FORDVILLE F/P DISTRICT | 44 | 703,763 | \$9,324.99 |
| 1811 | FORMAN F/P DISTRICT | 74 | 1,664,951 | \$22,060.91 |
| 1831 | FORT RANSOM F/P DISTRICT | 39 | 1,339,941 | \$17,754.47 |
| 1871 | FORT YATES F/P DISTRICT | 44 | 256,911 | \$3,404.12 |
| 1861 | FORTUNA F/P DISTRICT | 25 | 363,603 | \$4,817.81 |
| 1901 | FREDONIA F/P DISTRICT | 20 | 179,848 | \$2,383.02 |
| 1921 | FULLERTON F/P DISTRICT | 32 | 891,152 | \$11,807.93 |
| 1931 | GACKLE RURAL FIRE DEPT | 35 | 642,864 | \$8,518.07 |
| 1951 | GALESBURG F/P DISTRICT | 37 | 803,610 | \$10,647.98 |
| 1981 | GARRISON F/P DISTRICT | 84 | 2,251,091 | \$29,827.37 |
| 1980 | GARRISON FIRE DEPT | 60 | 735,186 | \$9,741.35 |
| 2011 | GILBY F/P DISTRICT | 64 | 822,655 | \$10,900.33 |
| 2021 | GLADSTONE F/P DISTRICT | 47 | 553,024 | \$7,327.67 |
| 2061 | GLEN ULLIN F/P DISTRICT | 70 | 1,004,432 | \$13,308.91 |
| 2041 | GLENBURN F/P DISTRICT | 74 | 1,121,925 | \$14,865.71 |
| 2051 | GLENFIELD F/P DISTRICT | 46 | 810,657 | \$10,741.35 |
| 2071 | GOLDEN VALLEY F/P DIST | 39 | 267,309 | \$3,541.89 |
| 2081 | GOLVA F/P DISTRICT | 33 | 270,856 | \$3,588.89 |
| 2091 | GOODRICH F/P DISTRICT | 37 | 545,462 | \$7,227.47 |
| 2121 | GRAFTON F/P DISTRICT | 56 | 1,957,563 | \$25,938.07 |
| 2120 | GRAFTON FIRE DEPT | 102 | 2,124,763 | \$28,153.50 |
| 2130 | GRAND FORKS FIRE DEPT | 197 | 23,377,869 | \$309,761.08 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 2141 | GRANDIN F/P DISTRICT | 73 | 1,600,584 | \$21,208.03 |
| 2161 | GRANVILLE F/P DISTRICT | 56 | 641,906 | \$8,505.37 |
| 2171 | GRASSY BUTTE F/P DIST | 38 | 332,922 | \$4,411.28 |
| 2181 | GREAT BEND F/P DISTRICT | 27 | 337,354 | \$4,470.00 |
| 2191 | GRENORA F/P DISTRICT | 56 | 900,958 | \$11,937.86 |
| 2211 | GWINNER F/P DISTRICT | 80 | 1,284,682 | \$17,022.27 |
| 2221 | HAGUE F/P DISTRICT | 24 | 254,120 | \$3,367.14 |
| 2241 | HALLIDAY F/P DISTRICT | 62 | 817,710 | \$10,834.81 |
| 2291 | HAMPDEN F/P DISTRICT | 25 | 362,459 | \$4,802.65 |
| 2301 | HANKINSON F/P DISTRICT | 79 | 1,318,477 | \$17,470.06 |
| 2321 | HANNAFORD RURAL FIRE DP | 47 | 804,186 | \$10,655.61 |
| 2331 | HANNAH F/P DISTRICT | 16 | 461,625 | \$6,116.62 |
| 2381 | HARVEY F/P DISTRICT | 68 | 1,504,604 | \$19,936.28 |
| 2380 | HARVEY FIRE DEPT | 83 | 1,204,688 | \$15,962.34 |
| 2391 | HARWOOD F/P & RESCUE | 61 | 771,809 | \$10,226.61 |
| 2400 | HASTINGS FIRE DEPT | 7 | 66,236 | \$877.64 |
| 2411 | HATTON RURAL FIRE DEPT | 63 | 1,962,635 | \$26,005.28 |
| 2421 | HAVANA F/P DISTRICT | 1 | 799 | \$10.59 |
| 2441 | HAZELTON F/P DISTRICT | 43 | 726,087 | \$9,620.79 |
| 2451 | HAZEN F/P DISTRICT | 52 | 944,667 | \$12,517.01 |
| 2450 | HAZEN FIRE DEPT | 78 | 1,465,739 | \$19,421.31 |
| 2471 | HEBRON F/P DISTRICT | 63 | 742,028 | \$9,832.01 |
| 2521 | HETTINGER F/P DISTRICT | 81 | 2,400,045 | \$31,801.04 |
| 2541 | HILLSBORO FIRE & RESCUE | 86 | 2,794,883 | \$37,032.72 |
| 2561 | HOOPLE F/P DISTRICT | 31 | 801,652 | \$10,622.04 |
| 2560 | HOOPLE FIRE DEPT | 33 | 239,597 | \$3,174.70 |
| 2571 | HOPE F/P DISTRICT | 69 | 1,754,052 | \$23,241.51 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 2581 | HORACE F/P DISTRICT | 108 | 2,663,784 | \$35,295.63 |
| 2591 | HORSE CREEK F/P DISTRICT | 9 | 84,883 | \$1,124.72 |
| 2601 | HUNTER F/P DISTRICT | 49 | 893,886 | \$11,844.15 |
| 2621 | INKSTER F/P DISTRICT | 31 | 468,930 | \$6,213.41 |
| 2631 | JAMESTOWN F/P DISTRICT | 135 | 5,531,047 | \$73,287.39 |
| 2630 | JAMESTOWN FIRE DEPT | 134 | 8,368,406 | \$110,882.92 |
| 2681 | JUD F/P DISTRICT | 28 | 1,470,574 | \$19,485.38 |
| 2701 | KARLSRUHE F/P DISTRICT | 34 | 609,916 | \$8,081.50 |
| 2711 | KATHRYN F/P DISTRICT | 32 | 363,053 | \$4,810.52 |
| 2760 | KENMARE FIRE DEPT | 64 | 705,613 | \$9,349.50 |
| 2761 | KENMARE RURAL FIRE DEPT | 47 | 1,337,787 | \$17,725.92 |
| 2771 | KENSAL F/P DISTRICT | 38 | 773,289 | \$10,246.22 |
| 2801 | KINDRED RURAL FIRE DEPT | 92 | 1,626,731 | \$21,554.49 |
| 2841 | KRAMER F/P DISTRICT | 21 | 381,763 | \$5,058.43 |
| 2851 | KULM RURAL FIRE DEPT | 42 | 784,985 | \$10,401.20 |
| 2871 | LAKOTA F/P DISTRICT | 56 | 1,078,075 | \$14,284.69 |
| 2880 | LAMOURE FIRE DEPT | 62 | 503,345 | \$6,669.41 |
| 2881 | LAMOURE RURAL FIRE DEPT | 59 | 1,697,351 | \$22,490.21 |
| 2901 | LANGDON F/P DISTRICT | 51 | 2,561,224 | \$33,936.69 |
| 2900 | LANGDON FIRE DEPT | 74 | 1,140,032 | \$15,105.63 |
| 2911 | LANKIN F/P DISTRICT | 26 | 509,980 | \$6,757.33 |
| 2910 | LANKIN FIRE DEPT | 20 | 59,014 | \$781.95 |
| 2921 | LANSFORD F/P DISTRICT | 49 | 905,696 | \$12,000.64 |
| 2930 | LARIMORE FIRE DEPT | 69 | 683,482 | \$9,056.26 |
| 2931 | LARIMORE RURAL FIRE DEPT | 67 | 1,298,289 | \$17,202.57 |
| 2981 | LEEDS F/P DISTRICT | 71 | 2,215,272 | \$29,352.76 |
| 3000 | LEHR FIRE DEPT | 23 | 73,909 | \$979.31 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 3001 | LEHR RURAL FIRE DEPT | 14 | 206,021 | \$2,729.82 |
| 3021 | LEONARD F/P DISTRICT | 61 | 1,078,520 | \$14,290.59 |
| 3041 | LIDGERWOOD F/P DISTRICT | 71 | 1,406,652 | \$18,638.40 |
| 3051 | LIGNITE F/P DISTRICT | 50 | 383,546 | \$5,082.06 |
| 3061 | LINTON F/P DISTRICT | 73 | 1,436,505 | \$19,033.96 |
| 3071 | LISBON F/P DISTRICT | 56 | 1,722,716 | \$22,826.30 |
| 3070 | LISBON FIRE DEPT | 88 | 1,341,034 | \$17,768.95 |
| 3080 | LITCHVILLE FIRE DEPT | 29 | 174,468 | \$2,311.73 |
| 3081 | LITCHVILLE RURAL FIRE DP | 32 | 958,507 | \$12,700.39 |
| 3221 | MADDOCK F/P DISTRICT | 56 | 1,122,830 | \$14,877.70 |
| 3251 | MANDAN F/P DISTRICT | 94 | 4,537,764 | \$60,126.21 |
| 3250 | MANDAN FIRE DEPT | 146 | 11,490,382 | \$152,249.68 |
| 3291 | MANTADOR F/P DISTRICT | 33 | 399,787 | \$5,297.25 |
| 3320 | MAPLETON FIRE DEPT | 73 | 714,306 | \$9,464.69 |
| 3330 | MARION FIRE DEPT | 28 | 228,587 | \$3,028.82 |
| 3331 | MARION RURAL FIRE DEPT | 50 | 1,168,285 | \$15,479.99 |
| 3341 | MARMARTH RURAL FIRE DIST | 24 | 125,884 | \$1,667.99 |
| 3371 | MAX F/P DISTRICT | 64 | 992,520 | \$13,151.07 |
| 3381 | MAXBASS F/P DISTRICT | 33 | 314,675 | \$4,169.50 |
| 3391 | MAYVILLE FIRE DEPT | 91 | 1,958,598 | \$25,951.78 |
| 3161 | MCCLUSKY F/P DISTRICT | 44 | 705,809 | \$9,352.10 |
| 3181 | MCHENRY RURAL FIRE DEPT | 47 | 740,467 | \$9,811.32 |
| 3191 | MCKENZIE COUNTY F/P DIST | 99 | 2,233,206 | \$29,590.39 |
| 3211 | MCVILLE F/P DISTRICT | 50 | 613,885 | \$8,134.09 |
| 3411 | MEDINA F/P DISTRICT | 51 | 556,027 | \$7,367.46 |
| 3420 | MEDORA FIRE DEPT | 35 | 273,781 | \$3,627.65 |
| 3461 | MERCER F/P DISTRICT | 46 | 419,206 | \$5,554.56 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 3481 | MICHIGAN F/P DISTRICT | 47 | 657,504 | \$8,712.05 |
| 3501 | MILNOR F/P DISTRICT | 75 | 1,812,266 | \$24,012.86 |
| 3511 | MILTON F/P DISTRICT | 32 | 523,188 | \$6,932.34 |
| 3521 | MINNEWAUKAN F/P DISTRICT | 33 | 439,877 | \$5,828.45 |
| 3520 | MINNEWAUKAN FIRE DEPT | 31 | 190,855 | \$2,528.86 |
| 3531 | MINOT F/P DISTRICT | 119 | 6,022,866 | \$79,804.09 |
| 3530 | MINOT FIRE DEPT | 187 | 22,733,030 | \$301,216.84 |
| 3541 | MINTO F/P DISTRICT | 87 | 1,544,721 | \$20,467.84 |
| 3561 | MOHALL F/P DISTRICT | 33 | 462,940 | \$6,134.04 |
| 3560 | MOHALL FIRE DEPT | 68 | 616,397 | \$8,167.37 |
| 3591 | MOORETON F/P DISTRICT | 28 | 652,582 | \$8,646.83 |
| 3590 | MOORETON FIRE DEPT | 30 | 289,403 | \$3,834.64 |
| 3601 | MOTT F/P DISTRICT | 60 | 1,181,737 | \$15,658.23 |
| 3611 | MOUNTAIN F/P DISTRICT | 22 | 314,654 | \$4,169.22 |
| 3631 | MUNICH F/P DISTRICT | 46 | 1,401,051 | \$18,564.18 |
| 3641 | MYLO F/P DISTRICT | 19 | 326,735 | \$4,329.30 |
| 3661 | NAPOLEON F/P DISTRICT | 59 | 1,118,581 | \$14,821.40 |
| 3681 | NECHE F/P DISTRICT | 47 | 642,396 | \$8,511.87 |
| 3691 | NEKOMA F/P DISTRICT | 26 | 453,184 | \$6,004.77 |
| 3721 | NEW ENGLAND F/P DISTRICT | 34 | 778,320 | \$10,312.88 |
| 3720 | NEW ENGLAND FIRE DEPT | 49 | 479,845 | \$6,358.03 |
| 3741 | NEW LEIPZIG F/P DISTRICT | 36 | 483,945 | \$6,412.36 |
| 3750 | NEW ROCKFORD FIRE DEPT | 63 | 846,310 | \$11,213.76 |
| 3751 | NEW ROCKFORD RURAL FIRE | 45 | 1,158,208 | \$15,346.47 |
| 3761 | NEW SALEM F/P DISTRICT | 71 | 1,976,913 | \$26,194.46 |
| 3771 | NEW TOWN F/P DISTRICT | 63 | 1,091,913 | \$14,468.05 |
| 3770 | NEW TOWN FIRE DEPT | 83 | 846,547 | \$11,216.90 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|-------------------------|---------------|----------------|---------------|
| 3711 | NEWBURG F/P DISTRICT | 40 | 794,788 | \$10,531.09 |
| 3781 | NIAGARA F/P DISTRICT | 36 | 435,053 | \$5,764.53 |
| 3801 | NOME F/P DISTRICT | 33 | 289,533 | \$3,836.37 |
| 3810 | NOONAN FIRE DEPT | 17 | 164,348 | \$2,177.64 |
| 3811 | NOONAN RURAL FIRE DEPT | 18 | 271,327 | \$3,595.13 |
| 3841 | NORTHWOOD F/P DISTRICT | 83 | 1,674,117 | \$22,182.36 |
| 3871 | OAKES F/P DISTRICT | 97 | 3,885,958 | \$51,489.66 |
| 3880 | OBERON FIRE DEPT | 12 | 29,935 | \$396.64 |
| 3881 | OBERON RURAL FIRE DEPT | 19 | 255,067 | \$3,379.68 |
| 3891 | OLIVER COUNTY F/P DIST | 93 | 1,663,174 | \$22,037.36 |
| 3900 | ORISKA FIRE DEPT | 25 | 180,129 | \$2,386.74 |
| 3931 | OSNABROCK F/P DISTRICT | 31 | 828,533 | \$10,978.22 |
| 3930 | OSNABROCK FIRE DEPT | 20 | 140,007 | \$1,855.12 |
| 3951 | PAGE F/P DISTRICT | 62 | 2,328,660 | \$30,855.17 |
| 3971 | PARK RIVER F/P DISTRICT | 34 | 573,272 | \$7,595.96 |
| 3970 | PARK RIVER FIRE DEPT | 72 | 846,493 | \$11,216.19 |
| 3981 | PARSHALL F/P DISTRICT | 76 | 1,632,401 | \$21,629.61 |
| 3991 | PEKIN F/P DISTRICT | 28 | 483,720 | \$6,409.38 |
| 4000 | PEMBINA RURAL FIRE DEPT | 64 | 502,280 | \$6,655.30 |
| 4001 | PEMBINA RURAL FIRE DEPT | 29 | 352,976 | \$4,677.00 |
| 4031 | PETERSBURG F/P DISTRICT | 40 | 485,992 | \$6,439.48 |
| 4041 | PETTIBONE RURAL FIRE DP | 31 | 324,049 | \$4,293.71 |
| 4050 | PICK CITY FIRE DEPT | 37 | 167,355 | \$2,217.48 |
| 4061 | PINGREE F/P DISTRICT | 29 | 254,943 | \$3,378.04 |
| 4071 | PISEK F/P DISTRICT | 34 | 240,690 | \$3,189.19 |
| 4081 | PLAZA F/P DISTRICT | 62 | 960,745 | \$12,730.05 |
| 4101 | PORTAL F/P DISTRICT | 25 | 157,579 | \$2,087.95 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 4111 | PORTLAND F/P DISTRICT | 72 | 1,948,073 | \$25,812.33 |
| 4121 | POWERS LAKE F/P DISTRICT | 65 | 868,709 | \$11,510.55 |
| 4171 | RAY F/P DISTRICT | 74 | 1,311,628 | \$17,379.31 |
| 4181 | REEDER F/P DISTRICT | 44 | 396,788 | \$5,257.51 |
| 4201 | REGENT F/P DISTRICT | 45 | 649,942 | \$8,611.85 |
| 4211 | REYNOLDS F/P DISTRICT | 60 | 1,101,157 | \$14,590.53 |
| 4221 | RHAME F/P DISTRICT | 24 | 555,855 | \$7,365.18 |
| 4231 | RICHARDTON F/P DISTRICT | 66 | 1,155,973 | \$15,316.86 |
| 4240 | RIVERDALE FIRE DEPT | 42 | 293,724 | \$3,891.90 |
| 4251 | ROBINSON RURAL FIRE DEPT | 31 | 312,889 | \$4,145.84 |
| 4261 | ROCK LAKE F/P DISTRICT | 41 | 765,569 | \$10,143.93 |
| 4270 | ROGERS FIRE DEPT | 28 | 171,815 | \$2,276.58 |
| 4281 | ROLETTE F/P DISTRICT | 34 | 865,780 | \$11,471.74 |
| 4280 | ROLETTE FIRE DEPT | 49 | 312,751 | \$4,144.01 |
| 4291 | ROLLA F/P DISTRICT | 41 | 721,167 | \$9,555.60 |
| 4290 | ROLLA FIRE DEPT | 62 | 665,258 | \$8,814.79 |
| 4331 | RUGBY F/P DISTRICT | 58 | 1,701,650 | \$22,547.18 |
| 4330 | RUGBY FIRE DEPT | 94 | 1,641,301 | \$21,747.54 |
| 4351 | RUTLAND-CAYUGA F/P DIST | 47 | 759,643 | \$10,065.41 |
| 4361 | RYDER-MAKOTI F/P DIST | 66 | 850,694 | \$11,271.85 |
| 4411 | SANBORN F/P DISTRICT | 39 | 610,362 | \$8,087.41 |
| 4410 | SANBORN FIRE DEPT | 30 | 132,561 | \$1,756.46 |
| 4441 | SARLES F/P DISTRICT | 25 | 466,281 | \$6,178.31 |
| 4451 | SAWYER F/P DISTRICT | 62 | 855,327 | \$11,333.24 |
| 4461 | SCRANTON F/P DISTRICT | 46 | 967,555 | \$12,820.28 |
| 4471 | SELFRIEDGE F/P DISTRICT | 23 | 284,501 | \$3,769.69 |
| 4491 | SENTINEL BUTTE F/P DIST | 28 | 191,099 | \$2,532.10 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|---------------------------|---------------|----------------|---------------|
| 4500 | SHARON FIRE DEPT | 21 | 228,792 | \$3,031.54 |
| 4521 | SHERWOOD F/P DISTRICT | 38 | 702,354 | \$9,306.32 |
| 4530 | SHEYENNE FIRE DEPT | 31 | 132,605 | \$1,757.04 |
| 4531 | SHEYENNE RURAL FIRE DEPT | 37 | 492,563 | \$6,526.55 |
| 4540 | SIBLEY FIRE DEPT | 19 | 104,636 | \$1,386.45 |
| 4551 | SIOUX-YELLOWSTONE F/P DIS | 39 | 325,544 | \$4,313.52 |
| 4561 | SOLENE F/P DISTRICT | 30 | 210,330 | \$2,786.91 |
| 4571 | SOURIS F/P DISTRICT | 32 | 633,130 | \$8,389.09 |
| 4591 | SOUTH HEART F/P DISTRICT | 62 | 862,142 | \$11,423.54 |
| 4611 | SOUTHWEST F/P DISTRICT | 5 | 33,107 | \$438.67 |
| 4621 | SPIRIT LAKE FIRE DEPT | 26 | 102,740 | \$1,361.32 |
| 4381 | ST JOHN F/P DISTRICT | 51 | 520,273 | \$6,893.71 |
| 4401 | ST THOMAS F/P DISTRICT | 56 | 841,373 | \$11,148.35 |
| 4641 | STANLEY F/P DISTRICT | 106 | 1,782,234 | \$23,614.93 |
| 4640 | STANLEY FIRE DEPT | 90 | 1,467,388 | \$19,443.16 |
| 4651 | STANTON F/P DISTRICT | 23 | 220,217 | \$2,917.92 |
| 4650 | STANTON FIRE DEPT | 46 | 230,518 | \$3,054.41 |
| 4661 | STARKWEATHER F/P DIST | 42 | 838,623 | \$11,111.91 |
| 4671 | STEELE F/P DISTRICT | 84 | 1,036,540 | \$13,734.35 |
| 4681 | STERLING F/P DISTRICT | 63 | 548,670 | \$7,269.98 |
| 4701 | STRASBURG F/P DISTRICT | 39 | 789,356 | \$10,459.11 |
| 4721 | STREETER F/P DISTRICT | 33 | 500,440 | \$6,630.92 |
| 4731 | SURREY F/P DISTRICT | 71 | 943,569 | \$12,502.46 |
| 4761 | SYKESTON F/P DISTRICT | 38 | 809,215 | \$10,722.25 |
| 4781 | TAPPEN RURAL FIRE DEPT | 50 | 594,478 | \$7,876.94 |
| 4791 | TAYLOR F/P DISTRICT | 47 | 467,712 | \$6,197.27 |
| 4821 | THOMPSON F/P DISTRICT | 90 | 2,488,599 | \$32,974.40 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|-----------|--------------------------|---------------|----------------|---------------|
| 4840 | TIOGA FIRE DEPT | 82 | 1,391,036 | \$18,431.48 |
| 4841 | TIOGA RURAL FIRE DEPT | 84 | 1,606,566 | \$21,287.30 |
| 4860 | TOLLEY FIRE DEPT | 24 | 312,724 | \$4,143.65 |
| 4871 | TOLNA F/P DISTRICT | 46 | 811,996 | \$10,759.10 |
| 4881 | TOWER CITY F/P DISTRICT | 47 | 761,640 | \$10,091.87 |
| 4891 | TOWNER F/P DISTRICT | 29 | 539,590 | \$7,149.67 |
| 4890 | TOWNER FIRE DEPT | 52 | 427,765 | \$5,667.97 |
| 4901 | TRENTON F/P DISTRICT | 38 | 181,464 | \$2,404.43 |
| 4921 | TURTLE LAKE F/P DISTRICT | 66 | 869,068 | \$11,515.31 |
| 4931 | TUTTLE F/P DISTRICT | 32 | 290,212 | \$3,845.36 |
| 4941 | UNDERWOOD F/P DISTRICT | 80 | 2,142,073 | \$28,382.86 |
| 4961 | UPHAM F/P DISTRICT | 37 | 497,128 | \$6,587.04 |
| 4980 | VALLEY CITY FIRE DEPT | 121 | 3,395,677 | \$44,993.35 |
| 4981 | VALLEY CITY RURAL FIRE | 69 | 2,192,904 | \$29,056.38 |
| 4991 | VELVA F/P DISTRICT | 56 | 918,740 | \$12,173.47 |
| 4990 | VELVA FIRE DEPT | 71 | 530,794 | \$7,033.12 |
| 5020 | VERONA FIRE DEPT | 21 | 142,558 | \$1,888.92 |
| 5021 | VERONA RURAL FIRE DEPT | 23 | 740,152 | \$9,807.15 |
| 5050 | WAHPETON FIRE DEPT | 123 | 4,207,598 | \$55,751.45 |
| 5061 | WALCOTT-COLFAX F/P DIST | 86 | 1,704,659 | \$22,587.05 |
| 5070 | WALES FIRE DEPT | 17 | 143,451 | \$1,900.75 |
| 5081 | WALHALLA F/P DISTRICT | 31 | 1,281,873 | \$16,985.05 |
| 5080 | WALHALLA FIRE DEPT | 55 | 682,515 | \$9,043.45 |
| 5101 | WARWICK F/P DISTRICT | 36 | 274,134 | \$3,632.33 |
| 5111 | WASHBURN F/P DISTRICT | 54 | 796,889 | \$10,558.93 |
| 5110 | WASHBURN FIRE DEPT | 63 | 720,863 | \$9,551.57 |
| 5120 | WATFORD CITY FIRE DEPT | 143 | 3,844,092 | \$50,934.93 |

| FireDist# | FireDistName | # of Entities | Premium Amount | Refund Amount |
|----------------------|--------------------------|---------------|--------------------|-----------------------|
| 5151 | WEST DUNN F/P DISTRICT | 139 | 2,603,243 | \$34,493.45 |
| 5160 | WEST FARGO FIRE DEPT | 160 | 12,724,633 | \$168,603.74 |
| 5161 | WEST FARGO RURAL FIRE DP | 96 | 1,950,573 | \$25,845.45 |
| 5181 | WESTHOPE F/P DISTRICT | 58 | 896,773 | \$11,882.41 |
| 5241 | WILDROSE F/P DISTRICT | 32 | 500,997 | \$6,638.30 |
| 5251 | WILLISTON F/P DISTRICT | 107 | 4,363,650 | \$57,819.17 |
| 5250 | WILLISTON FIRE DEPT | 191 | 11,058,029 | \$146,520.93 |
| 5261 | WILLOW CITY F/P DISTRICT | 48 | 804,556 | \$10,660.52 |
| 5271 | WILTON F/P DISTRICT | 98 | 1,551,409 | \$20,556.46 |
| 5281 | WIMBLEDON F/P DISTRICT | 53 | 846,685 | \$11,218.73 |
| 5301 | WING F/P DISTRICT | 38 | 341,343 | \$4,522.86 |
| 5311 | WISHEK F/P DISTRICT | 59 | 1,000,674 | \$13,259.12 |
| 5321 | WOLFORD F/P DISTRICT | 24 | 341,326 | \$4,522.63 |
| 5341 | WOODWORTH RURAL FIRE DP | 38 | 485,251 | \$6,429.67 |
| 5351 | WYNDMERE F/P DISTRICT | 69 | 1,724,731 | \$22,853.00 |
| 5391 | ZAP F/P DISTRICT | 38 | 339,697 | \$4,501.05 |
| 5401 | ZEELAND F/P DISTRICT | 31 | 506,008 | \$6,704.70 |
| Grand Totals: | | | 537,183,536 | \$7,117,781.00 |

NDLA, H APP GO - Lewis, Sheri

From: Cronquist, Alex J.
Sent: Wednesday, January 20, 2021 11:18 AM
To: -Grp-NDLA House Government Operations; NDLA, H APP GO - Lewis, Sheri
Cc: Martin, Larry J.
Subject: Insurance lines for fire

Members of the House Appropriations Committee – Government Operations Division,

This email is in response to the request made by the committee for a copy of North Dakota Century Code Section 18-04-05, which identifies how funding is to be allocated to fire departments from the insurance tax distribution fund. The section is below:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, subject to legislative appropriations.
4. The insurance commissioner shall compute the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance on property within the city, certified rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state.

If you have any questions or would like to request additional information, please feel free to contact me.

Alex Cronquist, CPA
Senior Fiscal Analyst
North Dakota Legislative Council
(701)328-4238
ajcronquist@nd.gov

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1010

1/28/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

10:39 Representative Vigesaa calls the meeting to order. Members present; Chairman Vigessa, Representatives Brandenburg, Bellew, Howe, Kempenich, Meier and Mock.

Discussion Topics:

- Reinsurance Program
- FTEs
- Long Term Care Marketplace
- Coal Insurance Industry Study

10:40 Jon Godfread- ND Insurance Commissioner; oral testimony.

Additional written testimony: Testimony passed out for reference #4070, #4072, #4073, #4081 and #4078

11:10 Chairman Vigesaa closes the work session for HB 1010

Sheri Lewis

Government Operations House Committee Clerk by Risa Berube

House Bill 1087 TESTIMONY

Presented by: **Jon Godfread**
 Insurance Commissioner
 North Dakota Insurance Department

Before: **Industry Business and Labor Committee**
 Representative Mike Lefor, Chairman

Date: **January 12th, 2021**

Good Afternoon Chairman Lefor and members of the House IBL committee. I am Jon Godfread, North Dakota Insurance Commissioner.

House Bill 1087 is seeking to reauthorize North Dakota's Reinsurance program. This program was established last session and created an invisible reinsurance program for North Dakota's individual health insurance marketplace. The approach of invisible reinsurance allows enrollees to remain in the individual market with their current plan and carrier, while a portion of their claims are reimbursed by the reinsurance pool. The enrollee is not aware that their claim is being paid by the reinsurance pool meaning there is no effect on the enrollee as the task of ceding claims to the reinsurance pool is completed on the back end of the process and is without consequence to the enrollee. Last session, the

66th Legislative Assembly approved this program for plan years 2020 and 2021. This program was approved with overwhelming support, with only one legislator vote against this program. At the time, the Legislature put a sunset on the program, effectively ending the program at the end of 2021. House Bill 1087 seeks to remove that sunset and continue this program into the plan years for 2022, 2023 and beyond.

As a reminder, for plan years 2020 and 2021, the reinsurance program will cover 75% of claims between \$100,000 and \$1,000,000. The enrollee's health insurer will cover the remaining 25%. We have realized **rate reductions from this program of 20%** for the individual market for the 2020 plan year. Due to the events surrounding 2020 and the lack of utilization, we have been able to also keep rates even (still reflecting those 20% reductions) for individual health insurance plans in 2021. These reductions have been especially helpful for North Dakota's farmers, ranchers, and small business owners as these individuals generally cannot access small and large group health insurance markets and are therefore required to purchase their health insurance on the much more costly individual market.

When we established program, we worked with an actuarial firm, NovaRest, who estimated the reinsurance program's cost. NovaRest estimated the federal government will be funding more than half of the amount with the money this reinsurance program will save the federal

government. This money is known as “federal pass through” money. The federal government made the formulas they use to calculate the federal funding amount available to the public, and NovaRest used these formulas in calculating the cost. The federal government has informed us they will provide us with their official funding amount in early April with a preliminary estimate in January.

In 2020, we received \$21,488,350 of federal pass through dollars and we assessed the carriers a total of \$21,988,170 from July 1, 2019 through June 30, 2020. We have since paused the assessments on the carriers, a point I will cover in more detail in a moment.

For 2021, we are projecting similar numbers with regards to the federal pass through dollars, and as we have paused the assessments, we are currently projecting with our current reserves in the RAND program that we will not need to assess our carriers for 2021. We expect to receive preliminary numbers from the federal government any day now, but as of today we have not received the preliminary numbers.

After deducting the federal funding amount, this leaves \$24,566,249 for North Dakota to fund in 2022 and \$25,966,525 for 2023. You may recall that in order to raise the state’s share of the funding, the Insurance Commissioner has authority to assess North Dakota’s health insurance companies based on the amount of their small and large group business

in the state. This program has also allowed the insurance companies to deduct the amount of money they are assessed from the premium taxes they owe to the state, which will result in future reduced revenues for the state. To date the carriers have taken \$16,976,918 in premium tax credits of the total \$21,988,170 that was assessed during the '19-'21 biennium.

Realizing this, the Insurance Department attached a Fiscal Note to House Bill 1087. The fiscal note reflects \$33,754,507 reduced revenues for the '21-'23 biennium and reduced revenues of \$48,594,447 for the '23-'25 biennium. The increase for the '23-'25 biennium is due to the state's fiscal year starting on July 1 while the plan year for a health insurance policy typically begins on January 1.

It is important to note that this fiscal note reflects the projections completed by our actuary firm. For the 2021 plan year we do not anticipate the need to conduct assessments. This is a result of the 2020 plan year, and the reduced utilization we saw. Our actual numbers for 2020 are still pending, but the number of claims actually ceded to the reinsurance program were well below our projections. Based on the preliminary claims numbers we have received to date from our carriers, the 2020 federal pass through dollars we received will likely cover the entire amount due for the 2020 plan year leaving RAND with a reserve balance of approximately \$22,000,000. Given that reserve balance along

with the additional federal pass through dollars we anticipate receiving in 2021, we are confident we can pause the assessments to our carriers through 2021. This would reduce our assessments for both this current biennium and the '21-'23 biennium. The fiscal note you have in front of you is a worst-case scenario.

House Bill 1087 as proposed also asks for some changes I would like to point out:

1. Section 3 of the bill on 8, lines 13 -15, requests the authority to develop an amendment to our existing 1332 waiver. I will cover that in more detail later, but this is where we would ask for the authority to go back and amend our existing waiver.
2. Section 7 of the bill on page 11, lines 3-4; would clarify that an insurer writing less than \$100,000 annually in group health benefits plan premiums is exempt from assessments. This amount is modeled after CHAND as assessing carriers that write less than \$100,000 creates unnecessary additional work for both the Department and the carrier do the immateriality of the assessment.
3. Section 12 of the bill, on page 13 lines 16-19 would provide authorization for the Reinsurance Association of North Dakota to use the federal pass through dollars to procure third party reinsurance for the associations portion of eligible claims. We conducted an analysis

of procuring third party reinsurance as a part of our larger health care cost study.

Third Party Reinsurance Program:

To supplement the cost-saving efforts of the 1332 waiver program, we have proposed evaluating purchasing private reinsurance to further reduce costs for individual taxpayers participating in the State's healthcare marketplace. Private reinsurance can assist in driving down/stabilizing rates and preventing spikes while providing consistency for taxpayers/users. For example, Aon, a private reinsurer, has proposed such a system, which is shown in Appendix A.

Using reinsurance to transfer the budgetary/program volatility, creates immediate opportunities for the State of North Dakota including:

- Transferring volatility away from the existing RAND program into the private market
- Reducing the future "known, unknowns", thereby allowing greater funding flexibility with the safety and security of knowing that protection is in place in the event of a higher-than-normal claims year
- Providing stability in rates from payers as a pre-arranged amount of funding is known

- Predictable cash flows for insurers and the state as there is no need, once coverage is purchased, to adjust the reimbursement levels to carriers based on higher-than-expected claim numbers and amounts
- Adjudication and claims processing is handled by the reinsurer, removing some of the operations of running the program in house

In addition, given the current Covid-19 health crisis there is likely to be further pressure on the individual health market. According to a recent Kaiser Family Foundation report, “It is likely that the most significant impacts of the coronavirus outbreak and economic crisis on the individual market will not be evident nationally until data from the second and third quarters of 2020 become available.” These solutions can help mitigate impacts stemming from the global pandemic. I have attached more information to my testimony going through the analysis we have completed on this program.

4. Section 14 of the bill, on page 13 lines 25-31, we are asking for \$200,000 of the RAND reserves to study the possibility of combining the individual health insurance marketplace with the small group health insurance marketplace. We believe there may be value in combining those markets for North Dakota, and in doing so, our small group market would be able to receive the benefits of the reinsurance

program, which should reduce rates for our small employers who purchase coverage through the small group market.

We also would like to introduce an amendment to House Bill 1087 related to the federal pass through funding received under our approved 1332 wavier. During 2020 an oversight was discovered regarding the ability to spend said federal pass through funding. This oversight was not noted during the legislative process or by OMB. This resulted in the Department seeking approval from the Emergency Commission in order to spend the 2020 federal pass through funding. This was approved unanimously by the Emergency Commission at its June 30, 2020 meeting. The proposed amendment seeks to make any federal funding received under our approved 1332 waiver a continuing appropriation. We are asking for this continuing appropriation for a few reasons. First, the amount of federal funding received is not static. It can and will change every year based on the number of individuals insured in the individual market. As this number changes each year, we are unable to ask for a known number and in the case of requesting less than gets awarded it would necessitate the Department having to go to the Emergency Commission potentially on a yearly basis. Second, if our request comes in higher than awarded our budget is therefore inflated. These dollars are truly a pass through and can only be used to administer RAND. Any federal dollars not spent are rolled over to the next calendar

year. We believe having this continuing appropriation is reasonable and will help cut down on administrative burdens to both this body and the Department.

As you can see this program has been successful, it has had a significant impact on North Dakotans who purchase their health insurance through the individual marketplace, and with the changes we are proposing, we believe we can continue this program and expand the benefits to the small group marketplace.

For these reasons, I would encourage a favorable recommendation for House Bill 1087, and I am happy to attempt to answer any questions you may have.

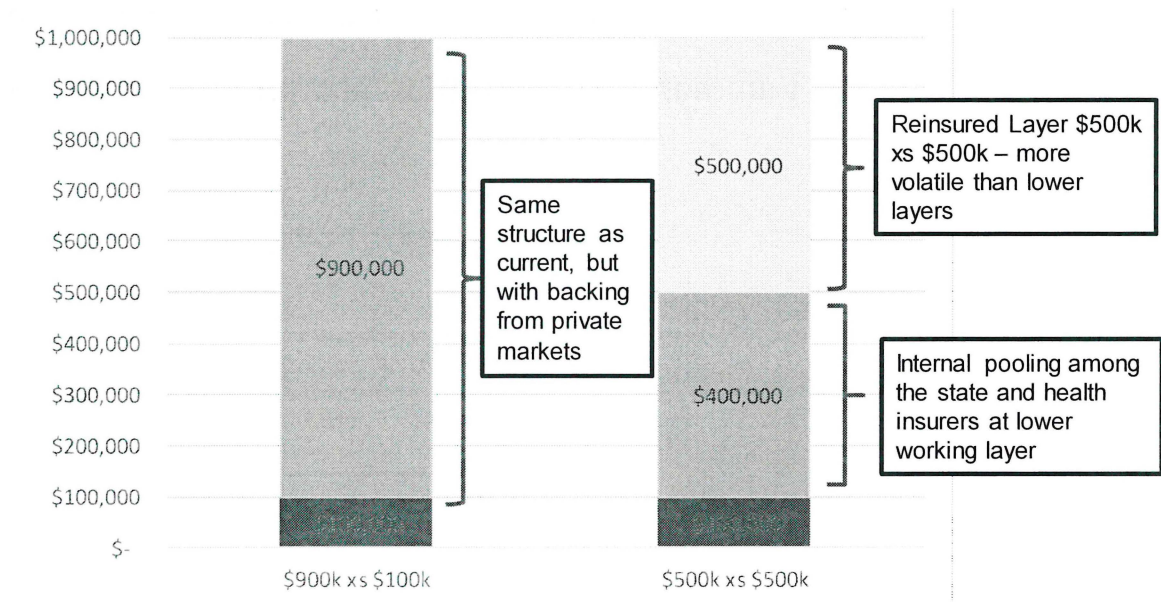
Third-Party Reinsurance – Appendix A:

In conjunction with our health care cost study, we also looked at potential solutions around layering of a private third-party reinsurance program for our existing reinsurance program. HB 1087 would authorize us to further develop and study this idea and with positive results implement the program.

When considering the existing Reinsurance Association of North Dakota (RAND) program, there are two main structural options to consider.

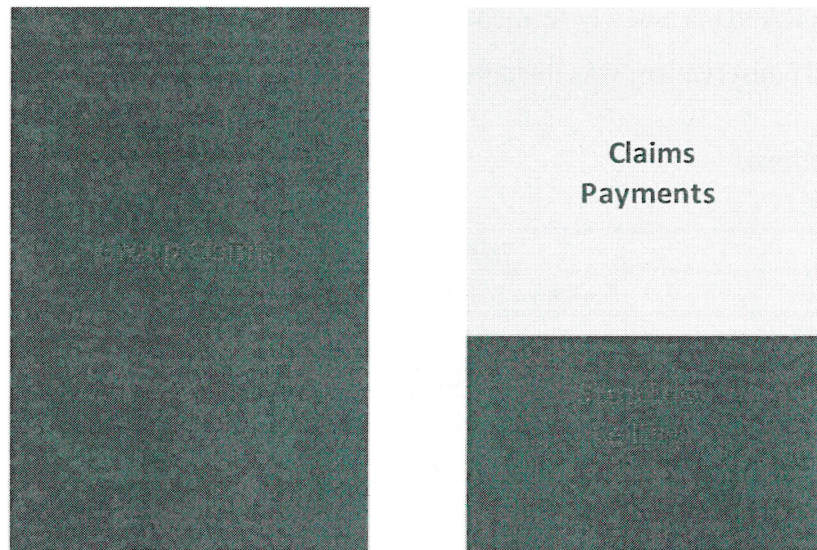
Excess of Loss

- Provides recoveries after a pre-determined amount of loss
- Smooths results in excess of pre-determined attachment point



Aggregate Stop Loss

- Provides recoveries after a pre-determined amount of loss in a defined/determined time period
- Coverage ensures the aggregation of numerous claims do not drain the financial reserves of the risk-bearer/entity



How much would this cost?

We modeled various scenarios using stochastic and deterministic models, we also used market data to derive pricing.

Using available data collected for the initial 1332 Waiver Process to illustrate a few structural and pricing options that would make sense given the current RAND structure. In evaluating solutions for North Dakota our overarching motivation is to maximize coverage, deliver fast payment, and provide clear benefit to the users of the RAND program.

Projected claims costs were derived from North Dakota's 2017 year. In order to secure pricing from the reinsurance markets, typically 3-5 years of data is required, however we believe this 12-month snapshot provides enough information to draw preliminary conclusions.

Pricing is provided on a 100% experience basis, and blended with national market data to provide more credibility to the block of business. It is illustrated on a per member per month basis.

Our analysis is based on following general market underwriting methodologies used across the reinsurance industry to develop a likely premium. Since North Dakota would be transferring the volatility to the market, the amount of money allocated to reinsurance claims in one particular year does not have to be as conservative as what may be traditionally allocated to a self-funded plan. Because RAND is a newly formed self-insured reinsurance program, it is not surprising that additional conservatism was included in the preliminary (NovaRest) actuarial analysis.

Claims Projections:

| | 75% Coinsurance | |
|---------------------|------------------|------------------|
| Source | \$900k xs \$100k | \$500k xs \$500k |
| Nova Rest | \$106.68 | |
| Market | \$67.27 | \$8.18 |
| Aon - Deterministic | \$58.53 | \$4.38 |
| Aon - Stochastic | \$58.82 | \$4.65 |

Pricing Options:

| *XOL Pricing by layer | Premium |
|-----------------------|---------|
| 1. \$900k xs \$100k | \$70.58 |
| 2. \$500k xs \$500k | \$5.58 |
| *Agg Pricing | |
| 1. 110% of expected | \$27.64 |
| 2. 120% of expected | \$20.61 |
| 3. 130% of expected | \$14.58 |

Key Takeaways:

- Based on the 2017 claims year costs there are indications that meaningful cost savings can be achieved by a private reinsurance purchase

- Claims costs can be shifted to the private market for less dollars than they are being funded for in the existing program, leaving additional funding to further stabilize rates and pay for the private purchase
- We can transfer claims to the private market for .65-.85 cents on the dollar (this is based on only one claims year and we would need 3-5 years to fully validate this with third party capital)
- The structures presented would provide more program certainty to payers allowing for greater flexibility in rate pricing
- While the premium payments for the State of North Dakota may be higher than the claims cost in some years, high claims years will counterbalance the years where the state ends in a negative net position
- As an example, 1 in 20 years the reinsurer is projected to lose \$20.57 per member per month, paying \$1.30 to the state for every \$1 the state pays in premium

| Return Period (1 in X years) | Losses (PMPM) | Reinsurer Position (PMPM) |
|---|--------------------------|--|
| Average | \$58.82 | \$11.76 |
| 5 | \$72.34 | -\$1.76 |
| 20 | \$91.14 | -\$20.57 |
| 40 | \$99.22 | -\$28.64 |

Considerations for Next Steps:

In order to procure formal pricing from the market, additional information is needed.

| Reinsurance Parameters | Key Considerations |
|-----------------------------------|---------------------------|
|-----------------------------------|---------------------------|

| | |
|------------------------------------|--|
| Data Required (last 3-5 years) | <ul style="list-style-type: none"> - Membership Data - Claims Triangles - Large Claim Loss Data - Plan Design Changes (Historical and Proposed) |
| Attachment Point | <ul style="list-style-type: none"> - Attachment points can allow for any corridor, both overlapping what is being offered or just covering a piece - To reduce total cost coinsurance can be included which will reduce the reimbursement by a percentage for each claim |
| How Much “Limit” to Purchase | <ul style="list-style-type: none"> - Often relatively small incremental premium to purchase higher limit - Markets will cap the limit they offer based on their risk tolerance |
| Contractual Considerations | <ul style="list-style-type: none"> - If the State of North Dakota does not cede the entire \$900k xs \$100k layer to the reinsurance market, arrangements will be needed to administer the pooling layer - Additional analysis will be required to confidently opine on the contractual structure between the State of North Dakota reinsurance program and the reinsurers |

Who would provide this backstop?

Reinsurance companies are the providers of this protection and have been active participants in the health market for several years.

There is a significant market appetite for health exposure. There are several highly rated counterparties that will be interested in an excess of loss or aggregate structure as these are the main vehicles used to transfer volatility in the space.

While the amount of data available is limited there are indications that meaningful cost savings can be achieved by RAND purchasing third-party reinsurance from the private market. As with any reinsurance contract there are years when the cost of the third-party reinsurance contract may be higher than the claims costs, however, high claims costs years will counter-balance this. By shifting claims costs from RAND to the private market this will potentially lead to a reduction in RAND funding needs from the state while providing stability to the health insurance market in North Dakota.

Reinsurance is used globally by insurers both large and small. As noted above, reinsurance can provide stability and consistency to the ceding entity by smoothing out the peaks and valleys that can and inevitably do occur. The health insurance world is not immune from these peaks and valleys as we have seen during 2020 and RAND has helped. By exploring the option of third-party reinsurance RAND too can take advantage of this stability and consistency in its results.

HB 1087 - Reinsurance Association of North Dakota (RAND)

Passed the house last session with unanimous support.

HB 1087 seeks to reauthorize the program that has effectively reduced rates on the individual market by 20+%

Individual market is made of 40,000 North Dakotans, of those individuals 19,000 receive a subsidy to essentially cap their health insurance premiums, based on income. The other 21,000 receive no assistance and have taken the brunt of the Affordable Care Act rate increases since its inception.

RAND addresses that population and stabilizes the individual marketplace, helping to put some downward pressure on health rates across the market.

Biggest impact of this program is to farmers, ranchers and small business owners who do not have access to the large and small group markets and earn too much to receive any kind of subsidy from the federal government.

In 2020, we estimate that with RAND being in place we saved the consumers of North Dakota approximately \$43M in reduced premiums.

How this program is funded:

Approx. 50% - Federal passthrough dollars from cost savings on the individual market

Approx. 50% - Assessments on North Dakota Health Insurers (who then can take a tax credit for those assessments)

2020 Actual Costs:

Federal Funds – \$21,488,350

Assessments on Carriers - \$21,988,170 (of which \$16,976,918 in tax credits have been credited to the carriers)

Actual State Cost of the Program:

2019-21 Projections - \$31,702,006

2019-21 est. Actual Cost - \$16,976,918

Actual costs of the program came in below estimate by - \$14,725,088

For 2021, we are projecting similar numbers with regards to the federal pass through dollars, and as the actual cost has been below estimates, we are currently projecting that with our current reserves in the RAND program there will be no need to assess our carriers for 2021.

Fiscal Note of HB 1087:

The fiscal note reflects \$33,754,507 reduced revenues for the '21-'23 biennium and reduced revenues of \$48,594,447 for the '23-'25 biennium. The increase for the '23-'25 biennium is due to the state's fiscal year starting on July 1 while the plan year for a health insurance policy typically begins on January 1.

It is important to note that this fiscal note reflects the projections completed by a contract actuary firm. For the 2021 plan year we do not anticipate the need to conduct assessments. This is a result of the 2020 plan year, and the reduced utilization we saw. Our actual claims numbers for 2020 are still pending, but thus far the number of claims actually ceded to the reinsurance program are well below our projections. Based on the preliminary claims numbers we have received to date from our carriers, the 2020 federal pass through dollars we received will likely cover the entire amount due for the 2020 plan year leaving RAND with a reserve balance of approximately \$22,000,000.

Given that reserve balance along with the additional federal pass through dollars we anticipate receiving in 2021, we are confident we can suspend the assessments to our carriers through 2021 which would reduce the fiscal note to \$11,751,684 for the '21-'23 biennium. This would reduce our assessments for both this current biennium and the '21-'23 biennium. The fiscal note you have in front of you is a worst-case scenario.

In sum, this program has cost the state \$17M in reduced revenues from tax credits and saved the people of North Dakota approx. \$43M. We do not anticipate needing to assess our companies in 2021, and with the potential inclusion of private reinsurance that will be studied, we are hopeful that the cost of this program will continue well below our projections.

Changing the attachment point from \$100,000 - \$200,000:

This would essentially cut the effectiveness of this program in half; our 20% reduction would be cut to 10% and result in an increase in premiums for consumers on the individual market. This would again primarily impact those farmers, ranchers and small business owners who do not receive a subsidy to purchase their own health insurance.

Changing the attachment point would also significantly reduce the federal funds that would be passed through to the program, our estimation is that the change would result in \$13M less in federal funding for 2021 plan year.

Changing the attachment point would also reduce the level of assessments needed from our health insurers, our estimation is that it would reduce the assessments on our carriers by \$10M for the 2021 plan year.

We would also need to reapply to the federal government as this would be a substantive change in our program. Our waiver was approved (for 5 years) with an attachment point of \$100,000, moving to \$200,000 would require federal approval to change our program. To further this reapplication, the federal government would also require us to complete another actuarial analysis that would need to be performed by a third-party contract actuary firm. The reapplication process allows the federal government 45 days to deem an application complete and then another 180 days to review after deeming this application complete. The process in working with the federal government for the waiver approval to establish RAND for the 2020 plan year took 18 months. The process culminated with the 2019 Legislative Session.

The real reductions that have been felt by our farmers, ranchers, and small business owners along with this program costing the state approximately half of what we projected are proven successes of this program. In addition to the fact that we are currently coming out of a global pandemic and haven't seen a true look at what this program will ultimately cost in claims and in assessments along with the expected increase of the rates on the individual market we could expect from making this change, I would be adamantly opposed to moving the attachment point from \$100,000 to \$200,000.

Continuing Appropriation:

During 2020 an oversight was discovered regarding the ability to spend said federal pass through funding. This oversight was not noted during the legislative process or by OMB. This resulted in the Department seeking approval from the Emergency Commission in order to transfer the 2020 federal pass through funding to RAND. This was approved unanimously by the Emergency Commission at its June 30, 2020 meeting.

The continuing appropriation seeks to make any federal funding received under our approved 1332 waiver a continuing appropriation. We are asking for this continuing appropriation for a few reasons. First, the amount of federal funding received is not static. It can and will change every year based on the number of individuals insured in the individual market. As this number changes each year, we are unable to ask for a known number and in the case of requesting less than gets awarded it would necessitate the Department having to go to the Emergency Commission potentially on a yearly basis. Second, if our request comes in higher than awarded our budget becomes inflated.

These dollars are truly a pass through and can ONLY be used to administer RAND. Any federal dollars not spent are rolled over to the next calendar year. We believe having this continuing appropriation is reasonable and will reduce the administrative burdens to both this body and the Department.

Support HB 1087 – As presented

This program is effective, it is saving our citizens \$43M while reducing state revenue by \$17M (in one year). Our carriers are not getting “rich” off this program, what this program is doing is stabilizing our marketplace and keeping carriers operating in our marketplace. We have conducted a Private Health Insurance Marketplace study and through that study we found our carriers are averaging about 2% loss year over year. We also conducted a health care cost study, as that is the true underlying issue with the rising cost of health insurance. We have a healthcare cost problem in this state, not a health insurance cost problem.

During the hearing the committee received supportive testimony from the Insurance Department, insurance carriers, The Greater North Dakota Chamber of Commerce, The Bismarck-Mandan Chamber and Economic Development Corporation, North Dakota Soybean Growers Association, and the North Dakota Corn Growers Association. There was no opposition to HB 1087.

The attachment point of \$100,000 or \$200,000 was discussed at great length in the previous session. The legislature approved this program and approved the Department implementing it at the \$100,000 attachment point. Maintaining this program is critical for our farmers, ranchers, and small business owners, and we also will be studying if it is possible to expand to our small group market to continue to find solutions for our small business owners. I strongly urge your support for HB 1087 as it came out of the policy committee nearly unanimous (13-1) and would urge your support of the continuing appropriation that was supported by your policy committee.



North Dakota Insurance Department

Jon Godfread, Commissioner

Oct. 1, 2019

FOR IMMEDIATE RELEASE

Contact: Ashley Kelsch
(701) 328-2684
amkelsch@nd.gov

Godfread Announces Decrease of 20 Percent on Average in Individual Health Insurance Rates with Reinsurance Program

BISMARCK, N.D. – Insurance Commissioner Jon Godfread today released the approved health insurance rates for both individual and small group plans for 2020. Godfread approved the 2020 rates which average up to 20% in savings for North Dakotans purchasing an individual health insurance plan due to the implementation of the state-based reinsurance program.

“With the investment made by our state legislature and the approval of our reinsurance program, I am happy to announce a 20 percent decrease in rates on the individual market. The reinsurance program we proposed, which was supported by the Legislature, provides some much-needed relief to our farmers, ranchers and small business owners,” Godfread said. “While we await further reform from Congress, I am pleased that we took steps at the state level to provide this relief. I encourage consumers who purchase their own health insurance to talk with an agent and shop our competitive market.”

The state-based reinsurance program developed by the North Dakota Insurance Department for the individual health insurance market was approved by the federal government in July and will be in place for the 2020 health insurance plan year. The program creates a reinsurance mechanism known as “invisible” reinsurance. The approach of invisible reinsurance allows enrollees to remain in the individual market with their current plan and carrier while a portion of their claims are reimbursed by the reinsurance pool. Although various carriers process claims differently, the beauty of the reinsurance program is that enrollees are not aware of administrative changes. This means that enrollees will receive payment on their claims as usual while enjoying a rate reduction. Ultimately, the only difference the consumer should notice is a decrease in their premium.

-MORE-

Three major carriers for the individual market are operating statewide on the exchange (HealthCare.gov) and off-exchange (through a licensed and appointed agent), along with four major carriers for the small group market. The 2020 rates are outlined below:

| 2020 Individual Market | | | | | | | |
|--|---|---------|---------|---|---------|---------|-----------------------|
| Company Name | Requested Rate Increase Without Reinsurance | | | Approved Rate Increase With Reinsurance | | | Difference in Average |
| | Average | Maximum | Minimum | Average | Maximum | Minimum | |
| Blue Cross Blue Shield of North Dakota | 18.30% | 25.90% | 14.80% | -1.70% | 4.60% | -4.60% | -20.00% |
| Sanford Health Plan | 7.01% | 12.37% | -3.70% | -14.39% | -10.11% | -22.39% | -21.40% |
| Medica Health Plan | 3.86% | 4.06% | 3.55% | -16.98% | -16.82% | -17.23% | -20.84% |

| 2020 Small Group Market | | | | | | |
|--|-------------------------|---------|---------|------------------------|---------|---------|
| Company Name | Requested Rate Increase | | | Approved Rate Increase | | |
| | Average | Maximum | Minimum | Average | Maximum | Minimum |
| Blue Cross Blue Shield of North Dakota | 10.20% | 10.90% | 6.70% | 7.60% | 8.30% | 4.20% |
| Sanford Health Plan | 10.16% | 13.25% | 4.77% | 10.16% | 13.25% | 4.77% |
| United Health Care | 6.74% | 10.67% | 3.90% | 6.74% | 10.67% | 3.90% |
| Medica Insurance Company | 3.08% | 4.90% | -2.00% | 3.08% | 4.90% | -2.00% |

According to the Kaiser Family Foundation, in 2017, most North Dakotans accessed health insurance in one of three ways:

- **Employer-sponsored Health Insurance** – 58% participated in a group health insurance plan offered by their employer. This includes employees of large and small private companies, federal, state and local government employees and active military.
- **Public Health Care Programs** – 26% received healthcare benefits through Medicare and Medicaid.
- **Individually Purchased** – 9% purchased health insurance on their own through the marketplace or an agent.
- **Uninsured** – 8% remained uninsured.

-MORE-

Within each method, there are important developments and information consumers should keep in mind as the Open Enrollment Period begins:

Employer-sponsored Health Insurance

- If already covered by an employer-sponsored plan, consumers should pay close attention to enrollment options this year. Premiums and coverage limits may have changed.
- If an individual has recently changed jobs or plans to change employment, they may be subject to a probationary period, up to 90 days, during which they are ineligible for group coverage.
- If coverage from a previous employer is lost, an individual typically has 60 days to enroll in private individual insurance on an exchange through a Special Enrollment Period.
- Consumers are encouraged to contact their employer with questions about their Health Savings Account or Flexible Spending Account, or if they have questions about enrolling in either.

Public Health Care Programs

- Medicare and Medicaid are government programs that help pay for health care. However, benefits, costs and eligibility requirements differ:
 - Medicare is a federally funded program available to most U.S. citizens and permanent legal residents age 65 or older who have lived continuously in the country for at least five years. People younger than 65 may also be eligible for Medicare if they are disabled, suffer from kidney failure or ALS (Lou Gehrig's disease).
 - In contrast, Medicaid is jointly funded by federal and state governments. Eligibility is means-based and the program has strict income requirements that vary from state to state.
- Open enrollment for Medicare Advantage and Medicare Prescription Drug coverage (Part D) takes place from Oct. 15 through Dec. 7, 2019. If an individual misses the deadline and did not experience a qualifying event, they can still apply during general enrollment (Jan. 1 through March 31 of each year), though they will have to pay a premium penalty.
- High-income earners (more than \$85,000 single filing tax return or \$170,000 for joint filing tax return) may see increases in 2019 Medicare Part B premiums. Enrollees should contact Medicare for an estimate and plan accordingly.
- Medicaid enrollees should pay particular attention to possible changes to eligibility and coverage options.

Individually Purchased Health Insurance

- The 2020 Open Enrollment Period will run Nov. 1 through Dec. 15, 2019. Coverage begins Jan. 1, 2020. Consumers can begin researching their options at any time.

-MORE-

- Those who currently have coverage through the exchange and do not choose a plan for 2020 will be re-enrolled in the same or a similar plan. Consumers should take notice that this re-enrollment could result in higher costs to the consumer.
- There are two ways to purchase individual insurance, either through the federally run health care exchange on HealthCare.gov or via a licensed insurance agent. A licensed insurance agent can help you with both methods, but if you qualify for an individual subsidy, you must purchase your insurance through the federally run health care exchange to receive a subsidy. A qualification calculator is available at www.healthcare.gov/lower-costs/qualifying-for-lower-costs/.

Most of North Dakotans are covered by health insurance plans offered through employers that self-insure, participate in “grandfathered” plans purchased before March 2010 or receive benefits from government plans (such as Medicaid, Medicare, Tricare or federal employee plans). Today’s announcement will not affect the rates for these consumers.

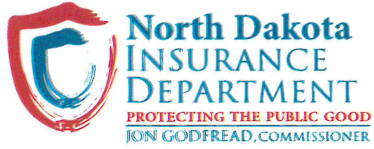
As the 2020 Open Enrollment Period begins on Nov. 1, many North Dakotans must soon make critical decisions about their 2020 health insurance amid a barrage of news and opinions regarding health care. To help consumers choose the right coverage for themselves and their families, the Department recommends consumers:

1. **Start early.** With more information gathered, smarter decisions can be made.
2. **Stay well-informed.** The health insurance landscape is evolving rapidly. What is true today may be outdated tomorrow.
3. **Shop around.** What made sense this year may not be the best solution next year, particularly if an employment situation has changed. Take time to shop around and compare prices and plan benefits amongst different insurance companies.

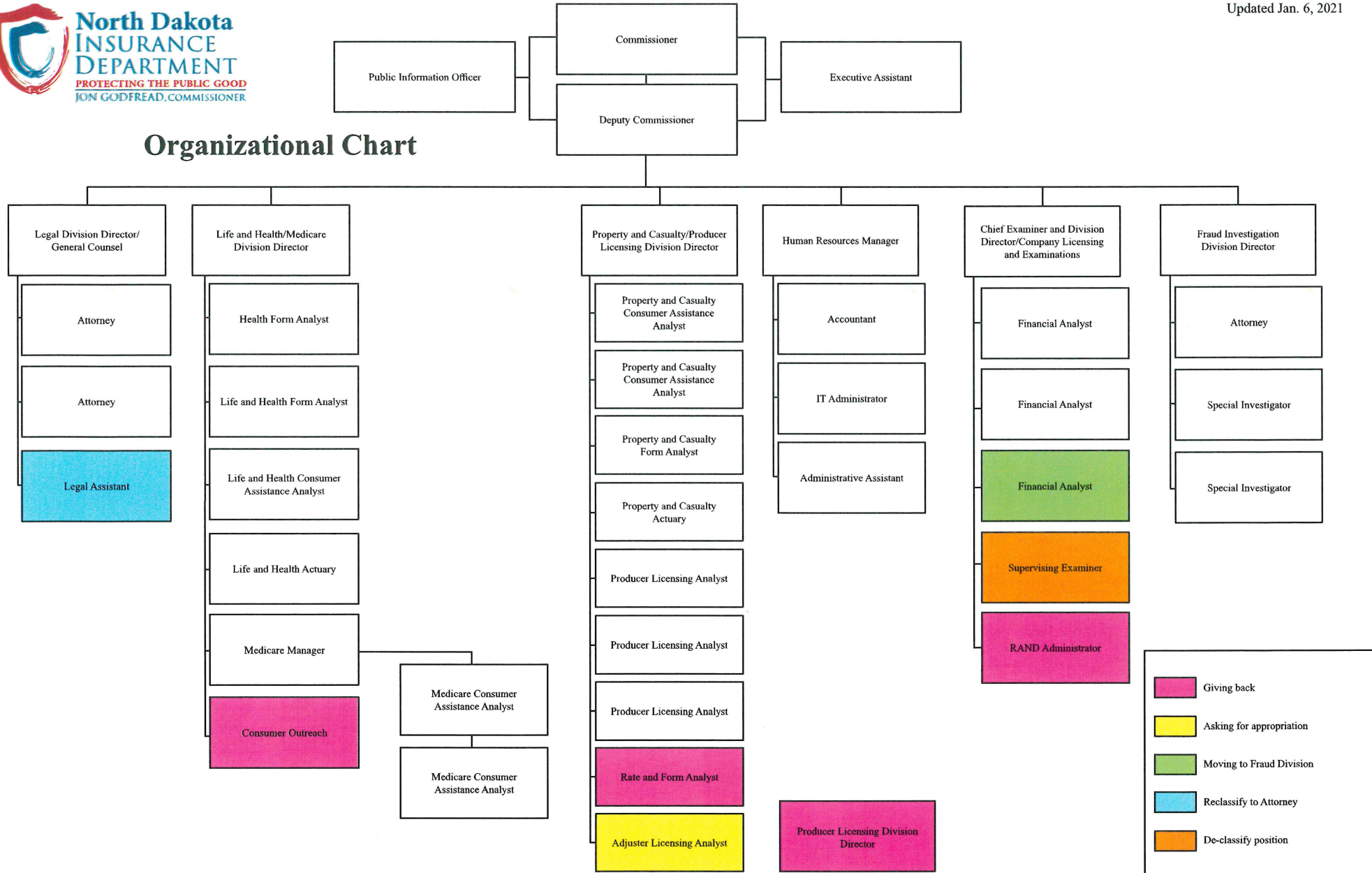
For more information, contact the Department at (701) 328-2440 or visit www.nd.gov/ndins.

###

It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we will treat all of our constituencies with the highest ethical standards and respect they deserve.



Organizational Chart



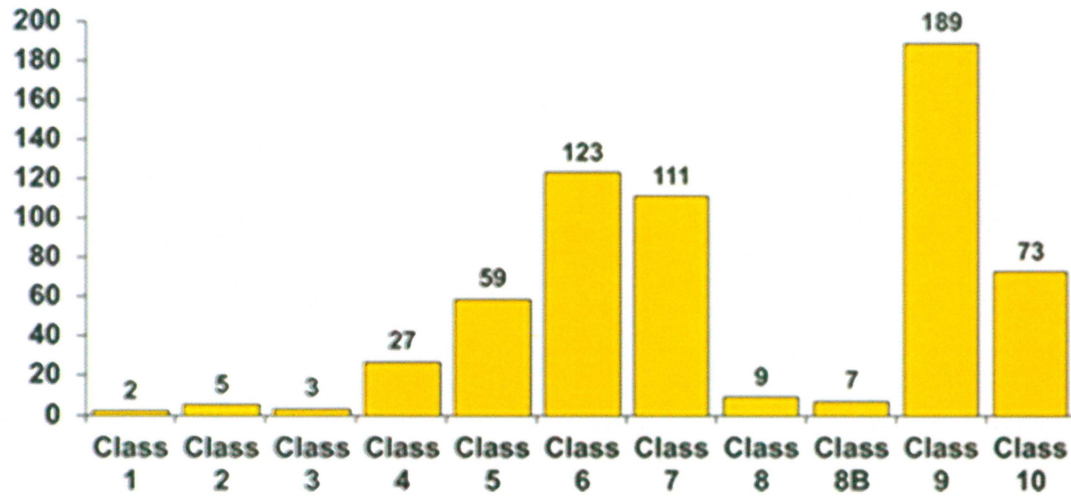
Thanks for coming up to meet with us today, here is the information that you requested. I have also attached our org chart that describes the requested changes to positions that would move divisions or be eliminated or declassified or reclassified.

Savings to North Dakotans from RAND in 2019 (2020 Numbers still being finalized): \$43,001,758

| | BCBS | Sanford | MHP | |
|---------------------------------------|---------------|--------------|-------------|--|
| 2019 Individual Market Premium | \$168,671,799 | \$40,600,131 | \$2,778,166 | |
| Non-RAND Est. | \$202,406,159 | \$49,288,559 | \$3,357,136 | Estimated Total Savings For North Dakotans |
| Estimated Savings | \$33,734,360 | \$8,688,428 | \$578,970 | \$43,001,758 |

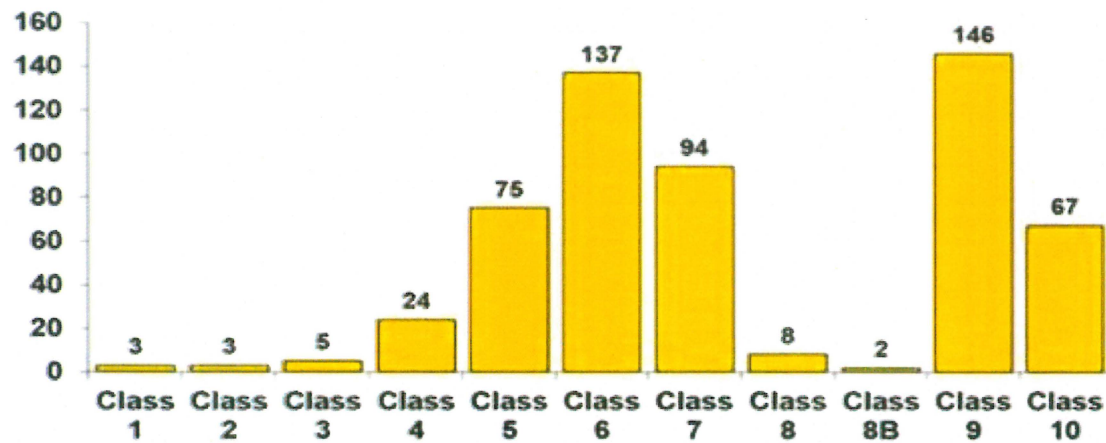
Fire District Information (for Rep. Howe, I will also email him):
2019

North Dakota



2021:

North Dakota



| Rating Class | 2019 | 2021 | Change |
|--------------|------|------|--------|
| 1 | 2 | 3 | 1 |
| 2 | 5 | 3 | -2 |
| 3 | 3 | 5 | 2 |
| 4 | 27 | 24 | -3 |
| 5 | 59 | 75 | 16 |
| 6 | 123 | 137 | 14 |
| 7 | 111 | 94 | -17 |
| 8 | 9 | 8 | -1 |
| 8B | 7 | 2 | -5 |
| 9 | 189 | 146 | -43 |
| 10 | 73 | 67 | -6 |

The biggest takeaways for me are from 2019 to 2021 we had 43 fewer class 9 fire departments and 6 fewer class 10 departments. These numbers were provided from ISO and I believe the fire marshals office.

As I mentioned in my testimony the movement from a 9 to an 8 is where we will see increased fire protection that should lead to improved homeowners insurance coverage.

And lastly requested changes to from the 19-21 base budget:

Additions:

- ▶ Declassify our Legal Assistant (\$142,442 salary and fringe) position to an Attorney (\$221,646 salary and fringe) position.
- ▶ Repurpose a vacant FTE from Company Licensing Division (\$210,711 salary and fringe) to strengthen the Fraud Division by adding another Fraud Investigator.
- ▶ Declassify our Supervising Examiner position. Requesting total \$279,203 salary and fringe for that position.
- ▶ Responsibility workload increase SHIC Lead (\$5,998 salary and fringe)
- ▶ 5 temporary employees to assist during SHIC open enrollment (\$108,000 increase to operations line)
- ▶ Funding approve Adjustor Licensing Position (\$115,276 salary and fringe)

Reductions:

- ▶ Cutting a total of 4 FTEs from 2019-21 budget.
 - ▶ Producer Licensing Division Director (\$236,127 salary and fringe)
 - ▶ Retired Senior Analyst position (\$158,485 salary and fringe)
 - ▶ RAND Healthcare Review Analyst (\$146,880 salary and fringe)
 - ▶ Admin Assistant (\$115,171 salary and fringe)
 - ▶ *Note: We are eliminating 4 positions but asking for the Adjustor Licensing position back (or to be funded) resulting in a net of -3 to our FTE line.*

Resulting in final request of:

- ▶ 2021-23 Request
 - ▶ \$8,078,903 for salary and fringe
 - ▶ \$1,707,083 for operations
 - ▶ Total Appropriation \$9,785,986
 - ▶ RAND Continuing Appropriation (Probably better discussed in HB 1087 that will be before the full appropriations committee in the near future)
 - ▶ Fire District Grant Fund Continuing Appropriation
 - ▶ 38 FTE Count
- ▶ 1.32% Reduction in salary and operating lines from 2019-21

As a reminder over the past 5 years our salary and operating lines: (based on our requested 21-23 budget numbers, and not including any employee compensation package.

If our request is approved as asked for our salary and operating line will be down 7% over the past 5 years and our FTE count will be down 23.23% over the past 5 years.

| | 2015-17 Expenditures | 2017-19 to 15- 17 Difference | 2017-19 Expenditures | 17-19 to 19- 21 Difference | 2019-21 Expenditures | 19-21 to 21- 23 Difference | 2021-2023 Request | 2021-23 to 2015-17 Difference |
|-----------------------------|-------------------------|---------------------------------|-------------------------|----------------------------------|-------------------------|-------------------------------|----------------------|-------------------------------------|
| Salaries | \$8,943,097 | -4.40% | \$8,549,567 | -4.67% | \$8,149,998 | -0.87% | \$8,078,903 | -9.66% |
| Operating | \$2,512,042 | -13.23% | \$2,179,777 | -18.95% | \$1,766,675 | -3.37% | \$1,707,083 | -32.04% |
| Total Salary & Operating | \$11,455,139 | -6.34% | \$10,729,344 | -7.57% | \$9,916,673 | -1.32% | \$9,785,986 | -14.57% |
| FTE | 49.50 | -7.07% | 46 | -10.87% | 41 | -7.32% | 38 | -23.23% |

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1010

2/2/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

3:40 **Chairman Vigesaa** brought the committee to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Meier, Representative Mock. Members absent: Representative Bellew.

Discussion Topics:

- FTE's
- Firefighter Association
- Base level funding changes worksheet

3:40 **Representative Meier** explained the green sheet and testimony #1947.

3:55 **Jon Godfread, Commissioner, ND Insurance Department** – Answered questions concerning budget.

4:07 **Chairman Vigesaa** adjourned the meeting.

Sheri Lewis, Committee Clerk

**Insurance Commissioner, Including Insurance Tax Payments to Fire
Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes**

| | Executive Budget Recommendation | | | | House Version | | | |
|--|---------------------------------|-----------------|----------------|--------------|------------------|-----------------|----------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| 2021-23 Ongoing Funding Changes | | | | | | | | |
| Base payroll changes | | | \$308,287 | \$308,287 | | | | \$0 |
| Salary increase | | | 219,233 | 219,233 | | | | 0 |
| Retirement contribution increase | | | 45,118 | 45,118 | | | | 0 |
| Health insurance increase | | | 2,005 | 2,005 | | | | 0 |
| Removes FTE positions | (2.00) | | (305,365) | (305,365) | | | | 0 |
| Adjusts funding for operations | | | 29,913 | 29,913 | | | | 0 |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 | | | | 0 |
| Adds funding for RAND | | | 21,488,350 | 21,488,350 | | | | 0 |
| Adds funding for an office remodel | | | 100,000 | 100,000 | | | | 0 |
| Total ongoing funding changes | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | 0.00 | \$0 | \$0 | \$0 |
| One-time funding items | | | | | | | | |
| No one-time funding items | | | | \$0 | | | | \$0 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | 0.00 | \$0 | \$0 | \$0 |
| 2021-23 Total Funding | 39.00 | \$0 | \$50,426,100 | \$50,426,100 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| <i>Total ongoing changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | 0.0% | | 0.0% | 0.0% |
| <i>Total changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | 0.0% | | 0.0% | 0.0% |

**Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments -
Budget No. 401**

| | Executive Budget Recommendation | House Version |
|---------------------------------|---|---------------|
| Insurance tax distribution fund | Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. | |
| Unsatisfied judgment fund | Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. | |
| Insurance Commissioner's salary | Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent per year. | |

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB1010
2/10/2021
AM

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

10:21 **Chairman Vigesaa** brought the committee to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Kempenich, Representative Howe, Representative Bellew, Representative Meier, Representative Mock.

Discussion Topics:

- Base budget changes
- Firefighter's Association
- Fire department districts
- FTE positions
- Amendments

10:21 **Representative Meier** explained the bill.

10:46 **Chairman Vigesaa** questioned the proposed amendment from Jon Godfread, Commissioner, ND Insurance Department. Testimony #834.

10:49 **Alex Cronquist, Fiscal Auditor, ND Legislative Council** explained testimony #6240.

11:15 **Chairman Vigesaa** adjourned the meeting.

Sheri Lewis, Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, after "to" insert "amend and reenact sections 18-04-04.1 and 18-04-05 of the North Dakota Century Code, relating to the insurance tax distribution fund; and"

Page 1, lines 2 and 3, remove "; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund"

Page 1, replace lines 10 through 17 with:

"

| | Base Level | Adjustments or Enhancements | Appropriation |
|--------------------------------|------------|--------------------------------|---------------|
| Salaries and wages | 8,149,998 | (71,095) | 8,078,903 |
| Operating expenses | 1,566,675 | (59,592) | 1,607,083 |
| Capital assets | 0 | 100,000 | 100,000 |
| Grants | 0 | 0 | 0 |
| Total special funds | 9,716,673 | (30,687) | 9,785,986 |
| Full-time equivalent positions | 41 | (3) | 38 |

"

Page 1, remove lines 23 and 24

Page 2, remove lines 1 through 5

Page 2, after line 5, insert:

"SECTION 4 AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund.

The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-46, ~~subject to legislative appropriation.~~

SECTION 5 AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner – Continuing appropriation.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.

3. The insurance commissioner shall compute and disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, ~~subject to legislative appropriations.~~
4. The insurance commissioner shall compute the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. ~~The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year.~~ The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for ~~policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance~~ the lines of insurance identified under section 18-04-04 on property within the city of a certified city fire department, certified rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state.
5. Annually, the insurance commissioner shall determine the amount of insurance premium taxes collected from the insurance lines identified in section 18-04-04 and disburse five and one-half percent to the North Dakota firefighter's association, ninety-four and one-half percent to certified city fire departments, certified rural fire departments, and certified fire protection districts. Moneys authorized for disbursement under this section are appropriated from the insurance tax distribution fund to the insurance commissioner on a continuing basis for the purpose of this section.

SECTION 6. A new section to chapter 26.1-36.7 of the North Dakota Century Code is created and enacted as follows:

Federal funding – Administration of the association – Continuing appropriation

Annually, the association will be awarded federal funding through its innovation waiver approved under section 1332 of the federal Patient Protection and Affordable Care Act [Pub. L. 11-148; 119 Stat. 124; 42 U.S.C. 1801 et seq.]. Federal funding received under this waiver is appropriated to the insurance commissioner on a continuing basis for the purpose of this chapter."

Renumber accordingly

Insurance Department
 Salay & FTE Reconciliation
 House Government Operations Appropriation Committee

| | <u>FTE</u> | <u>Appropriation Reconciliation</u> |
|--|-------------|-------------------------------------|
| Current Authorized FTE | 41.0 | \$ 8,149,998 |
| Add New FTE | 1.0 | |
| Adjuster | | 115,276 |
| Reduce FTE | (4.0) | |
| Producer Licensing Director | | (236,127) |
| Senior Analyst | | (224,627) Amount per agency |
| RAND Analyst | | (210,711) Amount per agency |
| Administrative Assistant | | (115,171) |
| Other Adjustments | | |
| Reclass Legal Assistant to Attorney (Net Amount) | | 79,204 |
| Declassify Supervising Examiner | | 64,460 Amount per agency |
| SHIC Workload Adjustment | | 5,998 |
| 5 Temporary Employees | | 108,000 |
| Equity Increases | | 231,719 Amount per agency |
| Work Load Increases | | 110,884 Amount per agency |
| Amount in Testimony | <u>38.0</u> | <u>\$ 8,078,903</u> |

Amounts taken from Insurance Commissioner testimony on 1/13/2021.

Appropriation Analysis

| | |
|--|------------------|
| Testimony Amount | \$ 8,078,903 |
| Salary Increase Executive Recommendation | 266,356 |
| Testimony Amount with Increase | 8,345,259 |
| Executive Recommendation | 8,419,276 |
| Savings over Executive Recommendation | <u>\$ 74,017</u> |

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1010

2/11/2021

AM

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

09:15 **Chairman Vigesaa** brought the committee to order. Members present: Chairman Vigesaa, Vice Chairman Brandenburg, Representative Howe, Representative Bellew, Representative Meier. Members absent: Representative Kempenich, Representative Mock.

Discussion Topics:

- Base level funding changes

09:16 **Alex Cronquist, Fiscal Analyst, ND Legislative Council** explained the worksheet. Testimony #6418.

09:25 **Representative Meier** made a motion to further amend by addressing the insurance commissioner's salary.

09:25 **Representative Howe** seconded the motion.

Voice Vote

Motion carried

09:26 **Representative Meier** made a motion to adopt the amendments. LC# 21.0269.01001.

09:26 **Representative Howe** seconded the motion.

09:26 Voice vote.

09:26 Motion carried.

09:27 **Representative Meier** made a motion for a Do Pass as Amended.

09:27 **Representative Howe** seconded the motion.

09:27 Roll call vote. 5 Yeas 0 Nays 2 Absent.

| <i>Representatives</i> | Yes | No |
|----------------------------------|------------|-----------|
| <i>Chairman Vigesaa</i> | X | |
| <i>Vice Chairman Brandenburg</i> | X | |
| <i>Representative Kempenich</i> | A | |
| <i>Representative Howe</i> | X | |
| <i>Representative Meier</i> | X | |
| <i>Representative Bellew</i> | X | |
| <i>Representative Mock</i> | A | |

09:28 Motion carried.

09:30 **Chairman Vigesaa** closed the meeting.

Sheri Lewis, Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, remove "and"

Page 1, line 3, after "fund" insert "; and to provide for a report"

Page 1, replace lines 10 through 17 with:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total special funds | \$9,716,673 | (\$292,473) | \$9,424,200 |
| Full-time equivalent positions | 41.00 | (3.00) | 38.00" |

Page 1, line 18, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 19, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 21 and 22 with:

| | | |
|----------------------|----------------|-----------|
| "Office remodel | \$0 | \$100,000 |
| Health care analysis | <u>200,000</u> | <u>0</u> |
| Total special funds | \$200,000 | \$100,000 |

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, line 6, replace "\$29,703" with "\$26,344"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

| | Base Budget | House Changes | House Version |
|------------------------|------------------------|--------------------------|--------------------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | | 100,000 | 100,000 |
| Fire department grants | <u>18,818,030</u> | | <u>18,818,030</u> |
| Total all funds | \$28,534,703 | (\$292,473) | \$28,242,230 |
| Less estimated income | <u>28,534,703</u> | <u>(292,473)</u> | <u>28,242,230</u> |
| General fund | \$0 | \$0 | \$0 |
| FTE | 41.00 | (3.00) | 38.00 |

Department 401 - Insurance Department - Detail of House Changes

| | Adjusts Funding for Base Payroll Changes ¹ | Adds Funding for Salary and Benefit Adjustments ² | Adjusts FTE Positions ³ | Adjusts Funding for Operating Expenses ⁴ | Adds One- Time Funding for an Office Remodel ⁵ | Total House Changes |
|------------------------|--|---|---------------------------------------|--|--|------------------------|
| Salaries and wages | \$95,794 | \$177,949 | (\$606,900) | | | (\$333,157) |
| Operating expenses | | | | (\$59,316) | | (59,316) |
| Capital assets | | | | | \$100,000 | 100,000 |
| Fire department grants | | | | | | |
| Total all funds | \$95,794 | \$177,949 | (\$606,900) | (\$59,316) | \$100,000 | (\$292,473) |
| Less estimated income | 95,794 | 177,949 | (606,900) | (59,316) | 100,000 | (292,473) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (3.00) | 0.00 | 0.00 | (3.00) |

¹ Funding is adjusted for base payroll changes, including \$5,998 from other funds for a workload adjustment and \$89,796 for the cost-to-continue July 1, 2020, salary increases.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

| | Other Funds |
|---------------------------|-------------|
| Salary increase | \$176,042 |
| Health insurance increase | 1,907 |
| Total | \$177,949 |

³ Salaries and wages and FTE positions are adjusted as follows:

| Description | FTE Positions | Other Funds |
|---|---------------|-------------|
| Adds insurance adjuster position | 1.00 | \$115,276 |
| Removes producer licensing division director position | (1.00) | (236,127) |
| Removes senior insurance form rate analyst position | (1.00) | (224,627) |
| Removes insurance company financial analyst position | (1.00) | (210,711) |
| Removes office assistant position | (1.00) | (115,171) |
| Increases funding for a supervising examiner position | 0 | 64,460 |
| Total | (3.00) | (\$606,900) |

⁴ Funding for operating expenses is reduced by \$59,316 from other funds, including an increase of \$56,366 to provide a total of \$200,000 for travel, an increase of \$3,856 for Microsoft Office 365 licensing expenses, and decreases in other miscellaneous operating expenses, including rent.

⁵ One-time funding of \$100,000 from other funds is added to remodel office space in the Capitol for the Insurance Department.

**Insurance Commissioner, Including Insurance Tax Payments to Fire
Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes**

| | Executive Budget Recommendation | | | | House Version | | | | House Changes to Executive Budget Increase (Decrease) - Executive Budget | | | |
|--|---------------------------------|-----------------|----------------|--------------|------------------|-----------------|----------------|--------------|---|-----------------|----------------|----------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 0.00 | \$0 | \$0 | \$0 |
| 2021-23 Ongoing Funding Changes | | | | | | | | | | | | |
| Base payroll changes | | | \$308,287 | \$308,287 | | | \$95,794 | \$95,794 | | | (\$212,493) | (\$212,493) |
| Salary increase | | | 219,233 | 219,233 | | | 176,042 | 176,042 | | | (43,191) | (43,191) |
| Retirement contribution increase | | | 45,118 | 45,118 | | | | 0 | | | (45,118) | (45,118) |
| Health insurance increase | | | 2,005 | 2,005 | | | 1,907 | 1,907 | | | (98) | (98) |
| Adjusts FTE positions | (2.00) | | (305,365) | (305,365) | (3.00) | | (606,900) | (606,900) | (1.00) | | (301,535) | (301,535) |
| Adjusts funding for operations | | | 29,913 | 29,913 | | | (63,172) | (63,172) | | | (93,085) | (93,085) |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 | | | 3,856 | 3,856 | | | 0 | 0 |
| Adds funding for RAND | | | 21,488,350 | 21,488,350 | | | | 0 | | | (21,488,350) | (21,488,350) |
| Adds funding for an office remodel | | | 100,000 | 100,000 | | | | 0 | | | (100,000) | (100,000) |
| Total ongoing funding changes | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | (3.00) | \$0 | (\$392,473) | (\$392,473) | (1.00) | \$0 | (\$22,283,870) | (\$22,283,870) |
| One-time funding items | | | | | | | | | | | | |
| Adds funding for an office remodel | | | | \$0 | | | \$100,000 | \$100,000 | | | \$100,000 | \$100,000 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 | 0.00 | \$0 | \$100,000 | \$100,000 | 0.00 | \$0 | \$100,000 | \$100,000 |
| Total Changes to Base Level Funding | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | (3.00) | \$0 | (\$292,473) | (\$292,473) | (1.00) | \$0 | (\$22,183,870) | (\$22,183,870) |
| 2021-23 Total Funding | 39.00 | \$0 | \$50,426,100 | \$50,426,100 | 38.00 | \$0 | \$28,242,230 | \$28,242,230 | (1.00) | \$0 | (\$22,183,870) | (\$22,183,870) |
| <i>Total ongoing changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | (7.3%) | | (1.4%) | (1.4%) | | | | |
| <i>Total changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | (7.3%) | | (1.0%) | (1.0%) | | | | |

**Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments -
Budget No. 401**

| | Executive Budget Recommendation | House Version |
|---------------------------------|---|--|
| Insurance tax distribution fund | Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. | Section 3 designates \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. |
| Unsatisfied judgment fund | Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. | Section 4 designates \$26,344 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. |
| Insurance Commissioner's salary | Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent per year. | |

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1010
2/16/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

3:58 Chairman Delzer- Opens the meeting for HB 1010;

| Attendance | P/A |
|------------------------------------|-----|
| Representative Jeff Delzer | P |
| Representative Keith Kempenich | P |
| Representative Bert Anderson | P |
| Representative Larry Bellew | P |
| Representative Tracy Boe | P |
| Representative Mike Brandenburg | P |
| Representative Michael Howe | P |
| Representative Gary Kreidt | P |
| Representative Bob Martinson | A |
| Representative Lisa Meier | P |
| Representative Alisa Mitskog | P |
| Representative Corey Mock | P |
| Representative David Monson | P |
| Representative Mike Nathe | P |
| Representative Jon O. Nelson | P |
| Representative Mark Sanford | A |
| Representative Mike Schatz | P |
| Representative Jim Schmidt | P |
| Representative Randy A. Schobinger | P |
| Representative Michelle Strinden | P |
| Representative Don Vigesaa | P |

Discussion Topics:

- Budget Changes
- 3% Reduction to the base level
- Amendment

3:59 Representative Meier-Reviewed the budget and explained the amendment (21.0269.01002)

4:10 Representative Meier Made a motion to adopt amendment 21.0269.01002

Representative Schobinger –Second

Further discussion

4:10 Voice Vote –Motion Carries

4:11 Representative Meier Motion Do Pass as Amended

Representative Schobinger Second

Further discussion

4:13 Roll call Vote was taken;

| Representatives | Vote |
|------------------------------------|-------------|
| Representative Jeff Delzer | Y |
| Representative Keith Kempenich | Y |
| Representative Bert Anderson | Y |
| Representative Larry Bellew | Y |
| Representative Tracy Boe | Y |
| Representative Mike Brandenburg | Y |
| Representative Michael Howe | Y |
| Representative Gary Kreidt | Y |
| Representative Bob Martinson | A |
| Representative Lisa Meier | Y |
| Representative Alisa Mitskog | Y |
| Representative Corey Mock | Y |
| Representative David Monson | Y |
| Representative Mike Nathe | Y |
| Representative Jon O. Nelson | Y |
| Representative Mark Sanford | A |
| Representative Mike Schatz | Y |
| Representative Jim Schmidt | Y |
| Representative Randy A. Schobinger | Y |
| Representative Michelle Strinden | Y |
| Representative Don Vigesaa | Y |

Motion carries 19-0-2 Representative Meier will carry the bill

Additional written testimony: No written testimony

4:15 Chairman Delzer- Closes the meeting for HB 1010

Risa Berube,

House Appropriations Committee Clerk

JS
2/16/21

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, remove "and"

Page 1, line 3, after "fund" insert "; to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the salary of the insurance commissioner; and to provide for a report"

Page 1, replace lines 10 through 17 with:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total special funds | \$9,716,673 | (\$292,473) | \$9,424,200 |
| Full-time equivalent positions | 41.00 | (3.00) | 38.00" |

Page 1, line 18, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 19, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 21 and 22 with:

| | | |
|----------------------|----------------|-----------|
| "Office remodel | \$0 | \$100,000 |
| Health care analysis | <u>200,000</u> | <u>0</u> |
| Total special funds | \$200,000 | \$100,000 |

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, line 6, replace "\$29,703" with "\$26,344"

Page 2, after line 8, insert:

"SECTION 5. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020~~ one hundred twelve thousand two hundred forty-one dollars through June 30, 2022, and ~~one hundred ten thousand five hundred eighty-two~~ one hundred thirteen thousand nine hundred twenty-five dollars thereafter."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

af
2/16/21

| | Base Budget | House Changes | House Version |
|------------------------|--------------|---------------|---------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | | 100,000 | 100,000 |
| Fire department grants | 18,818,030 | | 18,818,030 |
| Total all funds | \$28,534,703 | (\$292,473) | \$28,242,230 |
| Less estimated income | 28,534,703 | (292,473) | 28,242,230 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 41.00 | (3.00) | 38.00 |

Department 401 - Insurance Department - Detail of House Changes

| | Adjusts Funding for Base Payroll Changes ¹ | Adds Funding for Salary and Benefit Adjustments ² | Adjusts FTE Positions ³ | Adjusts Funding for Operating Expenses ⁴ | Adds One-Time Funding for an Office Remodel ⁵ | Total House Changes |
|------------------------|---|--|------------------------------------|---|--|---------------------|
| Salaries and wages | \$95,794 | \$177,949 | (\$606,900) | | | (\$333,157) |
| Operating expenses | | | | (\$59,316) | | (59,316) |
| Capital assets | | | | | \$100,000 | 100,000 |
| Fire department grants | | | | | | |
| Total all funds | \$95,794 | \$177,949 | (\$606,900) | (\$59,316) | \$100,000 | (\$292,473) |
| Less estimated income | 95,794 | 177,949 | (606,900) | (59,316) | 100,000 | (292,473) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (3.00) | 0.00 | 0.00 | (3.00) |

¹ Funding is adjusted for base payroll changes, including \$5,998 from other funds for a workload adjustment and \$89,796 for the cost-to-continue July 1, 2020, salary increases.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

| Other Funds | |
|---------------------------|-----------|
| Salary increase | \$176,042 |
| Health insurance increase | 1,907 |
| Total | \$177,949 |

³ Salaries and wages and FTE positions are adjusted as follows:

| Description | FTE Positions | Other Funds |
|---|---------------|-------------|
| Adds insurance adjuster position | 1.00 | \$115,276 |
| Removes producer licensing division director position | (1.00) | (236,127) |
| Removes senior insurance form rate analyst position | (1.00) | (224,627) |
| Removes insurance company financial analyst position | (1.00) | (210,711) |
| Removes office assistant position | (1.00) | (115,171) |
| Increases funding for a supervising examiner position | 0 | 64,460 |
| Total | (3.00) | (\$606,900) |

⁴ Funding for operating expenses is reduced by \$59,316 from other funds, including an increase of \$56,366 to provide a total of \$200,000 for travel, an increase of \$3,856 for Microsoft Office 365 licensing expenses, and decreases in other miscellaneous operating expenses, including rent.

⁵ One-time funding of \$100,000 from other funds is added to remodel office space in the Capitol for the Insurance Department.

A section is added amending North Dakota Century Code Section 26.1-01-09 to provide the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent per year from the current salary of \$110,582 to \$112,241 for the 1st year and to \$113,925 for the 2nd year of the biennium.

af
2/10/21

REPORT OF STANDING COMMITTEE

HB 1010: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and"

Page 1, line 3, after "fund" insert "; to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the salary of the insurance commissioner; and to provide for a report"

Page 1, replace lines 10 through 17 with:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | 0 | 100,000 | 100,000 |
| Total special funds | \$9,716,673 | (\$292,473) | \$9,424,200 |
| Full-time equivalent positions | 41.00 | (3.00) | 38.00" |

Page 1, line 18, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 19, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 21 and 22 with:

| | | |
|----------------------|----------------|-----------|
| "Office remodel | \$0 | \$100,000 |
| Health care analysis | <u>200,000</u> | <u>0</u> |
| Total special funds | \$200,000 | \$100,000 |

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, line 6, replace "\$29,703" with "\$26,344"

Page 2, after line 8, insert:

"SECTION 5. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020~~ one hundred twelve thousand two hundred forty-one dollars through June 30, 2022, and ~~one hundred ten thousand five hundred eighty-two~~ one hundred thirteen thousand nine hundred twenty-five dollars thereafter."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

| | Base Budget | House Changes | House Version |
|------------------------|--------------|---------------|---------------|
| Salaries and wages | \$8,149,998 | (\$333,157) | \$7,816,841 |
| Operating expenses | 1,566,675 | (59,316) | 1,507,359 |
| Capital assets | | 100,000 | 100,000 |
| Fire department grants | 18,818,030 | | 18,818,030 |
| Total all funds | \$28,534,703 | (\$292,473) | \$28,242,230 |
| Less estimated income | 28,534,703 | (292,473) | 28,242,230 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 41.00 | (3.00) | 38.00 |

Department 401 - Insurance Department - Detail of House Changes

| | Adjusts Funding for Base Payroll Changes ¹ | Adds Funding for Salary and Benefit Adjustments ² | Adjusts FTE Positions ³ | Adjusts Funding for Operating Expenses ⁴ | Adds One-Time Funding for an Office Remodel ⁵ | Total House Changes |
|------------------------|---|--|------------------------------------|---|--|---------------------|
| Salaries and wages | \$95,794 | \$177,949 | (\$606,900) | | | (\$333,157) |
| Operating expenses | | | | (\$59,316) | | (59,316) |
| Capital assets | | | | | \$100,000 | 100,000 |
| Fire department grants | | | | | | |
| Total all funds | \$95,794 | \$177,949 | (\$606,900) | (\$59,316) | \$100,000 | (\$292,473) |
| Less estimated income | 95,794 | 177,949 | (606,900) | (59,316) | 100,000 | (292,473) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (3.00) | 0.00 | 0.00 | (3.00) |

¹ Funding is adjusted for base payroll changes, including \$5,998 from other funds for a workload adjustment and \$89,796 for the cost-to-continue July 1, 2020, salary increases.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

| <u>Other Funds</u> | |
|---------------------------|-----------|
| Salary increase | \$176,042 |
| Health insurance increase | 1,907 |
| Total | \$177,949 |

³ Salaries and wages and FTE positions are adjusted as follows:

| <u>Description</u> | <u>FTE Positions</u> | <u>Other Funds</u> |
|---|----------------------|--------------------|
| Adds insurance adjuster position | 1.00 | \$115,276 |
| Removes producer licensing division director position | (1.00) | (236,127) |
| Removes senior insurance form rate analyst position | (1.00) | (224,627) |
| Removes insurance company financial analyst position | (1.00) | (210,711) |
| Removes office assistant position | (1.00) | (115,171) |
| Increases funding for a supervising examiner position | 0 | 64,460 |
| Total | (3.00) | (\$606,900) |

⁴ Funding for operating expenses is reduced by \$59,316 from other funds, including an increase of \$56,366 to provide a total of \$200,000 for travel, an increase of \$3,856 for Microsoft Office 365 licensing expenses, and decreases in other miscellaneous operating expenses, including rent.

⁵ One-time funding of \$100,000 from other funds is added to remodel office space in the Capitol for the Insurance Department.

A section is added amending North Dakota Century Code Section 26.1-01-09 to provide the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent per year from the current salary of \$110,582 to \$112,241 for the 1st year and to

\$113,925 for the 2nd year of the biennium.

2021 SENATE APPROPRIATIONS

HB 1010

Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
House Bill No. 1010

Executive Budget Comparison to Prior Biennium Appropriations

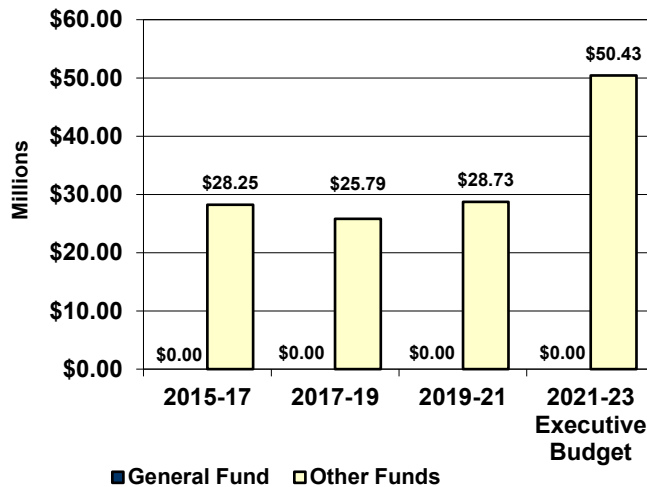
| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|--------------|--------------|--------------|
| 2021-23 Executive Budget | 39.00 | \$0 | \$50,426,100 | \$50,426,100 |
| 2019-21 Legislative Appropriations ¹ | 41.00 | 0 | 28,734,703 | 28,734,703 |
| Increase (Decrease) | (2.00) | \$0 | \$21,691,397 | \$21,691,397 |

¹The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$21,488,350 for the Reinsurance Association of North Dakota (RAND) resulting from Emergency Commission action during the 2019-21 biennium.

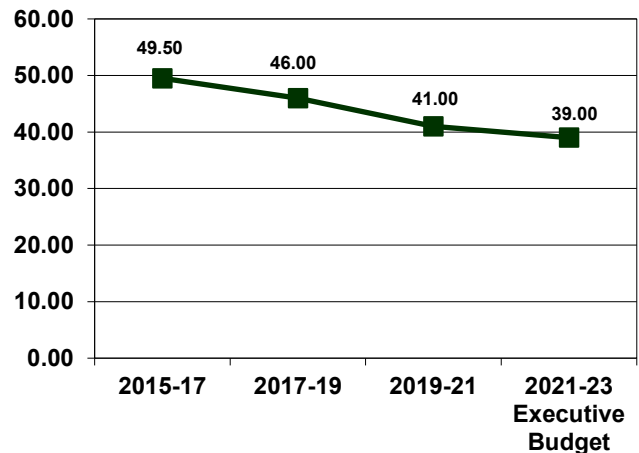
Ongoing and One-Time Other Funds Appropriations

| | Ongoing Other Funds Appropriation | One-Time Other Funds Appropriation | Total Other Funds Appropriation |
|------------------------------------|-----------------------------------|------------------------------------|---------------------------------|
| 2021-23 Executive Budget | \$50,426,100 | \$0 | \$50,426,100 |
| 2019-21 Legislative Appropriations | 28,534,703 | 200,000 | 28,734,703 |
| Increase (Decrease) | \$21,891,397 | (\$200,000) | \$21,691,397 |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|--------------|--------------|--------------|
| 2021-23 Executive Budget | \$0 | \$50,426,100 | \$50,426,100 |
| 2021-23 Base Level | 0 | 28,534,703 | 28,534,703 |
| Increase (Decrease) | \$0 | \$21,891,397 | \$21,891,397 |

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
 (With First House Changes in Bold)**

| | General Fund | Other Funds | Total |
|--|--------------|-------------|-----------|
| 1. Provides funding for state employee salary and benefit increases, of which \$219,233 is for salary increases, \$2,005 is for health insurance increases, and \$45,118 is for retirement contribution increases. The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health insurance premiums from \$1,427 to \$1,429 per month. The | \$0 | \$266,356 | \$266,356 |

House did not add funding for retirement contribution increases.

| | | | |
|--|-----|--------------|--------------|
| 2. Adds funding for base payroll changes. The House added \$95,794 for base payroll changes. | \$0 | \$308,287 | \$308,287 |
| 3. Removes 2 FTE positions, including 1 FTE insurance rate analyst and 1 FTE insurance company financial analyst. The House also removed 1 FTE licensing division director and 1 FTE office assistant and added 1 FTE insurance adjuster resulting in a net reduction of \$606,900. | \$0 | (\$305,365) | (\$305,365) |
| 4. Adjusts funding for operations. The House reduced funding for operations by \$63,172. | \$0 | \$29,913 | \$29,913 |
| 5. Adds funding for Microsoft Office 365 licensing expenses | \$0 | \$3,856 | \$3,856 |
| 6. Adds funding from federal funds for RAND. The House provided continuing appropriation authority for federal funds for RAND. | \$0 | \$21,488,350 | \$21,488,350 |
| 7. Adds funding for an office remodeling project. The House provided this funding is considered one-time funding. | \$0 | \$100,000 | \$100,000 |

Other Sections in House Bill No. 1010

Insurance tax distribution fund - Section 3 designates \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association.

Unsatisfied judgment fund - Section 4 designates \$26,344 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.

Insurance Commissioner's salary - Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent the 1st year and 1.5 percent the 2nd year as follows:

Annual salary authorized by the Legislative Assembly in 2019:

| | |
|--------------|-----------|
| July 1, 2019 | \$107,885 |
| July 1, 2020 | \$110,582 |

Proposed annual salary recommendation in the 2021-23 executive budget:

| | |
|--------------|-----------|
| July 1, 2021 | \$112,241 |
| July 1, 2022 | \$113,925 |

Continuing Appropriations

State bonding fund - North Dakota Century Code Section 26.1-21-17 - 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.

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.

Significant Audit Findings

There were no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1062 - Relates to insurance company records and the confidentiality of insurance filings.

House Bill No. 1086 - Relates to the state fire and tornado fund.

House Bill No. 1087 - Extends the invisible reinsurance pool for the individual health insurance market and appropriates \$200,000 from special funds to the Insurance Commissioner to study the establishment of an invisible reinsurance pool for the combination of the individual health insurance market with the small group health insurance market. The bill also provides continuing appropriation authority for federal funding received by RAND.

House Bill No. 1092 - Creates law relating to civil and administrative remedies used to combat insurance fraud.

House Bill No. 1093 - Removes the requirement for the State Auditor to evaluate the state's blanket bond coverage.

Senate Bill No. 2072 - Relates to insurance rebates and raffles.

Senate Bill No. 2073 - Relates to short-term limited-duration health insurance plans.

Senate Bill No. 2076 - Relates to reinsurance credit of insurers.

Senate Bill No. 2077 - Provides a monetary penalty on insurance companies that fail to report certain data to the Insurance Commissioner.

Senate Bill No. 2078 - Relates to licensing of insurance producers.

Senate Bill No. 2170 - Imposes price controls using prescription drug prices from Canada.

Senate Bill No. 2253 - Provides for a Legislative Management study of the long-term care insurance market in the state.

Senate Bill No. 2287 - Provides for a Legislative Management study of the availability, cost, and risks associated with insurance coverage in the lignite coal industry.

**Insurance Commissioner, Including Insurance Tax Payments to Fire
Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes**

| | Executive Budget Recommendation | | | | House Version | | | |
|--|---------------------------------|-----------------|----------------|--------------|------------------|-----------------|----------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 |
| 2021-23 Ongoing Funding Changes | | | | | | | | |
| Base payroll changes | | | \$308,287 | \$308,287 | | | \$95,794 | \$95,794 |
| Salary increase | | | 219,233 | 219,233 | | | 176,042 | 176,042 |
| Retirement contribution increase | | | 45,118 | 45,118 | | | | 0 |
| Health insurance increase | | | 2,005 | 2,005 | | | 1,907 | 1,907 |
| Adjusts FTE positions | (2.00) | | (305,365) | (305,365) | (3.00) | | (606,900) | (606,900) |
| Adjusts funding for operations | | | 29,913 | 29,913 | | | (63,172) | (63,172) |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 | | | 3,856 | 3,856 |
| Adds funding for RAND | | | 21,488,350 | 21,488,350 | | | | 0 |
| Adds funding for an office remodel | | | 100,000 | 100,000 | | | | 0 |
| Total ongoing funding changes | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | (3.00) | \$0 | (\$392,473) | (\$392,473) |
| One-time funding items | | | | | | | | |
| Adds funding for an office remodel | | | | \$0 | | | \$100,000 | \$100,000 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 | 0.00 | \$0 | \$100,000 | \$100,000 |
| Total Changes to Base Level Funding | (2.00) | \$0 | \$21,891,397 | \$21,891,397 | (3.00) | \$0 | (\$292,473) | (\$292,473) |
| 2021-23 Total Funding | 39.00 | \$0 | \$50,426,100 | \$50,426,100 | 38.00 | \$0 | \$28,242,230 | \$28,242,230 |
| <i>Total ongoing changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | (7.3%) | | (1.4%) | (1.4%) |
| <i>Total changes as a percentage of base level</i> | (4.9%) | | 76.7% | 76.7% | (7.3%) | | (1.0%) | (1.0%) |

Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments - Budget No. 401

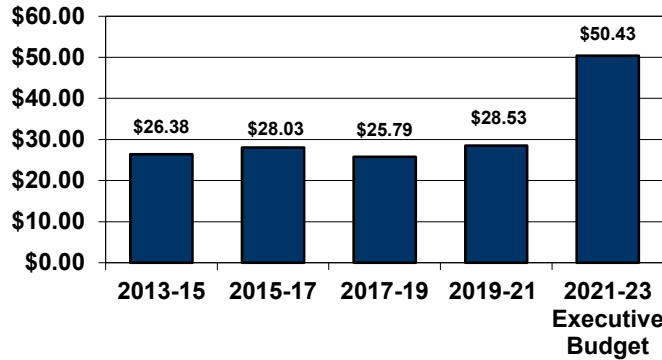
| | Executive Budget Recommendation | House Version |
|---------------------------------|---|--|
| Insurance tax distribution fund | Section 3 would designate \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. | Section 3 designates \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. |
| Unsatisfied judgment fund | Section 4 would designate \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. | Section 4 designates \$26,344 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. |
| Insurance Commissioner's salary | Section 5 would provide the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent per year. | Section 5 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent per year. |

Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments

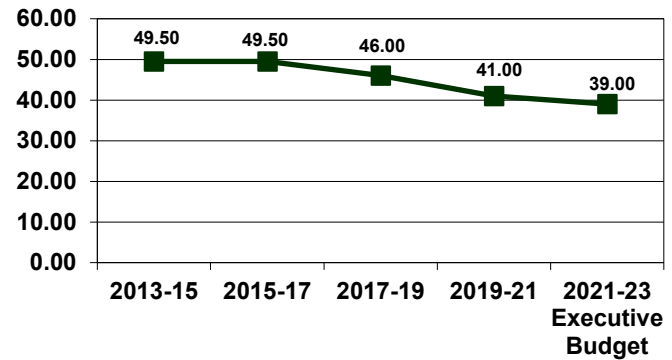
Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2013-15

Ongoing Other Funds Appropriations (in Millions)



FTE Positions



| Ongoing Other Funds Appropriations | | | | | |
|---|--------------|--------------|---------------|--------------|--------------------------|
| | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 Executive Budget |
| Ongoing other funds appropriations | \$26,377,090 | \$28,026,346 | \$25,793,430 | \$28,534,703 | \$50,426,100 |
| Increase (decrease) from previous biennium | N/A | \$1,649,256 | (\$2,232,916) | \$2,741,273 | \$21,891,397 |
| Percentage increase (decrease) from previous biennium | N/A | 6.3% | (8.0%) | 10.6% | 76.7% |
| Cumulative percentage increase (decrease) from 2013-15 biennium | N/A | 6.3% | (2.2%) | 8.2% | 91.2% |

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2015-17 Biennium

1. Increased funding from the insurance tax distribution fund for grants to fire districts to provide a total of \$15,681,207 for grants to fire departments and \$890,000 to the North Dakota Firefighter's Association \$1,234,821
2. Adjusted funding for operating expenses relating primarily to actuarial services, travel, and office rental (\$345,966)

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 (\$1,445,646)

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 3 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 \$828,525 to the North Dakota Firefighter's Association \$3,753,944

2021-23 Biennium (Executive Budget Recommendation)

- | | |
|--|--------------|
| 1. Removes 2 FTE positions. The House also removed 1 FTE licensing division director and 1 FTE office assistant and added 1 FTE insurance adjuster resulting in a net reduction of \$606,900. | (\$305,365) |
| 2. Adds funding from federal funds for RAND. The House provided continuing appropriation authority for federal funds for RAND. | \$21,488,350 |

GOVERNOR'S RECOMMENDATION FOR THE INSURANCE COMMISSIONER AS SUBMITTED BY THE OFFICE OF MANAGEMENT AND BUDGET

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and Wages | \$8,149,998 | \$ 269,278 | \$ 8,419,276 |
| Operating Expenses | 1,566,675 | 33,769 | 1,600,444 |
| Capital Assets | 0 | 100,000 | 100,000 |
| Grants | <u>0</u> | <u>21,488,350</u> | <u>21,488,350</u> |
| Total Special Funds | \$9,716,673 | \$21,891,397 | \$31,608,070 |
| Full-time Equivalent Positions | 41.00 | (2.00) | 39.00 |

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium.

| <u>One-Time Funding Description</u> | <u>2019-21</u> | <u>2021-23</u> |
|-------------------------------------|------------------|----------------|
| Health Care Analysis | <u>\$200,000</u> | <u>\$ 0</u> |
| Total Special Funds | \$200,000 | \$ 0 |

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$18,818,030 or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$17,989,505 and payments to the North Dakota firefighter's association in the amount of \$828,525 for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 4. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 5. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020~~ one hundred twelve thousand seven hundred ninety-four dollars through June 30, 2022, and one hundred ten thousand five hundred eighty-two one hundred fifteen thousand fifty dollars thereafter.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1010
3/4/2021
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner.

Senator Holmberg opened the hearing at 10:30 am.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Insured building – fire loss (ND Insurance Reserve Fund)
- Additional special fund money to complete study for cost-effective insurance to the coal and fossil fuel industry.
- Increased insurance costs due to replacement costs

Jon Godfread, Commissioner, North Dakota Insurance Department – testified in favor and submitted testimony #7432.

Jeff Tescher, Director of Underwriting, North Dakota Insurance Reserve Fund – testified and submitted neutral testimony #7302.

Jason Bohrer, Exec. Director, Lignite Energy Council – testified in favor.

Senator Jessica Bell, District 33, testified in favor asking the committee for funding to complete study required in SB 2287.

Shawn Weltikol, Fire Chief - Devils Lake Fire Dept. testified in favor and submitted testimony #7439.

Robert Knuth, Training Director, North Dakota Firefighter's Association testified in favor and submitted testimony #7441.

Blaine Eisenbeis, Fire Chief, Pembina Fire Department – testified in favor.

Art Hagebock, Fireman from LaMoure, ND, testified in favor.

Gary Lorenz, Fire Chief, Grand Forks, ND – testified in favor.

Additional written testimony in favor: #7122

Senator Holmberg closed the hearing at 11:54 am.

Rose Laning, Committee Clerk

House Bill No. 1010

Presented by: Jon Godfread
Commissioner
North Dakota Insurance Department

Before: Senate Appropriations
Senator Ray Holmberg, Chairman

Date: March 4th, 2021

Good morning Mr. Chairman and members of the Senate Appropriations Committee. For the record, my name is Jon Godfread, Insurance Commissioner. Before we get into the changes we are proposing, I wanted first to give you a very brief summary of our insurance industry here in North Dakota and our Insurance Department.

ND Insurance Industry and Regulation—At a Glance:

The North Dakota Insurance Department is a special funded agency that primarily serves as a consumer protection agency for North Dakota. We receive our funding from the Insurance Regulatory Trust Fund, which is funded by all fees and fines paid for by insurance companies and agents operating in this state.

It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts, while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we treat all our constituencies with the highest ethical standards and respect they deserve.

The North Dakota Insurance Department takes pride in helping our citizens by providing effective, resourceful and caring services while inspiring the highest level of consumer trust.

We remain committed to vigorous consumer protection while fostering a strong, competitive marketplace that provides consumers with choice and access to high-quality insurance products and services at competitive prices.

The Department contributed \$60.4 million in premium tax revenue to the state's General Fund last fiscal year. Including turn-back, the Department contributed \$65.6M to the General Fund in 2018. This accounts for more than a \$5.5M increase in General Fund contributions from 2017.

| | 2016 | 2017 | 2018 | 2019 |
|---|-----------------|------------------|-----------------|-----------------|
| The insurance industry | | | | |
| Total premium written | \$5,949,890,632 | \$6,026,076,962, | \$6,362,500,575 | \$6,416,565,483 |
| Net premium tax collected (General Fund dollars) | \$ 55,571,924 | \$55,147,062 | \$55,116,891 | \$60,410,634 |
| Claims, losses and benefits paid to consumers | \$5,607,737,533 | \$5,877,006,129 | \$4,558,271,779 | \$5,087,412,830 |
| Regulation and consumer protection | | | | |
| Consumer relief from complaints and hotline contacts | \$2,756,401 | \$1,157,967.53 | \$500,273 | \$2,869,495 |
| Enforcement fines from agents and companies | \$480,054 | \$268,501 | \$23,800 | \$152,770 |
| Benefiting North Dakota taxpayers | | | | |
| Insurance Regulatory Trust Fund; turn back to the General Fund | \$4,025,635 | \$4,300,173 | \$4,824,460 | \$5,247,806 |

Department Overview:

The North Dakota Insurance Department began the 2019-2021 biennium with 41 FTEs working in 7 different divisions.

CONSUMER ASSISTANCE DIVISION

The Consumer Assistance Division assists North Dakota consumers having issues or concerns about their insurance by conducting detailed investigations.

STATE HEALTH INSURANCE COUNSELING (SHIC)

Provides free, unbiased and confidential health insurance counseling to Medicare beneficiaries, their families or other representatives. The program held eight Medicare Part D enrollment events in 2019 and moved to a virtual format for the 2020 open enrollment and found that to be very successful.

PRESCRIPTION CONNECTION PROGRAMS

Helps low income North Dakotans find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs offered by various pharmaceutical companies. The program assists consumers with the application process and connects over 95 percent of all applicants to a program.

A mix of state dollars and federal dollars currently funds our Consumer Assistance Division.

PRODUCER LICENSING DIVISION

The Producer Licensing Division is responsible for the licensing of more than 85,000 (5,867 North Dakota resident producers) individual insurance producers doing business with North Dakotans. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements.

PRODUCT FILING DIVISION

The Product Filing Division reviews policy forms and rate requests to ensure policy language complies with all the laws of this state, properly reflects the benefits provided by the policy and is not deceptive or misleading. For most types of insurance, this division evaluates the premium rates companies propose to charge to ensure that the premiums are not excessive, inadequate or unfairly discriminatory.

EXAMINATIONS AND COMPANY LICENSING

The primary function of the Examinations and Company Licensing Division is to monitor the financial strength of insurance companies licensed to do business in North Dakota.

In 2019, there were 2,331 insurance entities licensed to do business in North Dakota and among them, 29 domiciled companies.

LEGAL DIVISION

The functions of the Legal Division are to provide legal counsel to the Department; investigate insurance fraud and related offenses; investigate and enforce all laws governing insurance producers and insurance companies; litigate administrative actions, and research and prepare proposed legislative bills and administrative rules.

ADMINISTRATION

The Administration Division of the Insurance Department is responsible for oversight of the budget, accounting, IT needs and general office support through the Department. In addition, the division oversees day-to-day business operations, public relations, human resource management and the internal policies and procedures for the Department

Over the past two years we have continued to make some changes to the structure of the Insurance Department. Last session this body approved moving our Boiler Inspection program and Petroleum Tank Storage program to the Department of Environmental Quality as well as moving the administration of the States Fire and Tornado Fund and Bonding Fund to the North Dakota Insurance Reserve Fund.

I am happy to report that both of those moves have been successful, and while we have some minor changes that we will be proposing to the Fire and Tornado Fund (in another bill), that move has truly been one of those rare instances where everyone involved has benefited. Our state has benefited by lowering our administration costs of the program, the clients of the fund have benefited by receiving a more comprehensive overview of their policies and leading to better coverage and our insurance agents are once again at the table, doing what they do best, advising their clients on appropriate coverage levels.

Brennan Quintus from NDIRF has been an excellent partner in making this transition and I wanted to invite Brennan up to give an update from NDIRF perspective on the changes you all approved last session.

- *Brennan Quintus, NDIRF*

We have also done some restructuring of our operations; we have separated out our Fraud Division from our Legal Division. The Fraud Unit was separated from the Legal Division for two important reasons:

1. We recognize that there is a conflict having sworn police officers conduct regulatory investigations. Under the rules of civil procedure, the Department can compel licensees to testify, comply with investigations, and be subject to searches as a condition of their license. However, having a police officer perform these tasks create the possibility of civil rights violations and court challenges, should a case that started as a regulatory investigation evolve into a criminal investigation. Further, it creates confusion and apprehension on the part of the licensee who is facing a regulatory accusation.
2. Under NDCC 26.1-02.1-08 the Fraud Unit was created to conduct independent criminal investigations, we are simply restoring the Fraud Unit to the original function that the Legislature intended.

As of January 1st, 2021, we also combined two divisions and restructured a 3rd. Previously, we had a Consumer Assistance Division that was responsible for assisting consumers with all

business lines of insurance, we also had a Product Filing Division that was responsible for the filing of all business lines of insurance.

Moving forward, we have shifted our focus to the business lines of insurance rather than the functional department operations. Meaning, we now have a Life and Health Division and a Property and Casualty/Producer Licensing Division.

These changes have allowed the experts in each division to be able to focus on the business line versus trying to be everything to everyone. Through making this move we are also able to realize further efficiencies in the removal of one Director position that was previously being filled by Deputy Insurance Commissioner John Arnold.

The last 12 months have certainly caused us to reevaluate much of how we do things at the Insurance Department, the silver lining of the global pandemic is it has forced us to become more efficient, and rethink how we conduct operations. I am pleased to report that in the review of our operations during the pandemic we were not only able to continue to operate at a high level but we can bring these changes forward to sustain those operations all while maintaining a budget reduction.

Last March, most of our staff was instructed to work from home, during the summer months staff were given the option to come back to the office, if they needed to or wanted to. The result of this move has been that roughly 40% of our current staff working in person and 60% working in a telework or hybrid hoteling work model. We have seen a great deal of success with this model and I would argue our productivity has increased by moving to this model.

Much of the work we do at the Insurance Department is of a financial or regulatory nature and we have found removing some of the office distractions has actually made some of our team members more productive, while also allowing us to better utilize our existing space and eliminate one off site location.

By eliminating one of our off-site leases we have saved \$20,986 since August and will be able to realize savings of \$126,000 for the next biennium. We are asking for \$100,000 of those dollars to make modifications to our capitol office space to better accommodate new staff and hotel offices for staff who are in the hybrid working model.

Changes Proposed to 2021-2023 Budget:

In the executive budget recommendation, the Department has already reduced 2 FTEs that are no longer needed. Those FTEs included a Senior Analyst who retired (\$158,485 total salary) and the RAND healthcare review analyst (\$146,880 total salary).

Changes and requests for Insurance Department Budget: The Department previously had a legal assistant position that was being underutilized, and with some restructuring those responsibilities have been successfully transferred to an administrative assistant. Due to the reorganization of our Legal and Fraud Divisions and our emphasis on civil and regulatory activities, we discovered the need for another attorney rather than a legal assistant. As it stands right now, we have one attorney that is responsible for life and health insurance related issues, one attorney who is responsible for property and casualty insurance related issues, one attorney who primarily focuses on criminal investigations related to insurance fraud. We also have a General Counsel who oversees the Legal Division.

At the Insurance Department we also prosecute our own fraud cases. We do this to not only take workload off local states attorneys, but it also allows us to have insurance experts in the court room when prosecuting complex insurance fraud cases. With the restructuring of our Fraud Division we moved one attorney position from the Legal Division to the Fraud Division to focus on fraud prosecution. As I mentioned earlier there are important civil rights reasons that we need to keep that fraud attorney separate from the other Legal Division business.

Given our workload increase we need to hire another full-time attorney and are asking to change our legal assistant position into that fourth full time attorney in our Legal Division. We have continued to strive to improve our communication with the insurance industry. The combination of a shift to more communication with insurance industry representatives and technology

changes that are happening within the insurance industry and the Department, this has created a need for re-incorporating a 4th full time attorney instead of a legal assistant.

- Computer software has replaced many of the responsibilities of a legal assistant, such as elimination of administering paper files for each case, calendaring of hearings and all of the various deadlines for court filings, elimination of court paper filing requirements, email has replaced most written correspondence, etc. All the Legal Division case files are now digital.
- The Legal Division has gradually transitioned from pre-litigation, written formal correspondence, to frequent oral and email communication with insurance industry representatives. We are no longer just sending demand letters, cease and desist orders, and violation notices. We are working out legal issues through conversations with the insurance industry. When speaking with attorneys, insurance industry representatives expect attorneys will be able to answer and provide on demand analysis of legal questions. As a result of these more frequent communications, attorneys are spending more time on research and proactive approaches to regulation.
- The Legal Division has transitioned into research and analysis and away from regulation by enforcement actions. In other words, conversations with the industry representatives have replaced the system of starting a legal action and placing the respondent (company or insurance agency) in the position to defend itself.
- When attorneys routinely communicate and correspond with industry representatives, more situations arise requiring an “ethical communication wall” between the attorneys working in the Legal Division. Attorney’s investigating and communicating with insurance companies are limited because, under the law, the Commissioner is the independent judge and attorneys cannot act as both a witness and the attorney for the Department.
- New technology developments and increased competition in the insurance industry require more legal resources in researching and analyzing new insurance products.
- The development of technology and new insurance products has resulted in new and unique consumer questions regarding insurance policy provisions and coverage.

I know this seems like a touch of overkill on the justification to essentially move one position into other position, but given the result from the House version, I wanted to express just how important this minor change is to the Department.

As I have mentioned, the Department's budget requests to move the legal assistant position to an attorney position at the cost for the biennium of \$221,646, or an increase of \$79,204 from the legal assistant's salary. This is already factored into and supported by the executive recommendation. This change was not included in the House version of 1010. We would ask that the Senate restore the additional funding required to move our legal assistant FTE to an attorney position.

The Department is also requesting to de-classify the supervising examiner position. Doing so will bring the position into an equitable range with peers in other states; and an analysis found that hiring consultants and contractors to do this job would not be fiscally responsible. This was also a recommendation of the National Association of Insurance Commissioners and was discovered during our accreditation process. The Department's request was included in the executive budget recommendation and included in the House version of 1010.

Furthermore, the Department is cutting an additional FTE, which were previously held by the Producer Licensing Division Director due to a reorganization in the Department (\$236,127 total salary and fringe). This was NOT included in the executive recommendation, as we reorganized in January of 2021, but it was adopted in the House version of 1010.

We have also requested funding of \$108,000 for up to 5 temporary employees to assist us during Medicare Part D open enrollment. Open Enrollment is the busiest time for the Insurance Department, certainly for our State Health Insurance Counseling (SHIC) program. Generally, what has happened is we have pulled all of our consumer assistance staff off their normal duties and focused during the 6-week open enrollment time frame solely on Medicare Part D. Even with this shift in duties, we are not able to cover the demand of consumer requests during this time.

We are asking to fund temporary employees so we can hire up to 5 people to work up to forty hours a week for the Department during this time assisting Medicare Part D consumers. This would allow us to not only serve those consumers in a timelier manner, but also allow our

consumer assistance investigators to continue to serve consumers in other lines of insurance. The reality is insurance complaints do not stop during open enrollment, so by providing funding for these temporary employees we can not only serve our consumers better regarding Medicare, but we won't have to pause our regular operations. This request of \$108,000 for temporary staff, for this 6-week period, would fit within the executive budget recommendation but was not included in the House version of 1010. We ask that the Senate incorporate these dollars to our budget.

Operational Line:

As for our operational line, we have assumed that travel will return to normal in the second half of 2021. You do see an increase in the travel line, that is to account for potential uncertainty from the NAIC with regards to their travel arrangement. Under normal circumstances, the NAIC does reimburse the state for much of our travel for NAIC related events, however, given the uncertainty of the past year, we felt it was best to assume, no reimbursement and then be able to turn back those funds if things return to a more normal situation. We have been informed by the NAIC of what travel they will be covering over the next year and what will not be covered. The House version of 1010 removed approximately \$93,000 from our travel line; we are asking that the Senate would restore \$45,000 of that reduction. Our full travel request was approved in the executive recommendation.

Other notable changes on our operating line is a reduction in our rental/lease line to account for the elimination of our North Office lease, and a reduction in professional services.

There are two other outstanding items that may affect our budget that I wanted to make you aware of. The first is we have applied for a grant from the Federal Government, which is the State Flexibility to Stabilize the Market Grant Program, this program is intended to provide added flexibility to strengthen the private health insurance market through implementation of market reforms under Part A of Title XXVII (27) of the Public Health Service Act.

If we are awarded this grant it would be for \$662,000 and start on July 1, 2021. Our notice of award is expected to be on April 1st, 2021. As this was still pending before the House, this sum was not included in our budget. However, we now have more clarity and a preliminary award number, and so ask the Senate to authorize the Department to utilize the expected federal funds of \$662,000 in accordance with the State Flexibility to Stabilize the Market Grant program. This

would primarily consist of an in-depth review of our Essential Health Benefits, a comprehensive review of CHAND, our High-Risk Pool, as well as other market stabilization measures. These dollars would allow us to contract with consultants to potentially tailor solutions that we could then bring to this body next session.

Lastly, in anticipation of the passage of SB 2287, which provides for a comprehensive study of the Coal and fossil fuel industry and the insurance issues related to those industries, we are asking for an additional \$200,000 of special funds so we can complete that study and determine if there is any state action that can be taken to help provide cost-effective insurance to our fossil fuel industry. Senator Bell as the prime sponsor on SB 2287 is here to offer some support and explain her thoughts on this bill. This request was not discussed by the House as SB 2287 had not yet passed in the Senate; it was also not included in the executive recommendation. Without this money, it is not feasible for us to complete the requested study, as contractors will be needed since the Department does not have the expertise to determine viable options for the specialized insurance lines that cover these industries. However, we do believe this study is critically important to determining if there is anything that can be done at the state level to provide any kind of protection or options to this industry.

--Senator Bell--

CONTINUING APPROPRIATION FOR FIRE DISTRICTS:

Funding for Fire Departments and Fire Districts comes from a couple different sources (property taxes, benefits, etc.) but a significant portion of the funding has come from the insurance premium tax. The Department administers the premium tax and from that, the Legislature appropriates an amount up to 100% of the fire insurance premium tax revenue collected.

This is essentially a pass-through fund, whereby we collect the tax and pass that collection on to the fire districts. This fund had a continuing appropriation from 1887 – 1985. Since 1985, funding to the fire districts has fluctuated between 101% of the funds to as low as 48% of the funds available.

We are asking that the continuing appropriation be restored; this ensures that the dollars that are intended to go to the fire districts are actually going to the fire districts. The average consumer likely knows that a portion of their homeowner's insurance premiums goes to funding fire departments. What they do not know is that a portion of those dollars are being put back into the general fund. Our consumers are being double or triple hit, once on their homeowner's insurance premium, once on their property tax, and then again by participating in various benefits put on by Fire Departments to cover their costs.

Last session this body approved an appropriation of \$18,818,030 for distribution to the Fire Districts (\$17,989,505 to the fire departments and \$828,525 to the North Dakota Fire Fighter Association). Actual collections in the fire distribution grant fund are totaling \$20,728,539.83, meaning there is an additional \$1,910,509.83 (90.8% going to Fire Districts 9.2% going to the general fund) going to the general fund that could be utilized by local fire departments.

I want to draw your attention to the audit report that I have also included in our testimony. In 2019, the State Auditor's office conducted an audit of the fire distribution grant fund. The conclusion from the audit was that between the years of 2011-2018 an additional \$13,335,445 was deposited into the general fund, those dollars were collected to fund fire districts across our state and have since gone into the general fund. Ultimately, it was determined by the State Auditor's office that citizens' property insurance premiums could potentially be lowered with increased funding to fire districts, which would allow them to update or improve fire equipment, buildings, and services within their communities. The increased funding approved last biennium is having an impact. From 2019 - 2021 there are 43 fewer class 9 fire departments and 6 fewer class 10 departments. When a fire department moves from a class 9 to class 8 that puts significant downward pressure on premium rates for homeowner's insurance. I encourage you to review the audit report I have included with this testimony, it's essentially 5 pages long and covers in detail why this funding is important, not only for our fire service in our state, but also for the consumers in our state.

I do not expect our Fire Chiefs to be experts in insurance and I know they do not expect me to be an expert in fire service. What I can tell you is we are building a strong partnership that could

lead to more transparent funding for our fire departments, lower premiums and better fire coverage for our consumers.

At this point, I would like to invite the Fire Chiefs up to share some comments.

--Fire Chiefs and Firefighter Association--

It is my belief we can solve this problem with our proposed budget and provide the funding that has been designated and paid by our consumers to the fire service as it has always been intended to be. We would ask that this body consider restoring the continuing appropriation and allow this fund to truly function as a pass-through to the Fire Districts.

CONTINUING APPROPRIATION FOR RAND (APPROVED IN HOUSE BILL 1087):

One last item, just to make the committee aware, a continuing appropriation for our reinsurance program was approved by the house, and was just yesterday approved by the Senate IBL Committee so it will be making its way to this committee, at some point, but that would make the federal funds we get as part of our reinsurance program a continuing appropriation. We can talk more about that when House Bill 1087 is before this committee, but wanted to make you all aware.

Conclusion:

These changes bring the Department's overall budget to \$8,078,903 salary and fringe which is \$340,373 lower than our base executive budget recommendation of \$8,419,276 or a decrease from 19-21 biennium of \$71,096. Our operational changes with all our reorganization changes is a requested appropriation of \$2,514,383. Our total ask for our appropriation comes to \$10,593,285, which includes the \$100,000 onetime capital asset adjustment for the remodeling, the additional \$662,000 in federal grant dollars, an additional \$200,000 for completion of the

fossil fuel insurance study and the continuing appropriation for the Fire District Grand Fund. The Department's FTE count from 19-21 was 41. Our proposed 21-23 FTE count would be 38.

I do feel it's important when considering the Insurance Department budget to look at the last 5 years, as many of you know we have undertaken some significant restructuring and repurposing. Since the 2015-17 biennium and adopting the proposed budget we are bringing forward, the Insurance Department would be down roughly 10% in salary, remaining even in operations and 23% in FTEs. Without the federal grant, or the coal study, and other one-time authorization requests, our department has dropped our operations costs, roughly 40% in the past 5 years, when you look at our day-to-day operations.

We have consistently brought forward budgets over the last 5 years that recognize our need to increase efficiencies which have resulted in greater reductions than targeted by this body.

My ask would be that when considering our request, you take into account the work and reductions we have accomplished over the past 5 years and give us the tools we believe necessary to effectively, resourcefully, and economically uphold the insurance laws of North Dakota.

Happy to answer any questions you might have.

Summarized needs from the Insurance Department:

- Declassification of Legal Assistant Position to an Attorney Position
- Declassification of Supervisory Examiner Position
- \$108,000 for 5 Temporary Employees (Medicare Part D Open Enrollment)
- Restore \$45,000 from the House version for our travel line
- \$662,000 authorization to utilize federal grant money to study/stabilize our individual health insurance market
- \$200,000 for fossil fuel insurance study
- \$100,000 capital asset line for remodel of capitol office for mobile work offices

Reductions:

- Removal of 3 FTEs

Does not include one-time spending or authorization requests:

| | 2015-17 Expenditures | 17-19 to 15-17 Difference | 2017-19 Appropriation | 17-19 to 19-21 Difference | 2019-21 Appropriation | 19-21 to 21-23 Difference | 2021-2023 Request | 21-23 to 15-17 Difference |
|---|-------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|----------------------|---------------------------------|
| Salaries | \$ 8,943,097.00 | -4.40% | \$ 8,549,567.00 | -4.67% | \$ 8,149,998.00 | -0.87% | \$ 8,078,902.00 | -9.66% |
| Operating | \$ 2,512,042.00 | -13.23% | \$ 2,179,777.00 | -28.13% | \$ 1,566,675.00 | -0.91% | \$ 1,552,383.00 | -38.20% |
| Total Salary & Operating | \$ 11,455,139.00 | -6.34% | \$ 10,729,344.00 | -9.44% | \$ 9,716,673.00 | -0.88% | \$ 9,631,285.00 | -15.92% |
| FTE | 49.50 | -7.07% | 46.00 | -10.87% | 41.00 | -7.32% | 38.00 | -23.23% |

Including One-time spending of Federal Grant (\$662,000), Coal Study (\$200,000) and Capital Assets (\$100,000):

| | 2015-17 Expenditures | 17-19 to 15-17 Difference | 2017-19 Appropriation | 17-19 to 19-21 Difference | 2019-21 Appropriation | 19-21 to 21-23 Difference | 2021-2023 Request | 21-23 to 15-17 Difference |
|---|-------------------------|---------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|----------------------|---------------------------------|
| Salaries | \$ 8,943,097.00 | -4.40% | \$ 8,549,567.00 | -4.67% | \$ 8,149,998.00 | -0.87% | \$ 8,078,902.00 | -9.66% |
| Operating | \$ 2,512,042.00 | -13.23% | \$ 2,179,777.00 | -28.13% | \$ 1,566,675.00 | -0.91% | \$ 2,514,383.00 | 0.09% |
| Total Salary & Operating | \$ 11,455,139.00 | -6.34% | \$ 10,729,344.00 | -9.44% | \$ 9,716,673.00 | -0.88% | \$ 10,593,285.00 | -7.52% |
| FTE | 49.50 | -7.07% | 46.00 | -10.87% | 41.00 | -7.32% | 38.00 | -23.23% |

North Dakota Office of the State Auditor

North Dakota Insurance Department

Audit Report for the Biennium Ended June 30, 2019

Client Code 401



North Dakota State Auditor
Joshua C. Gallion



Why We Conducted this Audit

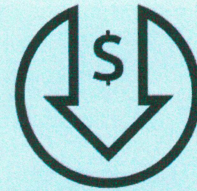
The purpose of this audit was to determine financial transactions including expenditures were made in accordance with law and appropriation requirements.

What We Found

The North Dakota Insurance Department collects insurance premium tax money paid by citizens to insurance companies annually. During our audit, we found that not all the premium money is going back to fire districts, rather some of it is put into the General Fund.

The state legislature limits how much money can be allocated to fire districts each year. Once that cap has been hit, the dollars exceeding the limit are legislatively required to be transferred to the General Fund.

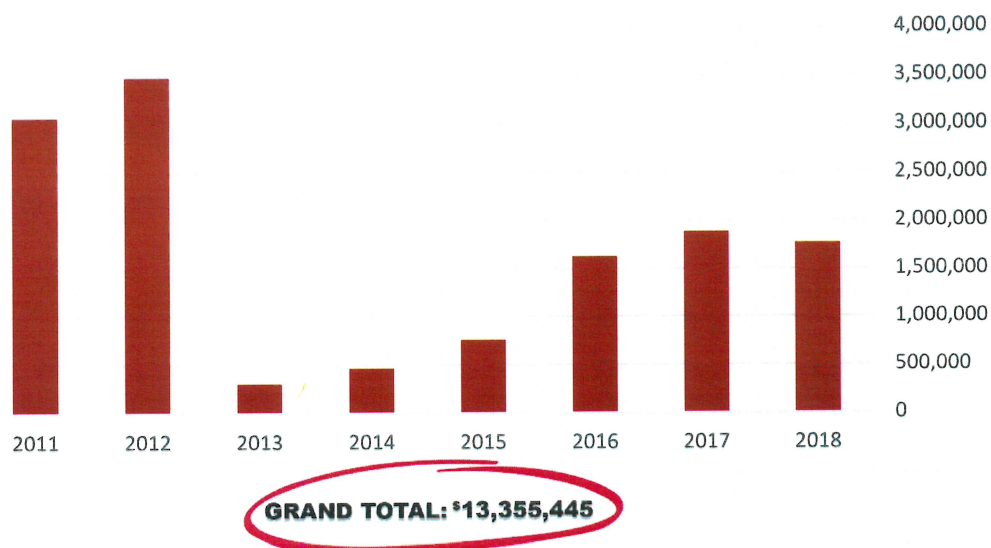
Over 20% of the amount collected was put into the General Fund, totaling \$3,648,941 during the biennium ended June 30, 2019.



Citizen Premiums Could Go Down

Citizens' property insurance premiums could potentially be lowered with increased funding to fire districts for updating or improving fire equipment, buildings, services, etc...in the community.

Fire Insurance Premium Tax Deposited into General Fund - Past 8 Years



KEY PERSONNEL

State Auditor's Office Staff

Robyn Hoffmann, CPA, Audit Manager

Dustin Walcker, Audit Supervisor

Delan Hellman, Senior Auditor

Alandra Kist, Auditor

Client Staff Contacts

Jon Godfread, Commissioner

Jeffrey Ubben, Deputy Commissioner

Rachel Kriege, Administration Division Director

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STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE – DEPT 117
BISMARCK, NORTH DAKOTA 58505

Transmittal Letter

August 12, 2019

The Honorable Jon Godfread, Insurance Commissioner

We are pleased to submit this audit of the North Dakota Insurance Department for the biennium ended June 30, 2019. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

The primary consideration in determining the contents of these audits is to produce informative audits to improve government. Statutory audit requirements are an important part of these audits and are addressed by our standard audit objective. Additionally, whenever possible additional audit objectives are included to increase responsiveness and effectiveness of state government.

Robyn Hoffmann, CPA was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 239-7291. We wish to express our appreciation to Commissioner Godfread and his staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

/S/

Joshua C. Gallion
State Auditor

cc: Legislative Audit and Fiscal Review Committee
Chris Kadrmas, Legislative Council Fiscal Analyst

Audit Results

Distributions to Fire Districts

The audit of the North Dakota Insurance Department (Insurance Department) was designed and conducted to answer the following objective:

- Could additional funds distributed to fire districts for improvements potentially lower citizens' insurance premiums?

Conclusion

Citizens' property insurance premiums could potentially be lowered with increased funding to fire districts for updating or improving fire equipment, buildings, services, etc. in the community.

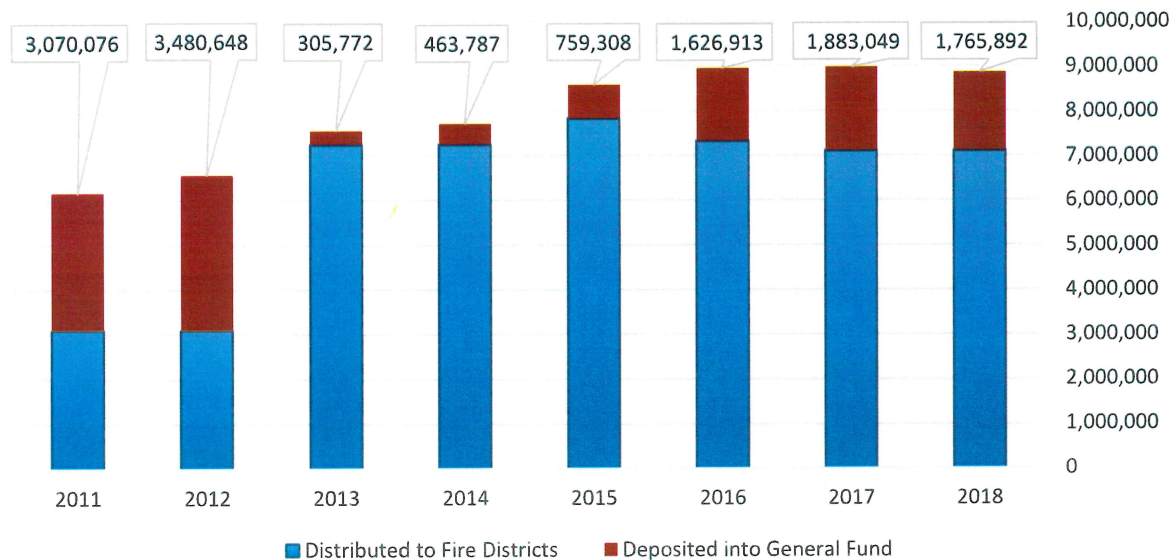
Background Information and Results

The biggest source of revenue for the Insurance Department is insurance premium tax. This is a tax the Insurance Department collects every year on the gross amount of premiums, assessments, and fees that insurance companies received from North Dakota policyholders during the year. Over \$131 million was collected during the 2019 biennium. The types of insurance premiums that are involved include life, accident, health, property, casualty, and surplus lines of insurance. For fire insurance, the tax rate is one and three-fourths percent of the premiums paid which is then submitted to the Insurance Department.

Annually, in December of each year the Insurance Department pays the fire insurance tax money collected back out to certified city fire districts, certified rural fire departments, or certified fire protection districts. This is paid out in the same proportion as the amount of premiums received by insurance companies for fire policies on property within the city, certified rural fire protection district, or area served by the certified rural fire department to the total premiums for those policies in the state. The total amount that can be allocated back out each year is limited to the amount appropriated by the state legislature for this purpose, with the amount exceeding the limit required to be transferred to the General Fund.

We noted over the last eight years the amount collected by the Insurance Department for fire insurance tax always exceeded the amount that was allocated back to the fire districts each year, therefore, there was always fire insurance tax money put into the General Fund rather than going to the fire districts. During the biennium ended June 30, 2019 there was \$3,648,941, or over 20% of the amount collected, that was put into the General Fund. Over the past eight fire insurance premium tax distributions, a total of \$13,355,445, or over 21% of the amount collected, went into the general fund rather than going back to the fire districts where the funds could be utilized to update or improve fire equipment, buildings, services, etc... in the community.

Fire Insurance Premium Tax Distributions



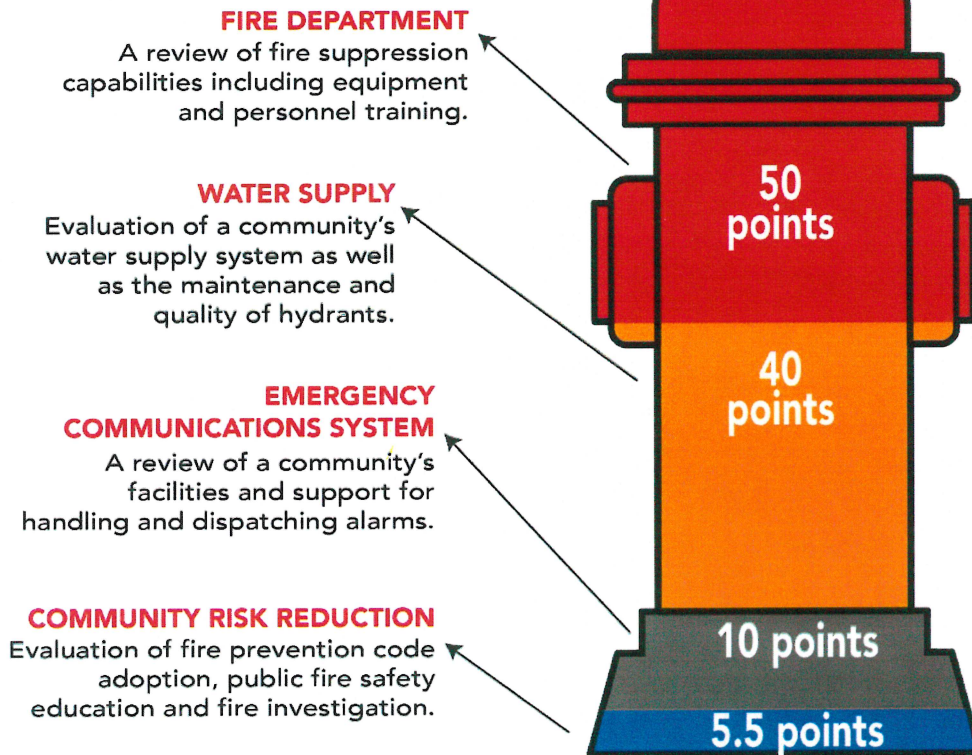
Source: Connect ND

North Dakota taxpayer's property insurance premiums are affected by a rating that is given to communities in the state by Insurance Services Office Mitigation (ISO), a private company.

ISO is an organization that is considered the leading source of information about property/casualty insurance risk. Through a program they have titled Public Protection Classification (PPC) Program, ISO evaluates municipal fire-protection efforts in communities throughout the United States. For ISO's purposes, there can be more than one community included in a North Dakota fire district. ISO performs their evaluations as a service to the insurance industry and does not charge a fee to the communities. The insurers may use ISO information as they see fit in their own business. A community's investment in fire mitigation is a proven and reliable predictor of future losses. Insurance companies use PPC information to help establish fair premiums for fire insurance – generally offering lower premiums in communities with better protection. Many communities use the PPC as a benchmark for measuring the effectiveness of their fire-protection services. The PPC program is also a tool that helps communities plan for, budget, and justify improvements.

ISO collects information on municipal fire-protection efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data using their Fire Suppression Rating Schedule (FSRS). The FSRS is a manual containing the criteria ISO uses in reviewing the fire prevention and fire suppression capabilities of individual communities or fire protection areas. There are four major areas that get evaluated. Each area is weighted differently using a point system, with 105.5 being the maximum total points that a community could receive.

CRITERIA USED TO EVALUATE A COMMUNITY'S PUBLIC PROTECTION CLASSIFICATION



Source: ISOMitigation.com

ISO then assigns a PPC rating from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria.

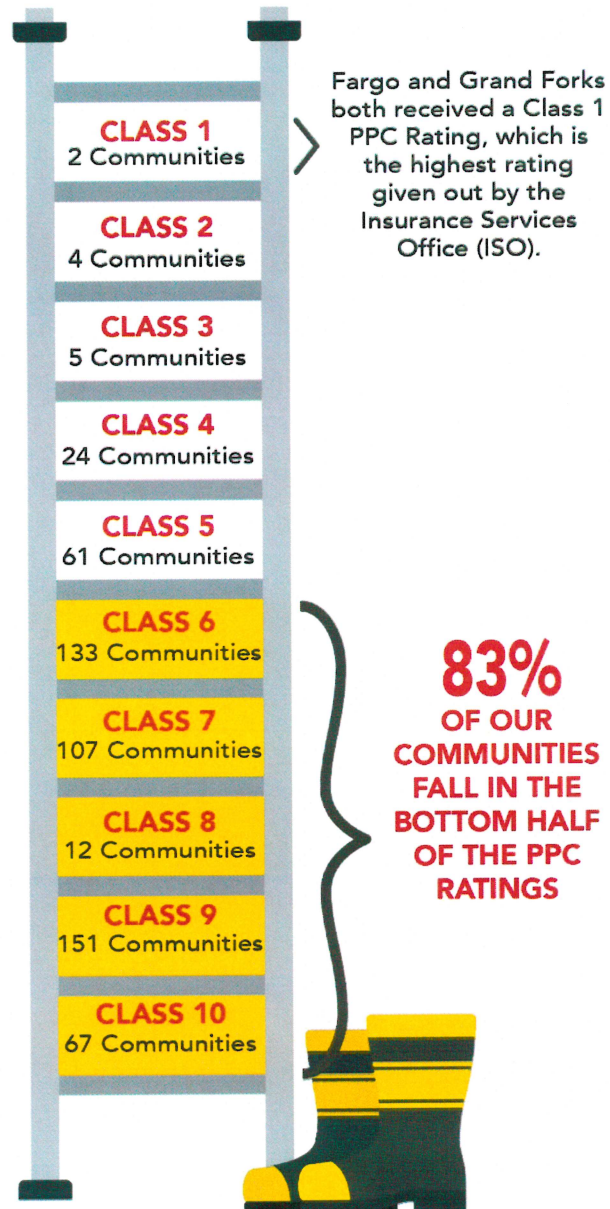
By classifying a community's ability to suppress fires, ISO helps communities evaluate their public fire-protection services. The program provides an objective, countrywide standard that helps fire departments in planning and budgeting for facilities, equipment, and training. And by securing lower fire insurance premiums for communities with better public protection, the PPC program provides incentives and rewards for communities that choose to improve their firefighting services.

According to ISO, most United States insurance companies including the largest ones use PPC information to offer coverages and establish deductibles for individual homes and businesses. Insurance companies, not ISO, establish the premiums they charge to policyholders. They use PPC information to help establish fair premiums for fire insurance – generally offering lower premiums in communities with better protection. Assuming all other factors are equal, the price of property insurance in a community with a good PPC is lower than in a community with a poor PPC. By offering economic benefits for communities that invest in their firefighting services, the program provides an additional incentive for improving and maintaining public fire protection.

The PPC ratings in the state of North Dakota vary from two communities that have the best class 1 rating and 67 communities with the lowest class 10 rating. The highest number of communities have the class 9 rating, as seen in the graph.

Each community's individual PPC rating and report is available to the fire chief or chief administrative official of that community by request directly from ISO.

ND COMMUNITIES BY PPC RATING



Source: ISOMitigation.com; 2017 Annual Report. Retrieved from <https://www.grandforks.gov.com/government/city-departments/fire/annual-report>; City of Fargo website. Retrieved from <http://fargond.gov/city-government/departments/fire/about>.

Internal Control

Our audit did not identify any significant internal controls related to the audit objective.

Scope

Insurance premium tax revenue collections and corresponding distributions to fire districts for years 2011-2018 were reviewed.

The Insurance Department's central office located in the State Capitol was included in the audit scope.

Methodology

To meet this objective, we:

- Interviewed appropriate agency and insurance industry personnel.
- Gathered information from the ISO Mitigation website.
- Inspected documentary evidence.
- Performed an analysis of fire district premiums collected and amounts paid out to fire districts.

In aggregate there were no significant limitations or uncertainties related to our overall assessment of the sufficiency and appropriateness of audit evidence.

Statutory Audit Requirements

The objective related to our statutory audit requirements is:

- Are there any exceptions to report relating to statutorily required audit testing?

Statutorily required audit testing includes: performing the post audit of financial transactions, detecting and reporting any defaults, determining that expenditures have been made in accordance with law, appropriation acts, and emergency commission action, and evaluating blanket bond coverage. Defaults are defined as failures to do something required by duty or law. Bonding coverage provides insurance to state agencies for any default or wrongful act on the part of any public employee or public official.

Conclusion

No exceptions to our statutorily required audit testing were identified.

Internal Control

We gained an understanding of internal control and concluded as to the adequacy of their design. We also tested the operating effectiveness of those controls we considered necessary based on our assessment of audit risk.

Auditors are required to report deficiencies in internal control that are significant within the context of the objectives of the audit. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their

assigned functions, to prevent or detect: misstatements in financial or performance information, violations of laws and regulations or impairments of effectiveness or efficiency of operations, on a timely basis. Considering both qualitative and quantitative factors, we did not identify any deficiencies in internal control that were significant within the context of our audit objectives and based upon the audit work performed.

Scope

This audit of the Insurance Department is for the biennium ended June 30, 2019.

The Insurance Department has operations in the following locations. Each location was included in the audit scope:

- The central office in the State Capitol.
- An offsite location in Bismarck which houses the Consumer Assistance Center and the Special Funds Division.
- An offsite location in Bismarck which houses the Examinations and Company Licensing Division.

Methodology

To meet this objective, we:

- Performed detailed analytical procedures including computer-assisted auditing techniques. These procedures were used to identify high-risk transactions and potential problem areas for additional testing.
- Non-statistical sampling was used and the results were projected to the population. Where applicable, populations were stratified to ensure that particular groups within a population were adequately represented in the sample, and to improve efficiency by gaining greater control on the composition of the sample.
- Interviewed appropriate agency personnel.
- Queried the ConnectND (PeopleSoft) system for data analysis. Significant evidence was obtained from ConnectND.
- Observed the Insurance Department's processes and procedures.
- Inspected documentary evidence.
- Tested compliance with appropriation laws and regulations including related transfers. Where necessary, internal control was tested which included selecting representative samples to determine if controls were operating effectively and if laws were being followed consistently.
- Reviewed adequacy of blanket bond coverage by comparing coverage to state bonding guidelines.
- Performed an analysis and selected a sample of high-risk transactions, including administrative expenses, for further testing.

In aggregate, there were no significant limitations or uncertainties related to our overall assessment of the sufficiency and appropriateness of audit evidence.

Authority and Standards

This biennial performance audit of the Insurance Department has been conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The criteria used to evaluate internal control is published in the publication *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book, GAO-14-704G). Agency management must establish and maintain effective internal control in accordance with policy of the Office of Management and Budget (OMB Policy 216).

Financial Statements

Statement of Revenues and Expenditures

| | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|
| <u>Revenues and Other Sources:</u> | | |
| Insurance Premium Tax | \$ 68,567,677 | \$ 63,273,934 |
| Licenses and Fees | 10,272,939 | 9,260,899 |
| Fire and Tornado Collections | 5,560,797 | 5,257,714 |
| Revenue from Federal Government | 250,951 | 286,986 |
| Insurance Recoveries | 137,958 | 158,749 |
| Fines and Penalties | 46,877 | 126,402 |
| Other Revenue | 2,017 | 1,231 |
| Bonding Fund Collections | 1,270 | 19,020 |
| Total Revenues and Other Sources | \$ 84,840,486 | \$ 78,384,935 |
| <u>Expenditures and Other Uses:</u> | | |
| Grants and Claims | \$ 12,337,757 | \$ 9,992,766 |
| Salaries and Benefits | 4,040,709 | 3,965,047 |
| Insurance | 3,266,460 | 3,220,290 |
| Professional Services | 545,594 | 258,536 |
| Rentals and Leases | 191,844 | 181,242 |
| IT Services | 170,291 | 171,515 |
| Travel | 115,759 | 91,631 |
| Operating Fees and Services | 86,141 | 47,124 |
| Supplies | 63,376 | 70,848 |
| Professional Development | 30,389 | 18,780 |
| Equipment | 19,465 | 18,564 |
| Other Expenditures | 2,582 | 1,429 |
| Transfers Out | 32,706 | 79,759 |
| Total Expenditures and Other Uses | \$ 20,903,073 | \$ 18,117,531 |

Source: ConnectND Financials

Statement of Appropriations

For the Biennium Ended June 30, 2019

| Expenditures by Line Item: | Final Appropriation | Expenditures | Unexpended Appropriation |
|------------------------------------|----------------------------|----------------------------|---------------------------------|
| Salaries and Wages | \$ 8,549,567 | \$ 8,005,756 | \$ 543,811 |
| Operating Expenses | 2,179,777 | 1,656,355 | 523,422 |
| Grants | 15,064,086 | 15,047,562 | 16,524 |
| Total | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |
| Expenditures by Source: | | | |
| Other | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |
| Total | <u>\$25,793,430</u> | <u>\$24,709,673</u> | <u>\$1,083,757</u> |

Source: ConnectND Financials

You may obtain audit reports on the internet at:

www.nd.gov/auditor

or by contacting the Office of the State Auditor at:

Email: ndsao@nd.gov

Phone: (701) 328-2241

Office of the State Auditor

600 East Boulevard Avenue - Department 117

Bismarck, ND 58505-0060

Testimony to the
North Dakota Senate Appropriations Committee
March 4, 2021
Prepared by Jeff Tescher, Director of Underwriting
North Dakota Insurance Reserve Fund

RE: House Bill No. 1010

Mr. Chairman and members of the Senate Appropriations Committee, my name is Jeff Tescher, and I am the Director of Underwriting for the North Dakota Insurance Reserve Fund (NDIRF). The NDIRF is a government self-insurance pool that offers liability, automobile, and equipment risk coverage to political subdivisions in North Dakota. Over 2,550 local government entities have joined the NDIRF as members since 1986.

In addition, the NDIRF administers the North Dakota Fire and Tornado Fund (NDFT), which provides property risk coverage to North Dakota state agencies and political subdivisions, and the State Bonding Fund, which provides employee fidelity risk coverage to North Dakota state agencies and political subdivisions, through a contract for service with the North Dakota Insurance Department.

The NDIRF began administering the NDFT and the State Bonding Fund in 2019 after the North Dakota legislature authorized the ability of the Insurance Department to contract with the NDIRF for administration services of those two funds. Insurance Commissioner Jon Godfread has asked that I provide a brief overview of the transition process and an update regarding its success.

- The NDIRF is in the middle a three-year transition process that includes the following:
 - Year One (2019-2020): Understand the NDFT and State Bonding Fund operations and how those operations intertwine with current NDIRF operations
 - Year Two (2020-2021): Target immediate changes to operations and processes
 - Year Three (2021-2022): Provide updated coverage documents, rating, and other processes to mirror NDIRF operations. (We call it putting the NDIRF stamp on the NDFT and Bonding Fund)
- According to the financial information we have access to, here is a brief overview of the results of the transition:
 - Administrative and claims-related expenses were reduced by nearly \$320,000 from June 30, 2019 to June 30, 2020.
 - The NDFT policyholder count has increased from 1,164 to 1,187
 - NDFT Total Insured Value (TIV) has increased by nearly \$2,000,000,000 since June 2019.
 - NDFT policyholders now have access to NDIRF underwriting, loss control, and claims staff, dramatically enhancing NDFT policyholder service.

- NDFT reinsurance pricing rose from \$3,189,199 to \$4,144,048 from 2019 to 2020. The 2021 reinsurance renewal pricing increased less than 1% from 2020.
- The NDFT balance was \$20,916,806 as of June 30, 2020.

Thank you, Mr. Chairman, for the opportunity to provide you and the committee with an update regarding the NDFT and State Bonding Fund administration transition process. I would be happy to answer any questions the committee might have.

Senate Appropriations Committee

House Bill 1010

By Shawn Weltikol

March 4, 2021

Mr. Chairman and members of the committee, my name is Shawn Weltikol Fire Chief of the Devils Lake Rural Fire Department and the current President of the North Dakota Fire Chiefs Association.

I am requesting your support on House Bill 1010, in particular the distribution of the Insurance premium tax funds, and the continuing appropriations of these tax funds back to the local communities and their respective fire department. The fire departments across the state depend on these funds to keep their departments operating year to year. The equipment necessary to provide the best protection for firefighters who are willing to risk their lives to save members of our communities is expensive and has a life cycle. Maintenance, training and yearly operating costs continue to increase. All of these items are necessary to ensure that our communities have a fire department that is prepared to respond when needed.

I would like to give you a quick history on the Insurance premium tax and the Devils Lake Rural Fire Department's budget and how they tie together. The insurance premium tax check that the Devils Lake Rural Fire Department received in 2019 was \$34,000, in 2020 the check was \$48,000, the added \$14,000 allowed us to replace a brush truck with the help of a grant. Without the added monies we would have had to take funds out of other accounts slated for PPE or pump testing and maintenance. However, the

\$48,000 that was received was not the full one hundred percent that was awarded last session. Passing the continuing appropriations this will ensure that the full amount collected will return to the fire departments in North Dakota. Roughly \$1.9 million dollars went to the general fund that should have went to the fire departments.

I believe that returning 100% of the Insurance Premium Tax, as suggested in the North Dakota State Auditors Report of the North Dakota Insurance Department, as well as a continuing appropriations of the Insurance Premium Tax, is essential to the fire service and the safety of all firefighters in North Dakota. If fire departments were to receive all of the funds collected, it is possible that a number of the fire departments across the state could decrease their ISO rating, thus reducing the cost of insurance premiums within their respective communities.

Thank you for your consideration in making the Insurance Premium Tax a continuing appropriation in House Bill 1010. I am available for any questions that you may have.



North Dakota Firefighter's Association
1502 Grumman Lane, Suite 2

Bismarck, ND 58504

Phone: (701) 222-2799

Fax: (701) 222-2899

www.ndfa.net

Good morning Mr. Chairman and members of the committee. For the record my name is Robert Knuth and I am the Training Director of the North Dakota Firefighter's Association. I would like to voice my support to House Bill 1010, as amended and presented by the Insurance Commissioner.

As listed in ND Century Code chapter 18-03, it is the responsibility of the North Dakota Firefighter's Association (NDFA) to develop and adopt a statewide fire education and training plan; coordinate fire service training at all levels; and establish procedures to govern the certification process for firefighter training. As we are a non-profit, educational 501(c)(3) organization, NDFA relies heavily on these funds, as does every fire department. All organized fire departments across the state belong to the North Dakota Firefighter's Association. The Association is required to host an annual fire school as well as offer regional fire schools giving firefighters an opportunity to practice old skills and learn new skills that are required for the ever-changing demands placed on them.

In previous years, I have stood before you and testified that the NDFA has seen a decline in grant funding which funds most of our training that we provide. These trainings were, and hopefully will continue to be, offered for absolutely zero cost to our member fire departments. This year however, I am standing in front of you to testify that we have now lost our primary federal grant funding which provided \$560,000 over the past 4 years.

In October of 2016 NDFA was awarded a competitive Staffing for Adequate Fire and Emergency Response (SAFER) grant from FEMA to establish a firefighter recruitment and retention program. This grant included \$560,000.00 for instructor cost and to purchase training books for firefighter training and certification. These funds were separated into incremental amounts each year and covered training costs that NDFA was not previously funded for.

A portion of these funds were dedicated to purchasing training manuals for firefighters and departments to use during training. Any funds not utilized were forwarded to the next year or transferred by FEMA to be used for instructor and evaluator costs. Below is the yearly breakdown of these grant funds:

| Award year | Awarded Amount | Amount Utilized |
|--------------|----------------|------------------------|
| 2016/2017 | \$50,000 | \$61,887.17 |
| 2018 | \$55,000 | \$28,053.38 |
| 2019 | \$60,000 | \$39,034.58 |
| 2020 | \$65,000 | \$58,663.89 |
| \$230,000.00 | \$187,639.02 | Difference \$42,360.98 |

NDFA also received the following amounts to cover the cost of instructors/evaluators. Excess cost would be covered by transferring excess funds from the Training Manual line of the SAFER grant. Below is the yearly breakdown of these grant funds:

| Award year | Awarded Amount | Amount Utilized |
|------------|----------------|-------------------------|
| 2016/2017 | \$75,000 | \$89,891.41 |
| 2018 | \$80,000 | \$93,621.02 |
| 2019 | \$85,000 | \$88,697.22 |
| 2020 | \$90,000 | \$72,962.46 |
| \$330,000 | \$345,172.11 | Difference -\$15,172.11 |



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www.ndfa.net

Over this four year period, using only these funds, NDFA trained 1086 students in basic firefighter skills; 3,396 students auto extrication certification or recertification; held 15 individual academies which allowed 328 students that were unable to receive certification training in their own departments, the opportunity to receive training and certification, and we administered certification testing which resulted in 1,036 students receiving a nationally recognized certification. However, receiving certification, especially firefighter I, doesn't mean someone is fully trained. It is the foundation to build upon as they further their career. They must continue their training as the fire service, like many other career fields, is always evolving.

NDFA was also able to provide 170 departments a total of 2639 technical training manuals totaling over \$187,000.00 at zero cost to firefighters and departments. As you would agree, the loss of this funding is a major impact to not only the NDFA but to all fire departments in the state. Without these funds NDFA would be forced to charge for these services putting more of a financial burden on the fire departments. More worrisome is the chance that many fire departments would be unable to receive this training due to the expense which could lead to depleting emergency response capabilities in their local communities putting themselves and the public at a greater risk.

Each year preceding a regular session of the legislative assembly, NDFA submits an itemized budget to the office of management and budget requesting "the amount of money necessary to promote the efficiency and growth of the different fire departments and fire protection districts of the association and to conduct the fire schools to be held during the succeeding biennium under the direction of the association". Each year NDFA submits a report to the OMB showing the disposition of all money received. And finally, NDFA has an audit conducted by a licensed public accountant annually which is submitted to the state auditor's office. These actions fulfill the financial accountability requirements identified in century code Chapter 18-03, sections 05 and 08.

As per the above-mentioned sections, in July of 2020, the NDFA submitted our budget to OMB and to the Office of the Insurance Commissioner. According to an agreement between the ND Fire Chief's and the NDFA in 2017, this budget was based off 5.5% of the Insurance Tax Distribution fund collected in 2019. This amount would account for the loss of federal funding and allow the NDFA to continue providing trainings, certification testing, and technical training manuals at zero cost to the departments.

In closing I wish to thank the committee for allowing me to present this testimony and again voice our support of House Bill 1010 as presented by the Insurance Commissioner and would welcome the chance to answer any questions you may have. Thank you.

Professional Fire Fighters of North Dakota

7122

Darren Schimke, President | 218-779-4122 | dschimke@wiktel.com

3-2-2021

Senate Appropriations Committee

Mr. Chairman and members of the Appropriations Committee,

My name is Darren Schimke, President of the Professional Fire Fighters of North Dakota representing 415 professional firefighters across our great state. We appreciate the opportunity to provide testimony in support of HB 1010.

We see firsthand how essential the 100% return of the Insurance Premium Tax is to fire fighters across the entire State as suggested in the North Dakota State Auditors Report.

This appropriation to the fire service assists with bridging the gap to cover costs associated with fire fighter training, fire fighting equipment and fire fighter safety. This type of appropriation directly saves lives and does aid in having qualified fire fighters respond to the North Dakota citizens call for help.

The Professional Fire Fighter of North Dakota requests your consideration of a Do Pass recommendation of HB 1010 from the Appropriations Committee.

Thank you,

Darren Schimke

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1010
3/24/2021
ND Department of Insurance Sub-committee

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner. |
|---|

Senator Oehlke opened the hearing at 11:15 AM.

Senators present: **Oehlke, Erbele and Davison.**

Discussion Topics:

- Amendment changes
- Section 9 study

Jon Godfread, Commissioner, State Insurance Department – testified before the sub-committee answering questions.

Alex Cronquist, Legislative Council – testifying neutrally.

Mike Schwab, ND Pharmacists Association – testified in favor.

Senator Oehlke closed the hearing at 11:38 AM.

Rose Laning, Committee Clerk

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1010
3/29/2021
Senate Appropriations Committee

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner. |
|---|

Senator Holmberg opened committee work on HB 1010 at 8:53 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Erbele, Dever, Oehlke, Poolman, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Insurance products & premiums
- CHAN program

Senator Oehlke presented amendment LC 21.0269.02001; testimony #10837. and moved the amendment

Senator Wanzek second.

| Senators | | Senators | |
|--------------------------|---|-------------------------|---|
| <i>Senator Holmberg</i> | Y | <i>Senator Hogue</i> | Y |
| <i>Senator Krebsbach</i> | Y | <i>Senator Oehlke</i> | Y |
| <i>Senator Wanzek</i> | Y | <i>Senator Poolman</i> | Y |
| <i>Senator Bekkedahl</i> | Y | <i>Senator Rust</i> | Y |
| <i>Senator Davison</i> | Y | <i>Senator Sorvaag</i> | Y |
| <i>Senator Dever</i> | Y | <i>Senator Heckaman</i> | Y |
| <i>Senator Erbele</i> | Y | <i>Senator Mathern</i> | Y |

Roll Call vote 14-0-0. Motion passed.

Senator Oehlke moved Do Pass as Amended on HB 1010.

Senator Davison second.

| Senators | | Senators | |
|--------------------------|---|-------------------------|---|
| <i>Senator Holmberg</i> | Y | <i>Senator Hogue</i> | Y |
| <i>Senator Krebsbach</i> | Y | <i>Senator Oehlke</i> | Y |
| <i>Senator Wanzek</i> | Y | <i>Senator Poolman</i> | Y |
| <i>Senator Bekkedahl</i> | Y | <i>Senator Rust</i> | Y |
| <i>Senator Davison</i> | Y | <i>Senator Sorvaag</i> | Y |
| <i>Senator Dever</i> | Y | <i>Senator Heckaman</i> | Y |
| <i>Senator Erbele</i> | Y | <i>Senator Mathern</i> | Y |

Roll Call vote - 14-0-0. Motion passed.

Senator Oehlke will carry the bill.

Senator Holmberg closed the committee work at 9:10 AM.
Rose Laning, Committee Clerk

SK
OK
1256

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 2, remove "to provide an appropriation for the distribution of funds from the insurance tax"

Page 1, line 3, replace "distribution fund;" with "to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to examinations of health carriers;"

Page 1, line 3, replace "section" with "sections 18-04-04, 18-04-04.1, 18-04-05, and"

Page 1, line 3, after "26.1-01-09" insert "and subsection 1 of section 26.1-03-17"

Page 1, line 4, after the first "to" insert "the distribution of funds from the insurance tax distribution fund and"

Page 1, line 4, after the semicolon insert "to provide a continuing appropriation; to provide for a legislative management study;"

Page 1, replace lines 13 through 16 with:

| | | | |
|---------------------|-------------|----------------|----------------|
| "Salaries and wages | \$8,149,998 | (\$139,320) | \$8,010,678 |
| Operating expenses | 1,566,675 | 847,684 | 2,414,359 |
| Capital assets | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total special funds | \$9,716,673 | \$808,364 | \$10,525,037" |

Page 2, replace lines 1 and 2 with:

| | | |
|--|----------------|------------|
| "State flexibility to stabilize the market grant | 0 | 662,000 |
| Coal and fossil fuel industry insurance study | 0 | 200,000 |
| Health care analysis | <u>200,000</u> | <u>0</u> |
| Total special funds | \$200,000 | \$962,000" |

Page 2, remove lines 7 through 13

Page 2, line 14, replace "\$26,344" with "\$26,610"

Page 2, after line 16, insert:

"SECTION 4. AMENDMENT. Section 18-04-04 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04. Insurance companies to report fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance premium collections - Form furnished by insurance commissioner.

The insurance commissioner, ~~when at the time~~ when the commissioner forwards to an insurance company ~~which that~~ that is issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial multiple peril insurance in this state the form to be used in submitting ~~its the company's~~ annual statement, shall forward a form containing the names of all cities and all rural fire protection districts or rural fire departments entitled to benefits under the provisions of this chapter. Every insurance company issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial

multiple peril insurance within this state shall complete ~~such~~the form by showing ~~thereon~~ the amount of all premiums received by ~~it~~the company upon such policies issued on property within the corporate limits of each city shown on ~~such~~the form and on property within the boundaries of each rural fire protection district shown on ~~such~~the form or property within the boundaries of each rural fire department as certified by the state fire marshal during the year ending on the preceding thirty-first day of December and shall file the ~~same~~form as a part of ~~its~~the company's annual statement.

SECTION 5. AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund.

The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-46, ~~subject to legislative appropriation.~~

SECTION 6. AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner - Continuing appropriation.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall compute and disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, ~~subject to legislative appropriations.~~
4. The insurance commissioner shall compute and disburse the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. ~~The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop-hail insurance~~the lines of insurance identified under section 18-04-04 on property within the city of a certified city fire department, a certified rural fire protection district, or area served by ~~the~~a certified rural fire department to the total of those premiums for those policies in the state.

5. Annually, the insurance commissioner shall determine the amount of insurance premium taxes collected from the insurance lines identified in section 18-04-04. Of this amount, annually the commissioner shall disburse five and one-half percent to the North Dakota firefighter's association and ninety-four and one-half percent to certified city fire departments, certified rural fire departments, and certified fire protection districts. Moneys authorized for disbursement under this section are appropriated from the insurance tax distribution fund to the insurance commissioner on a continuing basis for the purpose of this section."

Page 2, line 22, remove "one"

Page 2, line 23, replace "hundred thirteen thousand nine hundred twenty-five" with "one hundred fourteen thousand four hundred eighty-six"

Page 2, after line 23, insert:

"SECTION 8. AMENDMENT. Subsection 1 of section 26.1-03-17 of the North Dakota Century Code is amended and reenacted as follows:

1. Before issuing the annual certificate required by law, the commissioner shall collect from every stock and mutual insurance company, nonprofit health service corporation, health maintenance organization, and prepaid legal service organization, except fraternal benefit and benevolent societies, doing business in this state, a tax on the gross amount of premiums, assessments, membership fees, subscriber fees, policy fees, service fees collected by any third-party administrator providing administrative services to a group that is self-insured for health care benefits, and finance and service charges received in this state during the preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. The total tax is payable on or before March first following the year for which the tax is assessable. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day. Collections from this tax must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding the amount computed under section 18-04-05 and one-half of the biennial amount appropriated for distribution under section 18-04-05 and chapter 23-46 in any fiscal year. Collections from this tax exceeding the sum of the amount deposited in the insurance tax distribution fund must be deposited in the general fund in the state treasury.

SECTION 9. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive

examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - MEDICATION

OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|------------------------|-------------------|-------------------|---------------------|-------------------|
| Salaries and wages | \$8,149,998 | \$7,816,841 | \$193,837 | \$8,010,678 |
| Operating expenses | 1,566,675 | 1,507,359 | 907,000 | 2,414,359 |
| Capital assets | | 100,000 | | 100,000 |
| Fire department grants | <u>18,818,030</u> | <u>18,818,030</u> | <u>(18,818,030)</u> | |
| Total all funds | \$28,534,703 | \$28,242,230 | (\$17,717,193) | \$10,525,037 |
| Less estimated income | <u>28,534,703</u> | <u>28,242,230</u> | <u>(17,717,193)</u> | <u>10,525,037</u> |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 41.00 | 38.00 | 0.00 | 38.00 |

Department 401 - Insurance Department - Detail of Senate Changes

| | Adjusts Funding for Salary Increases ¹ | Adds Funding to Adjust FTE Position ² | Adds Funding for Temporary Employees ³ | Adds Funding for Travel ⁴ | Provides Continuing Appropriation Authority ⁵ | Adds One-Time Funding for a Study ⁶ |
|------------------------|--|--|---|---|---|---|
| Salaries and wages | \$6,633 | \$79,204 | \$108,000 | | | |
| Operating expenses | | | | \$45,000 | | \$200,000 |
| Capital assets | | | | | | |
| Fire department grants | | | | | (\$18,818,030) | |
| Total all funds | \$6,633 | \$79,204 | \$108,000 | \$45,000 | (\$18,818,030) | \$200,000 |
| Less estimated income | 6,633 | 79,204 | 108,000 | 45,000 | (18,818,030) | 200,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Funding for the State Flexibility to Stabilize the Market Grant ⁷ | Total Senate Changes |
|------------------------|---|-------------------------|
| Salaries and wages | | \$193,837 |
| Operating expenses | \$662,000 | 907,000 |
| Capital assets | | |
| Fire department grants | | (18,818,030) |
| Total all funds | \$662,000 | (\$17,717,193) |
| Less estimated income | 662,000 | (17,717,193) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$79,204 from special funds is added to change a legal assistant position to an attorney position.

³ Funding of \$108,000 from special funds is added for five temporary employees to assist during Medicare Part D open enrollment.

⁴ Funding of \$45,000 from special funds is added to provide a total of \$245,000 for travel. The House provided \$200,000 from special funds for travel.

⁵ Funding for payments to fire districts and the North Dakota Firefighter's Association is removed to reflect continuing appropriation authority provided in this amendment. The Insurance Commissioner estimates \$18,818,030 will be deposited in the insurance tax distribution fund during the 2021-23 biennium pursuant to this amendment, the same amount as deposited in the fund during the 2019-21 biennium. Of that amount, \$17,783,038 (94.5 percent) will be distributed to fire districts and \$1,034,992 (5.5 percent) will be distributed to the North Dakota Firefighter's Association during the 2021-23 biennium.

⁶ One-time funding of \$200,000 from special funds is added for the Insurance Commissioner to conduct a study of the availability, cost, and risks associated with insurance coverage in the lignite coal industry, as provided in Senate Bill No. 2287.

⁷ One-time funding of \$662,000 from federal funds is added for the state flexibility to stabilize the market grant program, which is intended to provide added flexibility in the private health insurance market through the implementation of market reforms.

This amendment also:

- Removes the section identifying the appropriation from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association.
- Adds sections to provide continuing appropriation authority from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association. These sections also provide for the Insurance Commissioner to calculate the amounts to be deposited in and distributed from the insurance tax

distribution fund for payments to fire districts and the North Dakota Firefighter's Association.

- Adds a section to provide for examinations of health carriers by the Insurance Commissioner or any of the Insurance Commissioner's examiners.
- Changes the section adjusting the Insurance Commissioner's annual salary to provide for a 1.5 percent increase on July 1, 2021, and a 2 percent increase on July 1, 2022. The House had increased the Insurance Commissioner's salary by 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and maximum monthly increase of \$250.
- Adds a section to provide for a Legislative Management study of medication optimization.

REPORT OF STANDING COMMITTEE

HB 1010, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to provide an appropriation for the distribution of funds from the insurance tax"

Page 1, line 3, replace "distribution fund;" with "to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to examinations of health carriers;"

Page 1, line 3, replace "section" with "sections 18-04-04, 18-04-04.1, 18-04-05, and"

Page 1, line 3, after "26.1-01-09" insert "and subsection 1 of section 26.1-03-17"

Page 1, line 4, after the first "to" insert "the distribution of funds from the insurance tax distribution fund and"

Page 1, line 4, after the semicolon insert "to provide a continuing appropriation; to provide for a legislative management study;"

Page 1, replace lines 13 through 16 with:

| | | | |
|---------------------|-------------|-------------|---------------|
| "Salaries and wages | \$8,149,998 | (\$139,320) | \$8,010,678 |
| Operating expenses | 1,566,675 | 847,684 | 2,414,359 |
| Capital assets | 0 | 100,000 | 100,000 |
| Total special funds | \$9,716,673 | \$808,364 | \$10,525,037" |

Page 2, replace lines 1 and 2 with:

| | | |
|--|-----------|------------|
| "State flexibility to stabilize the market grant | 0 | 662,000 |
| Coal and fossil fuel industry insurance study | 0 | 200,000 |
| Health care analysis | 200,000 | 0 |
| Total special funds | \$200,000 | \$962,000" |

Page 2, remove lines 7 through 13

Page 2, line 14, replace "\$26,344" with "\$26,610"

Page 2, after line 16, insert:

"SECTION 4. AMENDMENT. Section 18-04-04 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04. Insurance companies to report fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance premium collections - Form furnished by insurance commissioner.

The insurance commissioner, ~~when~~ at the time the commissioner forwards to an insurance company ~~which~~ that is issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial multiple peril insurance in this state the form to be used in submitting ~~its~~ the company's annual statement, shall forward a form containing the names of all cities and all rural fire protection districts or rural fire departments entitled to benefits under the provisions of this chapter. Every insurance company issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial multiple peril insurance within this state shall complete ~~such~~ the form by showing ~~thereon~~ the amount of all premiums received by ~~it~~ the company upon such policies issued on property within the corporate limits of each city shown on ~~such~~ the form

and on property within the boundaries of each rural fire protection district shown on ~~such~~the form or property within the boundaries of each rural fire department as certified by the state fire marshal during the year ending on the preceding thirty-first day of December and shall file the ~~same~~form as a part of ~~its~~the company's annual statement.

SECTION 5. AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund.

The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-46, ~~subject to legislative appropriation.~~

SECTION 6. AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner - Continuing appropriation.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall compute and disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, ~~subject to legislative appropriations.~~
4. The insurance commissioner shall compute and disburse the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. ~~The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance~~ the lines of insurance identified under section 18-04-04 on property within the city of a certified city fire department, a certified rural fire protection district, or area served by the ~~a~~ certified rural fire department to the total of those premiums for those policies in the state.
5. Annually, the insurance commissioner shall determine the amount of insurance premium taxes collected from the insurance lines identified in section 18-04-04. Of this amount, annually the commissioner shall disburse five and one-half percent to the North Dakota firefighter's association and ninety-four and one-half percent to certified city fire departments, certified rural fire departments, and certified fire protection districts. Moneys authorized for disbursement under this section are

appropriated from the insurance tax distribution fund to the insurance commissioner on a continuing basis for the purpose of this section."

Page 2, line 22, remove "one"

Page 2, line 23, replace "hundred thirteen thousand nine hundred twenty-five" with "one hundred fourteen thousand four hundred eighty-six"

Page 2, after line 23, insert:

"SECTION 8. AMENDMENT. Subsection 1 of section 26.1-03-17 of the North Dakota Century Code is amended and reenacted as follows:

1. Before issuing the annual certificate required by law, the commissioner shall collect from every stock and mutual insurance company, nonprofit health service corporation, health maintenance organization, and prepaid legal service organization, except fraternal benefit and benevolent societies, doing business in this state, a tax on the gross amount of premiums, assessments, membership fees, subscriber fees, policy fees, service fees collected by any third-party administrator providing administrative services to a group that is self-insured for health care benefits, and finance and service charges received in this state during the preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. The total tax is payable on or before March first following the year for which the tax is assessable. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day. Collections from this tax must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding the amount computed under section 18-04-05 and one-half of the biennial amount appropriated for distribution under section 18-04-05 and chapter 23-46 in any fiscal year. Collections from this tax exceeding the sum of the amount deposited in the insurance tax distribution fund must be deposited in the general fund in the state treasury.

SECTION 9. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - MEDICATION OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the

implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|------------------------|----------------|------------------|-------------------|-------------------|
| Salaries and wages | \$8,149,998 | \$7,816,841 | \$193,837 | \$8,010,678 |
| Operating expenses | 1,566,675 | 1,507,359 | 907,000 | 2,414,359 |
| Capital assets | | 100,000 | | 100,000 |
| Fire department grants | 18,818,030 | 18,818,030 | (18,818,030) | |
| Total all funds | \$28,534,703 | \$28,242,230 | (\$17,717,193) | \$10,525,037 |
| Less estimated income | 28,534,703 | 28,242,230 | (17,717,193) | 10,525,037 |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 41.00 | 38.00 | 0.00 | 38.00 |

Department 401 - Insurance Department - Detail of Senate Changes

| | Adjusts Funding for Salary Increases ¹ | Adds Funding to Adjust FTE Position ² | Adds Funding for Temporary Employees ³ | Adds Funding for Travel ⁴ | Provides Continuing Appropriation Authority ⁵ | Adds One-Time Funding for a Study ⁶ |
|------------------------|--|--|---|---|---|---|
| Salaries and wages | \$6,633 | \$79,204 | \$108,000 | | | |
| Operating expenses | | | | \$45,000 | | \$200,000 |
| Capital assets | | | | | | |
| Fire department grants | | | | | (\$18,818,030) | |
| Total all funds | \$6,633 | \$79,204 | \$108,000 | \$45,000 | (\$18,818,030) | \$200,000 |
| Less estimated income | 6,633 | 79,204 | 108,000 | 45,000 | (18,818,030) | 200,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Funding for the State Flexibility to Stabilize the Market Grant ⁷ | Total Senate Changes |
|------------------------|---|----------------------|
| Salaries and wages | | \$193,837 |
| Operating expenses | \$662,000 | 907,000 |
| Capital assets | | |
| Fire department grants | | (18,818,030) |
| Total all funds | \$662,000 | (\$17,717,193) |
| Less estimated income | 662,000 | (17,717,193) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly

increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$79,204 from special funds is added to change a legal assistant position to an attorney position.

³ Funding of \$108,000 from special funds is added for five temporary employees to assist during Medicare Part D open enrollment.

⁴ Funding of \$45,000 from special funds is added to provide a total of \$245,000 for travel. The House provided \$200,000 from special funds for travel.

⁵ Funding for payments to fire districts and the North Dakota Firefighter's Association is removed to reflect continuing appropriation authority provided in this amendment. The Insurance Commissioner estimates \$18,818,030 will be deposited in the insurance tax distribution fund during the 2021-23 biennium pursuant to this amendment, the same amount as deposited in the fund during the 2019-21 biennium. Of that amount, \$17,783,038 (94.5 percent) will be distributed to fire districts and \$1,034,992 (5.5 percent) will be distributed to the North Dakota Firefighter's Association during the 2021-23 biennium.

⁶ One-time funding of \$200,000 from special funds is added for the Insurance Commissioner to conduct a study of the availability, cost, and risks associated with insurance coverage in the lignite coal industry, as provided in Senate Bill No. 2287.

⁷ One-time funding of \$662,000 from federal funds is added for the state flexibility to stabilize the market grant program, which is intended to provide added flexibility in the private health insurance market through the implementation of market reforms.

This amendment also:

- Removes the section identifying the appropriation from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association.
- Adds sections to provide continuing appropriation authority from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association. These sections also provide for the Insurance Commissioner to calculate the amounts to be deposited in and distributed from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association.
- Adds a section to provide for examinations of health carriers by the Insurance Commissioner or any of the Insurance Commissioner's examiners.
- Changes the section adjusting the Insurance Commissioner's annual salary to provide for a 1.5 percent increase on July 1, 2021, and a 2 percent increase on July 1, 2022. The House had increased the Insurance Commissioner's salary by 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and maximum monthly increase of \$250.
- Adds a section to provide for a Legislative Management study of medication optimization.

21.0269.02001
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Senator Oehlke
March 25, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 2, remove "to provide an appropriation for the distribution of funds from the insurance tax"

Page 1, line 3, replace "distribution fund;" with "to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to examinations of health carriers;"

Page 1, line 3, replace "section" with "sections 18-04-04, 18-04-04.1, 18-04-05, and"

Page 1, line 3, after "26.1-01-09" insert "and subsection 1 of section 26.1-03-17"

Page 1, line 4, after the first "to" insert "the distribution of funds from the insurance tax distribution fund, and"

Page 1, line 4, after the semicolon insert "to provide a continuing appropriation; to provide for a legislative management study;"

Page 1, replace lines 13 through 16 with:

| | | | |
|---------------------|-------------|----------------|----------------|
| "Salaries and wages | \$8,149,998 | (\$139,320) | \$8,010,678 |
| Operating expenses | 1,566,675 | 847,684 | 2,414,359 |
| Capital assets | <u>0</u> | <u>100,000</u> | <u>100,000</u> |
| Total special funds | \$9,716,673 | \$808,364 | \$10,525,037" |

Page 2, replace lines 1 and 2 with:

| | | |
|--|----------------|------------|
| "State flexibility to stabilize the market grant | 0 | 662,000 |
| Coal and fossil fuel industry insurance study | 0 | 200,000 |
| Health care analysis | <u>200,000</u> | <u>0</u> |
| Total special funds | \$200,000 | \$962,000" |

Page 2, remove lines 7 through 13

Page 2, line 14, replace "\$26,344" with "\$26,610"

Page 2, after line 16, insert:

"SECTION 4. AMENDMENT. Section 18-04-04 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04. Insurance companies to report fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance premium collections - Form furnished by insurance commissioner.

The insurance commissioner, ~~when at the time~~ the commissioner forwards to an insurance company ~~which that~~ is issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial multiple peril insurance in this state the form to be used in submitting ~~it~~ the company's annual statement, shall forward a form containing the names of all cities and all rural fire protection districts or rural fire departments entitled to benefits under the provisions of this chapter. Every insurance company issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, crop hail, and commercial

multiple peril insurance within this state shall complete ~~such~~the form by showing ~~thereon~~ the amount of all premiums received by ~~it~~the company upon such policies issued on property within the corporate limits of each city shown on ~~such~~the form and on property within the boundaries of each rural fire protection district shown on ~~such~~the form or property within the boundaries of each rural fire department as certified by the state fire marshal during the year ending on the preceding thirty-first day of December and shall file the ~~same~~form as a part of ~~its~~the company's annual statement.

SECTION 5. AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund.

The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-46, ~~subject to legislative appropriation.~~

SECTION 6. AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner - Continuing appropriation.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall compute and disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, ~~subject to legislative appropriations.~~
4. The insurance commissioner shall compute and disburse the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. ~~The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance.~~ the lines of insurance identified under section 18-04-04 on property within the city of a certified city fire department, a certified rural fire protection district, or area served by the a certified rural fire department to the total of those premiums for those policies in the state.

5. Annually, the insurance commissioner shall determine the amount of insurance premium taxes collected from the insurance lines identified in section 18-04-04. Of this amount, annually the commissioner shall disburse five and one-half percent to the North Dakota firefighter's association and ninety-four and one-half percent to certified city fire departments, certified rural fire departments, and certified fire protection districts. Moneys authorized for disbursement under this section are appropriated from the insurance tax distribution fund to the insurance commissioner on a continuing basis for the purpose of this section."

Page 2, line 22, remove "one"

Page 2, line 23, replace "hundred thirteen thousand nine hundred twenty-five" with "one hundred fourteen thousand four hundred eighty-six"

Page 2, after line 23, insert:

"SECTION 8. AMENDMENT. Subsection 1 of section 26.1-03-17 of the North Dakota Century Code is amended and reenacted as follows:

1. Before issuing the annual certificate required by law, the commissioner shall collect from every stock and mutual insurance company, nonprofit health service corporation, health maintenance organization, and prepaid legal service organization, except fraternal benefit and benevolent societies, doing business in this state, a tax on the gross amount of premiums, assessments, membership fees, subscriber fees, policy fees, service fees collected by any third-party administrator providing administrative services to a group that is self-insured for health care benefits, and finance and service charges received in this state during the preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. The total tax is payable on or before March first following the year for which the tax is assessable. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day. Collections from this tax must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding the amount computed under section 18-04-05 and one-half of the biennial amount appropriated for distribution under section 18-04-05 and chapter 23-46 in any fiscal year. Collections from this tax exceeding the sum of the amount deposited in the insurance tax distribution fund must be deposited in the general fund in the state treasury.

SECTION 9. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive

examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - MEDICATION

OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study must also include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|------------------------|-------------------|-------------------|---------------------|-------------------|
| Salaries and wages | \$8,149,998 | \$7,816,841 | \$193,837 | \$8,010,678 |
| Operating expenses | 1,566,675 | 1,507,359 | 907,000 | 2,414,359 |
| Capital assets | | 100,000 | | 100,000 |
| Fire department grants | <u>18,818,030</u> | <u>18,818,030</u> | <u>(18,818,030)</u> | |
| Total all funds | \$28,534,703 | \$28,242,230 | (\$17,717,193) | \$10,525,037 |
| Less estimated income | <u>28,534,703</u> | <u>28,242,230</u> | <u>(17,717,193)</u> | <u>10,525,037</u> |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 41.00 | 38.00 | 0.00 | 38.00 |

Department 401 - Insurance Department - Detail of Senate Changes

| | Adjusts Funding for Salary Increases ¹ | Adds Funding to Adjust FTE Position ² | Adds Funding for Temporary Employees ³ | Adds Funding for Travel ⁴ | Provides Continuing Appropriation Authority ⁵ | Adds One-Time Funding for a Study ⁶ |
|------------------------|--|--|---|---|---|---|
| Salaries and wages | \$6,633 | \$79,204 | \$108,000 | | | |
| Operating expenses | | | | \$45,000 | | \$200,000 |
| Capital assets | | | | | | |
| Fire department grants | | | | | (\$18,818,030) | |
| Total all funds | \$6,633 | \$79,204 | \$108,000 | \$45,000 | (\$18,818,030) | \$200,000 |
| Less estimated income | 6,633 | 79,204 | 108,000 | 45,000 | (18,818,030) | 200,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Funding for the State Flexibility to Stabilize the Market Grant ⁷ | Total Senate Changes |
|------------------------|---|-------------------------|
| Salaries and wages | | \$193,837 |
| Operating expenses | \$662,000 | 907,000 |
| Capital assets | | |
| Fire department grants | | (18,818,030) |
| Total all funds | \$662,000 | (\$17,717,193) |
| Less estimated income | 662,000 | (17,717,193) |
| General fund | \$0 | \$0 |
| FTE | 0.00 | 0.00 |

¹ Funding is adjusted to provide salary adjustments of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$79,204 from special funds is added to change a legal assistant position to an attorney position.

³ Funding of \$108,000 from special funds is added for five temporary employees to assist during Medicare Part D open enrollment.

⁴ Funding of \$45,000 from special funds is added to provide a total of \$245,000 for travel. The House provided \$200,000 from special funds for travel.

⁵ Funding for payments to fire districts and the North Dakota Firefighter's Association is removed to reflect continuing appropriation authority provided in this amendment. The Insurance Commissioner estimates \$18,818,030 will be deposited in the insurance tax distribution fund during the 2021-23 biennium pursuant to this amendment, the same amount as deposited in the fund during the 2019-21 biennium. Of that amount, \$17,783,038 (94.5 percent) will be distributed to fire districts and \$1,034,992 (5.5 percent) will be distributed to the North Dakota Firefighter's Association during the 2021-23 biennium.

⁶ One-time funding of \$200,000 from special funds is added for the Insurance Commissioner to conduct a study of the availability, cost, and risks associated with insurance coverage in the lignite coal industry, as provided in Senate Bill No. 2287.

⁷ One-time funding of \$662,000 from federal funds is added for the state flexibility to stabilize the market grant program, which is intended to provide added flexibility in the private health insurance market through the implementation of market reforms.

This amendment also:

- Removes the section identifying the appropriation from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association.
- Adds sections to provide continuing appropriation authority from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association. These sections also provide for the Insurance Commissioner to calculate the amounts to be deposited in and distributed from the insurance tax

distribution fund for payments to fire districts and the North Dakota Firefighter's Association.

- Adds a section to provide for examinations of health carriers by the Insurance Commissioner or any of the Insurance Commissioner's examiners.
- Changes the section adjusting the Insurance Commissioner's annual salary to provide for a 1.5 percent increase on July 1, 2021, and a 2 percent increase on July 1, 2022. The House had increased the Insurance Commissioner's salary by 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and maximum monthly increase of \$250.
- Adds a section to provide for a Legislative Management study of medication optimization.

2021 CONFERENCE COMMITTEE

HB 1010

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1010

4/14/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

3:00 **Chairman Meier** brought the conference committee to order. Members present: Chairman Meier, Representative Bellew, Representative Mock, Senator Oehlke, Senator Erbele, Senator Heckaman.

Discussion Topics:

- Base level funding changes

3:01 **Senator Oehlke** explained the changes to the bill. Testimony #11525.

3:24 **Chairman Meier** adjourned the meeting.

Sheri Lewis, Committee Clerk

Insurance Commissioner, Including Insurance Tax Payments to Fire Departments - Budget No. 401
House Bill No. 1010
Base Level Funding Changes

| | House Version | | | | Senate Version | | | | Senate Changes to House Version Increase (Decrease) - House Version | | | |
|---|------------------|-----------------|----------------|--------------|-----------------|-----------------|----------------|----------------|--|-----------------|----------------|----------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Position | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2021-23 Biennium Base Level | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 41.00 | \$0 | \$28,534,703 | \$28,534,703 | 0.00 | \$0 | \$0 | \$0 |
| 2021-23 Ongoing Funding Changes | | | | | | | | | | | | |
| Base payroll changes | | | \$95,794 | \$95,794 | | | \$95,794 | \$95,794 | | | | \$0 |
| Salary increase | | | 176,042 | 176,042 | | | 182,675 | 182,675 | | | \$6,633 | 6,633 |
| Health insurance increase | | | 1,907 | 1,907 | | | 1,907 | 1,907 | | | | 0 |
| Adjusts FTE positions | (3.00) | | (606,900) | (606,900) | (3.00) | | (527,696) | (527,696) | | | 79,204 | 79,204 |
| Adds funding for temporary salaries | | | | 0 | | | 108,000 | 108,000 | | | 108,000 | 108,000 |
| Adjusts funding for operations | | | (63,172) | (63,172) | | | (18,172) | (18,172) | | | 45,000 | 45,000 |
| Adds funding for Microsoft Office 365 licensing expenses | | | 3,856 | 3,856 | | | 3,856 | 3,856 | | | | 0 |
| Provide continuing appropriation authority for insurance tax payments to fire departments | | | | 0 | | | (18,818,030) | (18,818,030) | | | (18,818,030) | (18,818,030) |
| Total ongoing funding changes | (3.00) | \$0 | (\$392,473) | (\$392,473) | (3.00) | \$0 | (\$18,971,666) | (\$18,971,666) | 0.00 | \$0 | (\$18,579,193) | (\$18,579,193) |
| One-time funding items | | | | | | | | | | | | |
| Adds funding for an office remodel | | | \$100,000 | \$100,000 | | | \$100,000 | \$100,000 | | | | \$0 |
| Adds funding for a coal and fossil fuel industry insurance study | | | | 0 | | | 200,000 | 200,000 | | | \$200,000 | 200,000 |
| Adds federal funding for the state flexibility to stabilize the market grant | | | | 0 | | | 662,000 | 662,000 | | | 662,000 | 662,000 |
| Total one-time funding changes | 0.00 | \$0 | \$100,000 | \$100,000 | 0.00 | \$0 | \$962,000 | \$962,000 | 0.00 | \$0 | \$862,000 | \$862,000 |
| Total Changes to Base Level Funding | (3.00) | \$0 | (\$292,473) | (\$292,473) | (3.00) | \$0 | (\$18,009,666) | (\$18,009,666) | 0.00 | \$0 | (\$17,717,193) | (\$17,717,193) |
| 2021-23 Total Funding | 38.00 | \$0 | \$28,242,230 | \$28,242,230 | 38.00 | \$0 | \$10,525,037 | \$10,525,037 | 0.00 | \$0 | (\$17,717,193) | (\$17,717,193) |
| Total ongoing changes as a percentage of base level | (7.3%) | | (1.4%) | (1.4%) | (7.3%) | | (66.5%) | (66.5%) | | | | |
| Total changes as a percentage of base level | (7.3%) | | (1.0%) | (1.0%) | (7.3%) | | (63.1%) | (63.1%) | | | | |

Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments - Budget No. 401

| | House Version | Senate Version |
|---------------------------------|--|--|
| Insurance tax distribution fund | Section 3 designates \$17,989,505 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association. | Section removed by the Senate |
| Unsatisfied judgment fund | Section 4 designates \$26,344 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. | Section 3 designates \$26,610 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses. |

Other Sections in Insurance Commissioner, Including Insurance Tax Payments to Fire Departments - Budget No. 401

| | House Version | Senate Version |
|---------------------------------|---|--|
| Insurance tax distribution fund | | Sections 4, 5, 6, and 8 provide the statutory changes necessary for payments to fire departments from the insurance tax distribution fund to be a continuing appropriation. |
| Insurance Commissioner's salary | Section 5 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent per year. | Section 7 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent on July 1, 2021, and 2 percent on July 1, 2022. |
| Health carrier examinations | | Section 9 provides statutory language for the Insurance Commissioner to conduct a comprehensive examination of health carriers with a market share of 25 percent or greater every 5 years. |
| Medication optimization | | Section 10 provides for a legislative management study of medication optimization. |

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1010

4/19/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

11:02 **Chairman Meier** brought the conference committee to order. Members present: Chairman Meier, Representative Bellew, Senator Oehlke, Senator Erbele, Senator Davison. Members absent: Representative Mock.

Discussion Topics:

- Fire fighter's districts
- Market stabilization grant

11:05 **Jon Godfread, Commissioner, ND State Tax Department** answered questions from the conference committee.

11:19 **Jon Godfread** explained the proposed amendment. Testimony # 11555.

11:22 **Chairman Meier** adjourned the conference committee.

Sheri Lewis, Committee Clerk

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 5, after "North Dakota Century Code" insert "and section 10 of chapter 194 of the 2017 Session Laws"

Page 1, line 6, replace "and the" with ","

Page 1, line 6, after "commissioner" insert ", and air ambulance providers"

SECTION 11. AMENDMENT. Section 10 of chapter 194 of the 2017 Session Laws is amended and reenacted as follows:

SECTION 10. EFFECTIVE DATE ~~—CONTINGENT EFFECTIVE DATE~~. Sections 2, 4, 5, and 6 of this Act become effective January 1, 2018. ~~If section 6 of this Act is declared invalid, sections 3, 7, and 8 of this Act become effective on the date the insurance commissioner certifies the invalidity of section 6 to the secretary of state and the legislative council.~~

Renumber accordingly

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - MEDICATION OPTIMIZATION.

During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB1010

4/22/2021

Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; and to provide an appropriation for the distribution of funds from the insurance tax distribution fund.

2:42 **Chairman Meier** brought the conference committee to order. Members present: Chairman Meier, Representative Bellew, Representative Mock, Senator Oehlke, Senator Erbele, Senator Davison.

Discussion Topics:

- Base budget changes

2:43 **Chairman Meier** discussed the amendment. LC 21.0269.02003.

2:53 **Representative Mock** made a motion for the Senate to recede from the Senate amendments and amend to include amendment LC 21.0269.02003.

2:53 **Representative Bellew** seconded the motion.

2:53 Roll call vote 6 Yeas 0 Nays 0 Absent

2:54 Motion carried.

2:54 **Chairman Meier** closed the conference committee.

Sheri Lewis, Committee Clerk

DB 4/22/21
1 of 3

21.0269.02003
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Meier
April 20, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

That the Senate recede from its amendments as printed on pages 1054-1059 of the Senate Journal and pages 1354-1359 of the House Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to examinations of health carriers;"

Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 13 through 16 with:

| | | | |
|---------------------|-------------|------------|---------------|
| "Salaries and wages | \$8,149,998 | (\$73,717) | \$8,076,281 |
| Operating expenses | 1,566,675 | 802,684 | 2,369,359 |
| Capital assets | 0 | 100,000 | 100,000 |
| Total special funds | \$9,716,673 | \$828,967 | \$10,545,640" |

Page 2, replace lines 1 and 2 with:

| | | |
|--|-----------|------------|
| "State flexibility to stabilize the market grant | 0 | 662,000 |
| Coal and fossil fuel industry insurance study | 0 | 200,000 |
| Health care analysis | 200,000 | 0 |
| Total special funds | \$200,000 | \$962,000" |

Page 2, line 8, replace "\$18,818,030" with "\$20,728,540"

Page 2, line 11, replace "\$17,989,505" with "\$19,588,470"

Page 2, line 12, replace "\$828,525" with "\$1,140,070"

Page 2, line 14, replace "\$26,344" with "\$26,610"

Page 2, after line 16, insert:

"SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - COAL AND FOSSIL FUEL INDUSTRY INSURANCE STUDY. The appropriation in section 1 of this Act includes the sum of \$200,000 from the strategic investment and improvements fund for the insurance commissioner to study the availability, cost, and risks associated with insurance coverage in the lignite coal industry.

Page 2, line 22, remove "one"

Page 2, line 23, replace "hundred thirteen thousand nine hundred twenty-five" with "one hundred fourteen thousand four hundred eighty-six"

Page 2, after line 23, insert:

"SECTION 7. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - MEDICATION

OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - FIRE-RELATED

INSURANCE LINES. During the 2021-22 interim, the legislative management shall consider studying fire-related lines of insurance, including the insurance premium tax revenue generated from fire-related lines of insurance and the appropriate amounts to be distributed to fire departments and the North Dakota firefighter's association pursuant to section 18-04-05. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Conference Committee Action

| | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|--------------------|----------------|------------------|------------------------------------|------------------------------------|-------------------|-------------------------|
| Salaries and wages | \$8,149,998 | \$7,816,841 | \$259,440 | \$8,076,281 | \$8,010,678 | \$65,603 |
| Operating expenses | 1,566,675 | 1,507,359 | 862,000 | 2,369,359 | 2,414,359 | (45,000) |
| Capital assets | | 100,000 | | 100,000 | 100,000 | |

| | | | | | | |
|------------------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Fire department grants | 18,818,030 | 18,818,030 | 1,910,510 | 20,728,540 | | 20,728,540 |
| Total all funds | \$28,534,703 | \$28,242,230 | \$3,031,950 | \$31,274,180 | \$10,525,037 | \$20,749,143 |
| Less estimated income | 28,534,703 | 28,242,230 | 3,031,950 | 31,274,180 | 10,525,037 | 20,749,143 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 41.00 | 38.00 | 0.00 | 38.00 | 38.00 | 0.00 |

Department 401 - Insurance Department - Detail of Conference Committee Changes

| | Adjusts Funding for Salary Increases ¹ | Adds Funding for Salaries ² | Increases Funding for Fire District Payments ³ | Adds One- Time Funding for a Study ⁴ | Adds Funding for the State Flexibility to Stabilize the Market Grant ⁵ | Total Conference Committee Changes |
|------------------------|--|---|--|---|---|---|
| Salaries and wages | \$6,633 | \$252,807 | | | | \$259,440 |
| Operating expenses | | | | \$200,000 | \$662,000 | 862,000 |
| Capital assets | | | | | | |
| Fire department grants | | | \$1,910,510 | | | 1,910,510 |
| Total all funds | \$6,633 | \$252,807 | \$1,910,510 | \$200,000 | \$662,000 | \$3,031,950 |
| Less estimated income | 6,633 | 252,807 | 1,910,510 | 200,000 | 662,000 | 3,031,950 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary increases of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding of \$252,807 from other funds is added for salary equity and workload adjustments. Neither the House version nor the Senate version included this funding. The Senate version added \$79,204 to convert a position to an attorney, \$108,000 for temporary salaries, and \$45,000 for travel. Those increases are not included in this amendment.

³ Funding of \$1,910,510 is added from the insurance tax distribution fund to provide a total of \$20,728,540 for payments to fire departments (\$19,588,470) and the North Dakota Firefighter's Association (\$1,140,070). The House provided \$18,818,030 for payments to fire departments and the North Dakota Firefighter's Association and the Senate provided continuing appropriation authority for the payments. This increase will result in a general fund revenue reduction of \$1,910,510.

⁴ One-time funding of \$200,000 from the strategic investment and improvements fund is added for the Insurance Commissioner to conduct a study of the availability, cost, and risks associated with insurance coverage in the lignite coal industry, as provided in Senate Bill No. 2287. The Senate also added \$200,000 from other funds for the study, but did not specify the source of funds.

⁵ One-time funding of \$662,000 from federal funds is added for the state flexibility to stabilize the market grant program, which is intended to provide added flexibility in the private health insurance market through the implementation of market reforms, the same as provided by the Senate. The House did not provide funding for this purpose.

This amendment also:

- Adds a section to provide for examinations of health carriers by the Insurance Commissioner or any of the Insurance Commissioner's examiners, the same as the Senate version.
- Changes the section adjusting the Insurance Commissioner's annual salary to provide for a 1.5 percent increase on July 1, 2021, and a 2 percent increase on July 1, 2022, the same as the Senate version. The House had increased the Insurance Commissioner's salary by 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and maximum monthly increase of \$250.
- Adds a section to provide for a Legislative Management study of medication optimization, the same as the Senate version.
- Adds a section to provide for a Legislative Management study of fire-related insurance lines. The Senate did not include this section.

**2021 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB1010 as (re) engrossed

House Government Operations Committee

- Action Taken** ☐ **HOUSE accede to Senate Amendments**
☐ **HOUSE accede to Senate Amendments and further amend**
☐ **SENATE recede from Senate amendments**
☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Mock Seconded by: Representative Bellew

| Representatives | 4/14 | 4/19 | 4/22 | Yes | No | | Senators | 4/14 | 4/19 | 4/22 | Yes | No |
|-----------------------|------|------|------|-----|----|--|-------------------|------|------|------|-----|----|
| Chairman Meier | X | X | X | X | | | Senator Oehlke | X | X | X | X | |
| Representative Mock | X | X | X | X | | | Senator Erbele | X | X | X | X | |
| Representative Bellew | X | X | X | X | | | Senator Davison | X | X | X | X | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total Rep. Vote | | | | 3 | | | Total Senate Vote | | | | 3 | |

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Meier Senate Carrier Senator Oehlke

LC Number 21.0269 . 02003 of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1010, as engrossed: Your conference committee (Sens. Oehlke, Erbele, Davison and Reps. Meier, Mock, Bellew) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1054-1059, adopt amendments as follows, and place HB 1010 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1054-1059 of the Senate Journal and pages 1354-1359 of the House Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to examinations of health carriers;"

Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 13 through 16 with:

| | | | |
|---------------------|-------------|------------|---------------|
| "Salaries and wages | \$8,149,998 | (\$73,717) | \$8,076,281 |
| Operating expenses | 1,566,675 | 802,684 | 2,369,359 |
| Capital assets | 0 | 100,000 | 100,000 |
| Total special funds | \$9,716,673 | \$828,967 | \$10,545,640" |

Page 2, replace lines 1 and 2 with:

| | | |
|--|-----------|------------|
| "State flexibility to stabilize the market grant | 0 | 662,000 |
| Coal and fossil fuel industry insurance study | 0 | 200,000 |
| Health care analysis | 200,000 | 0 |
| Total special funds | \$200,000 | \$962,000" |

Page 2, line 8, replace "\$18,818,030" with "\$20,728,540"

Page 2, line 11, replace "\$17,989,505" with "\$19,588,470"

Page 2, line 12, replace "\$828,525" with "\$1,140,070"

Page 2, line 14, replace "\$26,344" with "\$26,610"

Page 2, after line 16, insert:

"SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - COAL AND FOSSIL FUEL INDUSTRY INSURANCE STUDY. The appropriation in section 1 of this Act includes the sum of \$200,000 from the strategic investment and improvements fund for the insurance commissioner to study the availability, cost, and risks associated with insurance coverage in the lignite coal industry.

Page 2, line 22, remove "one"

Page 2, line 23, replace "hundred thirteen thousand nine hundred twenty-five" with "one hundred fourteen thousand four hundred eighty-six"

Page 2, after line 23, insert:

"SECTION 7. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Examinations.

1. As used in this section, the terms "health carrier" and "health benefit plan" have the same meaning as provided under section 26.1-36.3-01.
2. Whenever the commissioner, in the commissioner's sole discretion, deems it appropriate, but at least once every five years, the commissioner or any of the commissioner's examiners shall conduct a comprehensive examination of a health carrier with a market share of twenty-five percent or more of health benefit plan covered lives in this state. The examination must be conducted in accordance with an examination conducted under chapter 26.1-03. In determining the scope of the comprehensive examination, the commissioner shall consider the criteria set forth in the market conduct handbook adopted by the national association of insurance commissioners and adopted by the commissioner which is in effect when the examination is initiated and any other matters deemed appropriate by the commissioner.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - MEDICATION OPTIMIZATION. During the 2021-22 interim, the legislative management shall consider studying medication optimization. The study must include a review of the implementation of clinical pharmacist-led medication optimization programs in individual, large group, and small group plans, including provider credentialing, billing standards and procedures, providing standards of care, patient monitoring, consistent documentation of outcomes and efforts related to de-prescribing, and structuring an outcome reporting system for medication optimization programs. The study also must include a review of changes necessary to state laws and administrative rules to implement effective medication optimization. The insurance commissioner shall assist the legislative management with the study and identify and request the participation of stakeholders needed to complete this study. The insurance commissioner shall collect and provide to the legislative management the data needed to complete the study. The data provided by stakeholders, not otherwise publicly disclosed, must be considered confidential pursuant to section 44-04-18.4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - FIRE-RELATED INSURANCE LINES. During the 2021-22 interim, the legislative management shall consider studying fire-related lines of insurance, including the insurance premium tax revenue generated from fire-related lines of insurance and the appropriate amounts to be distributed to fire departments and the North Dakota firefighter's association pursuant to section 18-04-05. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Conference Committee Action

| | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|--------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Salaries and wages | \$8,149,998 | \$7,816,841 | \$259,440 | \$8,076,281 | \$8,010,678 | \$65,603 |
| Operating expenses | 1,566,675 | 1,507,359 | 862,000 | 2,369,359 | 2,414,359 | (45,000) |
| Capital assets | | 100,000 | | 100,000 | 100,000 | |
| Fire department grants | 18,818,030 | 18,818,030 | 1,910,510 | 20,728,540 | | 20,728,540 |
| Total all funds | \$28,534,703 | \$28,242,230 | \$3,031,950 | \$31,274,180 | \$10,525,037 | \$20,749,143 |
| Less estimated income | 28,534,703 | 28,242,230 | 3,031,950 | 31,274,180 | 10,525,037 | 20,749,143 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Insert LC: 21.0269.02003
House Carrier: Meier
Senate Carrier: Oehlke

FTE 41.00 38.00 0.00 38.00 38.00 0.00

Department 401 - Insurance Department - Detail of Conference Committee Changes

| | Adjusts Funding for Salary Increases ¹ | Adds Funding for Salaries ² | Increases Funding for Fire District Payments ³ | Adds One- Time Funding for a Study ⁴ | Adds Funding for the State Flexibility to Stabilize the Market Grant ⁵ | Total Conference Committee Changes |
|------------------------|--|---|--|---|---|---|
| Salaries and wages | \$6,633 | \$252,807 | | | | \$259,440 |
| Operating expenses | | | | \$200,000 | \$662,000 | 862,000 |
| Capital assets | | | | | | |
| Fire department grants | | | \$1,910,510 | | | 1,910,510 |
| Total all funds | \$6,633 | \$252,807 | \$1,910,510 | \$200,000 | \$662,000 | \$3,031,950 |
| Less estimated income | 6,633 | 252,807 | 1,910,510 | 200,000 | 662,000 | 3,031,950 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary increases of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

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This amendment also:

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- Adds a section to provide for a Legislative Management study of medication optimization, the same as the Senate version.

- Adds a section to provide for a Legislative Management study of fire-related insurance lines. The Senate did not include this section.
- Engrossed HB 1010 was placed on the Seventh order of business on the calendar.