

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2010

2007 SENATE APPROPRIATIONS

SB 2010

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

Senate Appropriations

Check here for Conference Committee

Hearing Date: 01-15-07

Recorder Job Number 1132

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the hearing on SB 2010 on January 15, 2007 at 2:00 p.m. regarding the North Dakota Insurance Commissioner's budget presentation for the 2007-2009 biennium.

**Jim Poolman, Insurance Commissioner** presented written testimony (1) and shared an overview of the duties of the Insurance Department which include Administration, Monitoring the Insurance Industry, Regulation and Consumer Protection, Senior Health Insurance Counseling (SHIC) Program, Prescription Connection Program, Special Funds Division which includes the State Bonding Fund, Fire and Tornado Fund, Petroleum Tank Release Compensation Fund, Unsatisfied Judgment Fund, Boiler and Pressure Vessel Inspection Program and Anhydrous Ammonia facility Inspection Program. Information was also provided regarding Fire District Payments, Position Vacancies and Salary Goals Package. He also provided the following five major goals and objectives of the Insurance Department which are as follows: Implementation of Electronic (paperless) System in Insurance Regulation, Implement Consumer Protection Enhancements Resulting from 2005 Legislation, Enhance Consumer Education, Enhance Outreach Programs and Timely Response to Inquiries and

Requests. Charts were also included with his presentation. Commissioner Poolman introduced members of his staff.

**Senator Lindaas** asked if any reserve levels have been adjusted for inflation. There is a concern for the Fire and Tornado Fund.

Discussion followed concerning the Fire and Tornado Fund and information was provided concerning the addition of 3 more counties (for a total of 5) enrolled in the Lock-Up Tanks Program regarding Anhydrous Ammonia Tanks. It has been very successful in deterring the theft of Anhydrous Ammonia for the manufacturing of Methamphetamine.

Discussion followed regarding additional funds provided for the travel expenditures for legislators who attend the National Conference of Insurance Legislators(NCOIL) events.

Commissioner Poolman stated that it is very difficult to find Boiler Inspectors due to the salary offered and the availability of trained personnel. He also made reference to the vacant FTE's and information on contracting out, which is only done in the area of financial examinations. Our Department is very much into goals, objectives, merits, increases on salary and quantifying and examining the performance of our employees. We do give merit salary increases where appropriate and utilize the bonus system within the guidelines of state law to try to reward those peak performers in our department and we thank the legislators for the support of this program.

**Chairman Holmberg** I'm assuming that the fact that the money for NCOIL went to a line item rather than out of your operating budget and that your operating budget indicates that there is spendable money and you will no longer be taking that out. What was roughly the amount of draw on that during the last biennium and will the dues in the future come out of your operating

budget? Is it correct to say you are one of 6 agencies that because of the equity issue you have a separate line item in your budget in addition to the equity money?

**Senator Grindberg** had questions concerning drug usage and the Lock-Up Program.

**Commissioner Poolman** shared that when the programs were initially set up in Williams and McKenzie County there was controversy, but in working with the farmers and locking up the tanks they now realize the enormous impact they have had in reducing the theft of Anhydrous Ammonia that was used previously to make Methamphetamine.

**Senator Tallickson** stated that he has been informed by law officials in his home district that locking up the tanks has greatly decreased the amount of homemade Methamphetamine.

**Senator Fischer** In the news I've heard that there is development of something to add to Anhydrous to basically nullify the effects of Anhydrous Ammonia for making of Methamphetamine.

**Lois Hartman, Executive Director of the North Dakota Firefighters Association** stated many departments are short funds as this last year was especially difficult because of dry conditions around the state. She also requested funding for the staff of the Association.

**Norbert Mayer of North Dakota Insurance and Financial Advisors** stating the needs of a well staffed insurance department not only to regulate the insurance industry but to protect our consumers and also to educate consumers, therefore, we support the request for appropriations for State Insurance Department.

**Chairman Holmberg** asked if there was a need for a subcommittee on this bill. It was the consensus of the committee that it was not necessary at this time. Meeting was closed.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01/23/07

Recorder Job Number: 1668

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the discussion on SB 2010 on 1/23/07. He indicated this bill is to reimburse money from the insurance department for NCOIL legislators, with no change in the FTE's. There was discussion on the quality of the printer, and there was no one-time expenditure. It removes the funding for NCOIL for legislative travel and move that funding out of this budget, the source would be the same, not general fund money.

Money was moved out of operating for NCOIL travel but did not reduce the operating fund.

Considerable discussion took place regarding NCOIL, its purpose, costs, retention and recruitment of employees, how the committee can approach the equity situation, and the equity issues arising in different agencies.

**Senator Grindberg moved the amendment as a DO PASS, Senator Fischer seconded.**

**An oral vote was taken and the motion to approve the amendment was a DO PASS.**

**Senator Grindberg moved a DO PASS on SB 2010, Senator Fischer seconded.**

**Discussion took place. A roll call vote was taken resulting in 12 yes, 0 no, and 2 absent.**

**The motion passed and Senator Tallackson will carry the bill.**

**Senator Holmberg** closed the hearing on SB 2010.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-25-07

Recorder Job Number: 1954

Committee Clerk Signature

*Alice Pelzer*

Minutes:

**Chairman Holmberg** opened hearing on SB 2010 on 01-25-07 regarding the Insurance Commission. (meter 08.09) We have some information before us. The topic of discussion was the International Peace Garden and we've already applied the amendment regarding ENCOIL,

that is already on the bill and then what we did we passed the bill and then because of the questions that came after that So the first thing we need is a motion to reconsider our action

**Senator Robinson made the motion. Seconded by Senator Christmann. All in agreement say aye. Motion carried.** Now the bill is before us. Let us have that discussion Senator Krebsbach and then Roxanne. Please set the stage for this discussion.

**Senator Krebsbach** stated the request came from Senator Krauter that we research in the Peace Garden Bill the fact that last year on their tour they had visited there and saw there was buildings that were in need of repair and so on and evidently there may have been some damage caused by some natural elements, I don't know if it's wind or hail, however, the discussion was made with the Fire and Tornado Fund. The people there did go and visit the area and found it to be strictly that type of repair from renovation and natural upkeep of the building. They found that there was no cause, no claims had been filed, and therefore they didn't have any information to base a claim on, is my understanding of the entire process.

Therefore, it was denied. Now if there is something that should have been filed I think we have to inform them to do so and they would revisit the facility and look at it again.

**Roxanne Woeste, Legislative Council** spoke with representatives of the Fire and Tornado Fund and they provided me with the information that they did have an adjuster go out to the Peace Gardens and they determined that the damage that they were shown was not related to a specific weather event, which would be necessary for a claim to be accepted.

**Chairman Holmberg** asked if there is any other discussion on the bill. Seeing none, we have a motion for a DO PASS.

**Senator Christmann moved a DO PASS, Senator Wardner seconded.** No discussion followed. **A roll call vote was taken on a DO PASS AS AMENDED resulting in 12 yeas, 0 nays, 2 absent. Senator Tallackson will carry the bill.**

The hearing on SB 2010 was closed. (meter 13.05)

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

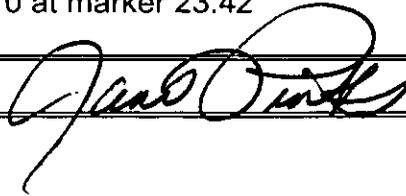
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01/29/07

Recorder Job Number: 2170 at marker 23.42

Committee Clerk Signature



Minutes:

**Chairman Holmberg** indicated SB 2010 was sent back.

Senator Tallackson made the motion to reconsider the action by which SB 2010 was passed, Senator Christmann seconded. An oral vote was taken with a unanimous vote in favor of passing the motion.

**Chairman Holmberg** distributed amendments

**Chairman Holmberg** also distributed salary comparisons in the equity distribution in the various agencies and the compa-ratios. Mr. Jim Poolman was asked to come down and explain the differences and Ken Purdy is all here to clear up the questions rather than on the floor.

**Jim Poolman, Commissioner, ND Insurance Department**, indicated Ken Purdy would need to discuss the compa-ratios and he would discuss some of the needs. He indicated there are several positions open because people retired or are retiring and the positions cannot be filled at the current level of pay creating a reason for additional dollars to offer pay at market pay. He discussed some of the positions that specifically need higher pay to meet the market.

**Senator Krauter** how many years before retirement. The response was there are several during this next biennium such as general counsel, chief examiner, senior examiner is vacant, staff attorney, financial analyst, agent licensing director, and chief boiler inspector.

**Senator Robinson** asked if there was something already prepared that captures the rest of the agencies if this list is just a sampling. The response was deferred to the Council and OMB

**Senator Fischer** asked about qualifications of boiler inspectors. The response was there is a national designation and there are very few certified boiler inspectors.

**Senator Krauter** asked if the amount in the Governor's equity allotted to the Insurance Department includes these positions. The response was the Governor's includes these specific positions as well as the two classified positions not on the list and apparently one other that did not make the list.

**Senator Tallackson** asked the Commissioner to explain the amendment made on the floor today. The response was the wishes of the committee were to move the funding for the National Conference for Insurance Legislators to the Legislative Council and the funding source was removed but not moved. The intent was to move the funding to the Legislative Council to cover the funding.

**Senator Tallackson** indicated the old amendment moved Ncoil out of the Insurance Department and that was it. The new one with language that it go to Legislative Council plus it is funded with special funds from the Insurance Department.

**Senator Robinson** indicated this process has been difficult to understand, we have a salary built in from the Governor's Budget of 4 and 4 in SB 2189, \$10 million in equity in that bill earmarked for salaries and now we are hearing from other elected officials and agencies that we need help, we can't retain, we can't recruit. One agency indicated positions unfilled for two years. Parts of the puzzle are hear, but there appears to be some missing pieces. We need to be fair and equitable across the board. If we train people and as soon as they are trained they leave, we are wasting a lot of money. The response was that as generous as the legislature has been, it is the market issues that are the concern.

**Senator Tallackson** asked about the reduction of the money from the tornado fund. The response was there was a clerical error in the drafting of the budget, in that two lines were compacted and counted twice. The revenue in that fund was overstated.

**Roxanne** walked through the amendment to explain it.

**Senator Robinson** moved to reconsider actions when DO PASS as amended SB 2010,

**Senator Fischer** seconded. An oral vote was taken, the motion passed.

**Senator Bowman** moved to adopt the new amendment .0102, **Senator Tallackson** seconded. No discussion, An oral vote was taken, the motion passed.

**Senator Tallackson** moved a DO PASS SB 2010 as amended with .0102, **Senator Bowman** seconded. No discussion. A roll call vote was taken resulting in a DO PASS with 13 yes, 0 no and 1 absent. The motion carried.

The hearing on SB 2010 was closed.

# FISCAL NOTE

Requested by Legislative Council

01/02/2007

Bill/Resolution No.: SB 2010

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$11,775		\$11,775	
<b>Appropriations</b>			\$11,775		\$11,775	

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 10 of this bill increases the Insurance Commissioner's salary over the 2007-2009 biennium by \$11,775 over his salary for the 2005-2007 biennium. This will increase both salary expenses and appropriations by \$11,775 over the amounts shown in Section 1 of this bill.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

See explanation above.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

See explanation above.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See explanation above.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

See explanation above.

<b>Name:</b>	Charles E. Johnson	<b>Agency:</b>	Insurance Department
<b>Phone Number:</b>	328-2440	<b>Date Prepared:</b>	01/10/2007

oral Do Pass  
amend .0101

Date: 1/23  
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2010

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass w amend

Motion Made By Grindberg Seconded By Fischer

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter		
Senator Bill Bowman, V Chrm			Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Tallackson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2010: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2010 was placed on the Sixth order on the calendar.

Page 1, line 19, replace "(100,000)" with "(100,000)"

Page 1, remove line 20

Page 1, line 21, replace "671,324" with "611,324"

Page 1, line 23, remove "out of any moneys in the general fund in the state"

Page 1, line 24, remove "treasury, not otherwise appropriated, and"

Page 2, line 5, replace "6,320,000" with "6,320,000"

Page 2, remove line 6

Page 2, line 7, replace "14,350,979" with "14,290,979"

Page 2, line 18, replace "\$1,153,804" with "\$1,003,804"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2010 - Insurance Department - Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,792,602		\$5,792,602
Operating expenses	2,178,377		2,178,377
Grants	6,320,000		6,320,000
National Conference of State Insurance Legislators	60,000	(\$60,000)	
<b>Total all funds</b>	<b>\$14,350,979</b>	<b>(\$60,000)</b>	<b>\$14,290,979</b>
Less estimated income	<u>14,350,979</u>	<u>(60,000)</u>	<u>14,290,979</u>
General fund	\$0	\$0	\$0
FTE	46.50	0.00	46.50

**Dept. 401 - Insurance Department - Detail of Senate Changes**

	REMOVES FUNDING FOR THE NATIONAL CONFERENCE OF STATE INSURANCE LEGISLATORS 1	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Grants		
National Conference of State Insurance Legislators	(\$60,000)	(\$60,000)
<b>Total all funds</b>	<b>(\$60,000)</b>	<b>(\$60,000)</b>

Less estimated income	<u>(60,000)</u>	<u>(60,000)</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment removes funding of \$60,000 from special funds for operating expenses associated with legislative members' functions of the National Conference of State Insurance Legislators.

This amendment also amends Section 6 of the bill to decrease the administrative costs allocated to the fire and tornado fund by \$150,000 from \$1,153,804 to \$1,003,804.

Date: 1-25-07  
Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2010

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do pass as amend

Motion Made By Christmann Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Tallackson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2010: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2010 was placed on the Sixth order on the calendar.

Page 1, line 19, replace "(100,000)" with "(100,000)"

Page 1, remove line 20

Page 1, line 21, replace "671,324" with "611,324"

Page 1, line 23, remove "out of any moneys in the general fund in the state"

Page 1, line 24, remove "treasury, not otherwise appropriated, and"

Page 2, line 5, replace "6,320,000" with "6,320,000"

Page 2, remove line 6

Page 2, line 7, replace "14,350,979" with "14,290,979"

Page 2, line 18, replace "\$1,153,804" with "\$1,003,804"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2010 - Insurance Department - Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,792,602		\$5,792,602
Operating expenses	2,178,377		2,178,377
Grants	6,320,000		6,320,000
National Conference of State Insurance Legislators	60,000	(\$60,000)	
Total all funds	\$14,350,979	(\$60,000)	\$14,290,979
Less estimated income	<u>14,350,979</u>	<u>(60,000)</u>	<u>14,290,979</u>
General fund	\$0	\$0	\$0
FTE	46.50	0.00	46.50

**Dept. 401 - Insurance Department - Detail of Senate Changes**

	REMOVES FUNDING FOR THE NATIONAL CONFERENCE OF STATE INSURANCE LEGISLATORS <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Grants		
National Conference of State Insurance Legislators	(\$60,000)	(\$60,000)
Total all funds	<u>(\$60,000)</u>	<u>(\$60,000)</u>

**REPORT OF STANDING COMMITTEE (410)**  
**January 26, 2007 2:59 p.m.**

**Module No: SR-17-1388**  
**Carrier: Tallackson**  
**Insert LC: 78034.0101 Title: .0200**

Less estimated income	<u>(60,000)</u>	<u>(60,000)</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment removes funding of \$60,000 from special funds for operating expenses associated with legislative members' functions of the National Conference of State Insurance Legislators.

This amendment also amends Section 6 of the bill to decrease the administrative costs allocated to the fire and tornado fund by \$150,000 from \$1,153,804 to \$1,003,804.

Date: 1/30/2007  
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2010

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 10102

Action Taken Do Pass as amended

Motion Made By Tallackson Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm			Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Tallackson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2010: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2010 was placed on the Sixth order on the calendar.

In lieu of the proposed amendments to Senate Bill No. 2010, as printed on pages 207 and 208 of the Senate Journal, Senate Bill No. 2010 is amended as follows:

Page 1, line 2, after the first semicolon insert "to provide an appropriation to the legislative council;"

Page 1, line 19, replace "(100,000)" with "(100,000)"

Page 1, remove line 20

Page 1, line 21, replace "671,324" with "611,324"

Page 1, line 23, remove "out of any moneys in the general fund in the state"

Page 1, line 24, remove "treasury, not otherwise appropriated, and"

Page 2, line 5, replace "6,320,000" with "6,320,000"

Page 2, remove line 6

Page 2, line 7, replace "14,350,979" with "14,290,979"

Page 2, after line 7, insert:

**"SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL.** There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$60,000, or so much of the sum as may be necessary, to the legislative council for the purpose of defraying expenses of legislative members attending functions of the national conference of insurance legislators, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 2, line 18, replace "\$1,153,804" with "\$1,003,804"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2010 - Summary of Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Legislative Council			
Total all funds	\$0	\$60,000	\$60,000
Less estimated income		<u>60,000</u>	<u>60,000</u>
General fund	\$0	\$0	\$0
Insurance Department			
Total all funds	\$14,350,979	(\$60,000)	\$14,290,979
Less estimated income	<u>14,350,979</u>	<u>(60,000)</u>	<u>14,290,979</u>
General fund	\$0	\$0	\$0
Bill Total			
Total all funds	\$14,350,979	\$0	\$14,350,979
Less estimated income	<u>14,350,979</u>		<u>14,350,979</u>

General fund \$0 \$0 \$0

**Senate Bill No. 2010 - Legislative Council - Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Operating expenses		<u>\$60,000</u>	<u>\$60,000</u>
Total all funds	\$0	\$60,000	\$60,000
Less estimated income		<u>60,000</u>	<u>60,000</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

**Dept. 160 - Legislative Council - Detail of Senate Changes**

	PROVIDES FUNDING FOR NATIONAL CONFERENCE OF INSURANCE LEGISLATORS <sup>1</sup>	TOTAL SENATE CHANGES
Operating expenses	<u>\$60,000</u>	<u>\$60,000</u>
Total all funds	\$60,000	\$60,000
Less estimated income	<u>60,000</u>	<u>60,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment appropriates \$60,000 of special funds from the insurance regulatory trust fund to the Legislative Council for defraying expenses of legislative members attending functions of the National Conference of Insurance Legislators during the 2007-09 biennium.

**Senate Bill No. 2010 - Insurance Department - Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,792,602		\$5,792,602
Operating expenses	2,178,377		2,178,377
Grants	6,320,000		6,320,000
National Conference of Insurance Legislators	60,000	(\$60,000)	
Total all funds	\$14,350,979	(\$60,000)	\$14,290,979
Less estimated income	<u>14,350,979</u>	<u>(60,000)</u>	<u>14,290,979</u>
General fund	\$0	\$0	\$0
FTE	46.50	0.00	46.50

**Dept. 401 - Insurance Department - Detail of Senate Changes**

	REMOVES FUNDING FOR NATIONAL CONFERENCE OF INSURANCE LEGISLATORS <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Grants		
National Conference of Insurance Legislators	<u>(\$60,000)</u>	<u>(\$60,000)</u>
Total all funds	(\$60,000)	(\$60,000)
Less estimated income	<u>(60,000)</u>	<u>(60,000)</u>

**REPORT OF STANDING COMMITTEE (410)**  
**January 31, 2007 8:55 a.m.**

**Module No: SR-20-1606**  
**Carrier: Tallackson**  
**Insert LC: 78034.0103 Title: .0300**

General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment removes funding of \$60,000 from special funds for operating expenses associated with legislative members' functions of the National Conference of Insurance Legislators.

This amendment also amends Section 6 of the bill as introduced to decrease the administrative costs allocated to the fire and tornado fund by \$150,000 from \$1,153,804 to \$1,003,804.

2007 HOUSE APPROPRIATIONS

SB 2010

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

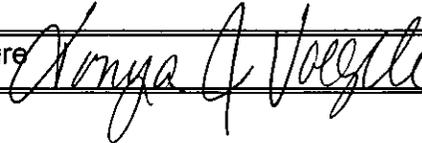
House Appropriations Committee  
Government Operations Division

Check here for Conference Committee

Hearing Date: 2/23/07

Recorder Job Number: 3756

Committee Clerk Signature



Minutes:

Vice Chairman Carlisle opened the hearing on Senate Bill 2010.

Jim Poolman, Insurance Commissioner, spoke in support of the bill. See testimony  
2010.2.23.07 A

**Vice Chairman Carlisle:** Sandy, are they part of the equity pool?

**Sandy Paulson:** Yes, they get \$36,747 total.

**Vice Chairman Carlisle:** Is that in addition to the \$172,236 they are asking for in the bill?

**Sandy Paulson:** Yes. It is incase they have other inequities after the \$172,236.

**Representative Williams:** In going over your budget the Senate didn't make many changes but it appears to me that they took \$60,000 out of the operating line and put it in a separate line item for the Legislative Council. I am curious is this a unique situation where you are funding Legislative Council for people that travel for the insurance conference?

**Jim Poolman:** Let me give you some history regarding that it may help the committee in their deliberations on the budget. Several sessions ago it might even be before I was on this committee. There was a change to state law that required the ND Insurance Department to provide for the travel expenses for four legislators to attend the National Conference for Insurance Legislators. There were really no restrictions put on that at all. What we did when we

submitted our budget in working with OMB, was to provide \$60,000 specifically a separate line item in our budget for that travel. What the Senate did when they made their change to our budget is that they took that \$60,000 line that was still in our budget and transferred those dollars out of our budget to the Legislative Council so all of the travel for NCOIL will come out the Legislative Council budget.

**Vice Chairman Carlisle:** So it's in 1001?

**Roxanne Woeste:** It is still in this bill but the money will be appropriated to Legislative Council.

**Representative Williams:** What other changes to your budget did the senate make?

**Jim Poolman:** there was a verbal change for special funds and a drafting error change.

**Representative Williams:** So other than the line item change and some clean up language, this is the Governor's Budget?

**Jim Poolman:** Yes.

**Representative Skarphol:** Why should we tell you how many you have to hire when we could just say how much you have to spend?

**Jim Poolman:** I would probably agree with what you just said. You would give us a blanket appropriation and allow us to spend that appropriation to provide the services for the people of ND no matter how many people it takes. I think sometimes legislators and me being a former legislator got hung up on specifically how many people you hired. I think that is somewhat misguided.

**Representative Skarphol:** If we were to give you \$5 million, would things change?

**Jim Poolman:** Knowing how more people causes more HR problems no. We don't hire people just to have bodies to have fun with around our office. We hire people to get things done.

**Representative Skarphol:** My point is would you hire less people and pay them higher salaries?

**Jim Poolman:** Potentially.

**Vice Chairman Carlisle:** Will you have any turn back this biennium?

**Jim Poolman:** We are expecting to turn back 16% of our budget. A large percent of our turn back is salaries.

**Representative Kroeber:** What other bills are floating around out there?

**Jim Poolman:** 2154 and 1222.

**Representative Kroeber:** Isn't there another bill about premium increases?

**Jim Poolman:** That is Senate Bill 2296.

Lois Hartman, Executive Director of the ND Firefighters Association, spoke in support of the bill. See testimony 2010.2-23.07 B and 2010.2.23.07C.

Vice Chairman Carlisle requested a report on what happened last session.

Vice Chairman Carlisle closed the hearing.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

House Appropriations Committee  
Government Operations Division

Check here for Conference Committee

Hearing Date: 3/14/07

Recorder Job Number: 5015

Committee Clerk Signature

*Anthony J. Vozzich*

Minutes:

Chairman Carlson opened discussion on Senate Bill 2010.

Amendment 78034.0302

Vice Chairman Carlisle explained the amendment.

**Vice Chairman Carlisle:** What we wanted to do, I guess the first thing we did was added a blanket for coverage if you move product from one building to another. We put the \$170,000 that the Senate had taken out of the OMB budget for the Fire Fighters Association in this budget. The only question we have now is that NCOIL, there are a couple of ways to do it. Chairman Carlson, you have some thoughts on that?

**Chairman Carlson:** We want to put it in the Legislative Council budget I think. Which means it will be gone from yours and you won't have to deal with any part of that but the money will come from you to Council, it will be \$70,000. Then the dues and travel will be approved out of Legislative Council. Don it would require an amendment that would remove the \$60,000. The way this amendment was drafted is that it was \$60,000 and we added \$10,000 and we left it in his budget. We want that to be rescinded and take the \$60,000 and put it in Council. All our other travel for legislators comes from Council.

**Jim Poolman:** The funding source would still be the Insurance Regulatory Trust Fund. You will draft that amendment?

**Chairman Carlson:** The amendment will say that the source of funding for that \$70,000 still comes out of that fund.

**Representative Glassheim:** The footnote already says that.

**Jim Poolman:** I think what you might be driving at is that you could draft an amendment and put it on 1001 and just say an appropriation to Legislative Council from the Insurance Regulatory Trust Fund for the purposes of NCOIL.

**Chairman Carlson:** I think this amendment is fine.

**A motion was made by Vice Chairman Carlisle, seconded by Representative Glassheim to adopt amendment 78034.0302. Motion carried by voice vote.**

**A motion was made by Representative Carlisle, seconded by Representative Glassheim for a DO PASS AS AMENDED recommendation to the full committee. The committee vote was 8 Yeas, 0 Nays and 0 Absent and Not Voting. The bill will be carried by Representative Carlisle.**

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2010

House Appropriations Committee

Check here for Conference Committee

Hearing Date: March 14, 2007

Recorder Job Number: 5096

Committee Clerk Signature

*Stephy N. Sand*

Minutes:

**Chm. Svedjan opened the hearing on SB 2010.**

**Rep. Carlson distributed amendment .0302 (Attachment A).**

**Rep. Carlisle motioned to adopt amendment .0302. Rep. Carlson seconded the motion.**

**Rep. Carlisle:** This is the budget for the Insurance Commissioner. It is all special funds. The first part of the amendment is on insurance on all buildings and personal property that came out of one of the budgets Rep. Wald's subsection had. Basically we are amending the insurance department bill to cover if you move contents from one building to another so that will do a little defense on that part. The next part of the amendment on the bottom several of our lawmakers are members of what is called NCOIL which is an insurance industry group that meets. I think Rep. Wald was either former president or still is. These folks have traveled. We set the fund this time for including dues and travel. We changed it from a \$60,000 that came over from the Senate to \$70,000. I think Rep. Carlson is going to run that through the legislative council budget so that all the funds will be tracked when these folks travel. The other part of the amendment is the \$170,000 from the fire and tornado fund. We put that back in. That was another one of the OMB. The Senate took virtually everything out of the OMB

Budget, all the dues and fees. We put the \$170,00 back in. We have the OMB budget. We thought it was appropriate to put it back into the Insurance Department budget. Those are the three changes. A couple questions have been brought up about equity. The equity pool from OMB and the insurance department is \$36,747. The Governor, on line 2, added another \$172,000. That is a budget that has two separate pools. What has happened with the insurance department is he has several open positions. He virtually can't sell them. They are putting the money on so he can try to fill those positions. They had roughly \$1 million turn back which is roughly 16%. There is a couple of other bills that we are going to see what happens obviously coming between the House and Senate. The Insurance Commissioner is aware of that. The three changes they made on amendment .0302, I want to pass around about the turn back and the two equity pools. That is where we are at, at this point.

**Chm. Svedjan:** For clarification on the turn back, this is a special funded agency. Any unexpended fund?

**Rep. Carlisle:** I think it goes back to the general funds. They call it special fund but it's not. In the case that they have more revenue during a biennium than what they have expenses, what happens to the residual?

**Rep. Wald:** Did you by any chance ask the commissioner or someone what the dues are to the National Association Insurance Commissioners?

**Rep. Carlisle:** It didn't come up but we could sure look it up.

**Rep. Wald:** The reason I asked that question is because that organization is housed in Kansas City, Missouri. About 10 years ago they had a staff of about 20-25 people in the budget. Today that organization has like 350 employees. The budget is in the hundreds of millions of dollars.

They have excess funds surplus of over \$48 million dollars. That organization has gone bananas. They explode and drop all these goofy model bills that we are supposed to deal with

in every state. Having served as the National President of NCOIL I had contact with those people every meeting. If you talk about living high off the hog, they have their meetings in Honk Kong, Hawaii, Zurich and places like that. There comes a time where I think we ought to take a look. I'm not trying to sing about the Insurance Department. I think some of the dues we pay to some of these organizations is just getting ridiculous. The amount of money that we pay to the NAIC and where it comes from is every time you write a check to pay your premium you are paying the dues. I think they have outlived their use from us in a whole lot of respects and maybe we ought to withdraw from the NAIC and due everyone a favor.

**Chm. Svedjan:** We can surely identify that. Do you need it before we take action? Any further discussion?

**Rep. Kempenich:** If they do have excess in the funds, that money stays within the fund. I don't know about the budget part of it.

**Chm. Svedjan:** Were you able to find an answer when looking over to OMB?

**Rep. Skarphol:** It appears like the dues to the NAIC is not listed.

**The motion to adopt amendment .0302 carried by voice vote and the amendment was adopted.**

**Rep. Carlisle motioned for a Do Pass as Amended to SB 2010. Rep. Carlson seconded the motion.**

**Chm. Svedjan:** Is there discussion?

**Rep. Aarsvold:** I should have asked this during the discussion on the amendment. The \$170,000 that is replacing what the Senate took out of OMB, what does the firefighter association provide for that money?

**Rep. Wald:** They go around the state and put on firefighting clinics for rural fire departments. They do publications. They have film strips and such. Their office is downtown and is in the building kitty corner from Peacock. There is a lady down there by the name of Louis who has been there for years. She dose a very good job. It's basically a training mechanism for volunteer fire departments. Like I said the film strips have a library and on and on.

**Rep. Carlisle:** I did that because Rep. Wald has been involved in the training session for a few sessions.

**Rep. Carlson:** We have a note back here from Sheila Peterson that says that any amount over \$1.5 million at the end of the fiscal year from the Insurance Tax Regulatory trust fund reverts to the general fund by statute.

**Rep. Carlisle:** We put that \$170,000 back in because of a matter or procedure.

**Chm. Svedjan:** It was originally removed by the Senate from OMB's budget?

**Rep. Carlisle:** That is correct.

**The motion for a Do Pass as Amended carried by a roll call vote of 22 ayes, 0 nays and 2 absent and not voting. Rep. Carlisle was designated to carry the bill.**

Date: 3/14/07

Roll Call Vote #: \_\_\_\_\_

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2010**

House \_\_\_\_\_ Appropriations- Government Operations \_\_\_\_\_ Committee

Check here for Conference Committee

Legislative Council Amendment Number 78034.0302

Action Taken Do Pass As Amended

Motion Made By Carlisle Seconded By Glassheim

Representatives	Yes	No	Representatives	Yes	No
Chairman Al Carlson	✓		Vice Chairman Ron Carlisle	✓	
Rep Keith Kempenich	✓		Rep Bob Skarphol	✓	
Rep Blair Thoreson	✓		Rep Eliot Glassheim	✓	
Rep Joe Kroeber	✓		Rep Clark Williams	✓	

Total Yes 8 No 0

Absent 0

Floor Assignment Carlisle

If the vote is on an amendment, briefly indicate intent:

Date: 3/14/07  
 Roll Call Vote #: 2

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2010**

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78034.0302

Action Taken No Pass as amended

Motion Made By Carlisle Seconded By Carlson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 0

Absent 2

Floor Assignment Carlisle

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2010, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2010 was placed on the Sixth order on the calendar.

Page 1, line 4, replace "section" with "sections" and after "26.1-01-09" insert "and 26.1-22-10"

Page 1, line 5, after "salary" insert "and insurance of personal property by the state fire and tornado fund"

Page 1, line 12, remove "to fire districts"

Page 1, line 20, remove "to fire districts" and replace "(100,000)" with "70,000"

Page 1, line 21, replace "611,324" with "781,324"

Page 2, line 5, replace "6,320,000" with "6,490,000"

Page 2, line 6, replace "14,290,979" with "14,460,979"

Page 2, line 9, replace "\$60,000" with "\$70,000"

Page 2, line 23, replace "\$1,003,804" with "\$1,173,804" and after "fund" insert ", including \$170,000 for a grant to the North Dakota firefighter's association and \$1,003,804"

Page 3, after line 13, insert:

**"SECTION 12. AMENDMENT.** Section 26.1-22-10 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-22-10. Commissioner to provide insurance on all buildings and personal property.** Upon application the commissioner shall provide for insurance against loss by fire, lightning, inherent explosion, windstorm, cyclone, tornado and hail, explosions, riot attending a strike, aircraft, smoke, vehicles, or any other risks of direct physical loss, all in the manner and subject to the restrictions of the standard fire insurance policy and standard endorsement, and no other hazards, in the fund, on all buildings owned by the state, state industries, political subdivisions, international peace gardens, and winter shows, and the fixtures and permanent contents in such buildings, to the extent of not to exceed the insurable value of such property, as the value is agreed to between the commissioner and the officer or board having control of such property, or, in case of disagreement, by approval through arbitration. The commissioner may allow personal property to be insured on a blanket basis.

All buildings and the contents of the buildings owned by the state mill and elevator association, in lieu of coverage under this chapter, may, at the option of the industrial commission, be insured by private insurance companies licensed to do business in this state, against at least all the types of hazards insured against by the fund. If the industrial commission exercises the option provided in this section, the commission shall seek competitive sealed bids, shall invite the fund to submit a bid, and may reject any or all bids received.

All public buildings owned by a political subdivision, in lieu of coverage provided for in this section, may at the option of the governing body of the political subdivision be insured on the basis of competitive sealed bids, through the fund which must be invited to submit a sealed bid or private insurance companies licensed to do business in this state, against damage resulting from hazards, which include those types of hazards

that may be insured against by the fund. The governing body may reject any or all such bids.

All public libraries owned by the state or political subdivisions may, in addition to the coverage provided for in this section, be covered against damage through vandalism. If this coverage cannot be extended to the public libraries situated within this state, the libraries may contract for this coverage with private insurance companies; provided, that this coverage meets the recommendations of the insurance code of the American library association."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2010 - Summary of House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Legislative Council				
Total all funds	\$0	\$60,000	\$10,000	\$70,000
Less estimated income		<u>60,000</u>	<u>10,000</u>	<u>70,000</u>
General fund	\$0	\$0	\$0	\$0
Insurance Department				
Total all funds	\$14,350,979	\$14,290,979	\$170,000	\$14,460,979
Less estimated income	<u>14,350,979</u>	<u>14,290,979</u>	<u>170,000</u>	<u>14,460,979</u>
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$14,350,979	\$14,350,979	\$180,000	\$14,530,979
Less estimated income	<u>14,350,979</u>	<u>14,350,979</u>	<u>180,000</u>	<u>14,530,979</u>
General fund	\$0	\$0	\$0	\$0

**Senate Bill No. 2010 - Legislative Council - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses		<u>\$60,000</u>	<u>\$10,000</u>	<u>\$70,000</u>
Total all funds	\$0	\$60,000	\$10,000	\$70,000
Less estimated income		<u>60,000</u>	<u>10,000</u>	<u>70,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Dept. 160 - Legislative Council - Detail of House Changes**

	INCREASES FUNDING FOR NATIONAL CONFERENCE OF INSURANCE LEGISLATORS <sup>1</sup>	TOTAL HOUSE CHANGES
Operating expenses	<u>\$10,000</u>	<u>\$10,000</u>
Total all funds	\$10,000	\$10,000
Less estimated income	<u>10,000</u>	<u>10,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment increases the funding appropriated from the insurance regulatory trust fund to the Legislative Council for defraying expenses of legislative members attending functions of the National Conference of Insurance Legislators by \$10,000, from \$60,000 to \$70,000.

Senate Bill No. 2010 - Insurance Department - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$5,792,602	\$5,792,602		\$5,792,602
Operating expenses	2,178,377	2,178,377		2,178,377
Grants	6,320,000	6,320,000	\$170,000	6,490,000
National Conference of Insurance Legislators	60,000			
<b>Total all funds</b>	<b>\$14,350,979</b>	<b>\$14,290,979</b>	<b>\$170,000</b>	<b>\$14,460,979</b>
<b>Less estimated income</b>	<b><u>14,350,979</u></b>	<b><u>14,290,979</u></b>	<b><u>170,000</u></b>	<b><u>14,460,979</u></b>
General fund	\$0	\$0	\$0	\$0
FTE	46.50	46.50	0.00	46.50

Dept. 401 - Insurance Department - Detail of House Changes

	PROVIDES FUNDING FOR GRANT TO NORTH DAKOTA FIREFIGHTER'S ASSOCIATION <sup>1</sup>	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Grants	\$170,000	\$170,000
National Conference of Insurance Legislators		
<b>Total all funds</b>	<b>\$170,000</b>	<b>\$170,000</b>
<b>Less estimated income</b>	<b><u>170,000</u></b>	<b><u>170,000</u></b>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment appropriates funding of \$170,000 from the fire and tornado fund for a grant to the North Dakota Firefighter's Association. In previous bienniums, the Legislative Assembly appropriated this funding to the Office of Management and Budget. The Senate removed this funding from Senate Bill No. 2015.

This amendment also amends North Dakota Century Code Section 26.1-22-10 to allow personal property to be insured on a blanket basis by the state fire and tornado fund.

2007 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2010

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2010

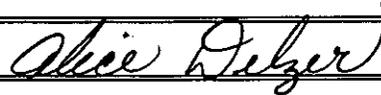
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 04-04-07

Recorder Job Number: 5746

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the Conference Committee Hearing at 3:00 pm on April 4, 2007 in reference to SB 2010 regarding the Insurance Commission. A roll call was taken with Senators Holmberg, Christmann, and Tallackson present; Representatives Carlise, Carlson, and Williams present. Also Roxanne Woeste from Legislative Council and Lori Laskowitch from OMB were present. He made the comment that the House did not do a lot of changes and asked for a member of the House to explain the amendments.

**Representative Carlise** stated the main changes involve ENCOIL which has 2 members from the House and two from the Senate regarding their travel and dues, from 60 to 75 so we added \$10,000 that is the footnote 1 under 302 amendment and then OMB had pulled all the fees and dues and other endentities out that so we kept that \$170,000 from the Fire Tornado Fund back in the Firefighters Association. We removed the funding in 2015 we just backfilled it back into 2010. That's the one where they assist other fire departments. That is basically the two changes. It's all special fund agency. We researched the turnback which is about \$1 million. We looked at the equity pool. The governor put some money in for equity. But the two changes we made was the \$10,000 for ENCOIL and \$170,000 put back in for the firefighters.

**Chairman Holmberg** asked if the ENCOIL run out of money this biennium for ENCOIL travel. He asked if it was a special line item.

**Senator Tallackson** said they did. They only allowed one meeting per person.

**Roxanne Woeste, Leg. Council** stated for 05-07 biennium ENCOIL was paid out of Insurance Commissioner's operating line item, it was not a special line item, it was in the governor's budget recommendation. The Senate moved it from the Insurance Commissioner's budget to 1001.

**Representative Carlisle** said we just moved \$10,000 what was sent over from the Senate. There are two House and two Senate members on that committee, Representatives Wald, a past president and Rep. Kiser going through the chairs, Senators Tallackson and Klein are on that committee. More discussion followed regarding this issue.

**Chairman Holmberg** said he thought it was smart moving it all together. The \$170,000 move was understandable. He was told it was just put back in this budget.

**Senator Christmann** asked why it was in SB 2015. He was told because it's always been there.(06.49)

**Chairman Holmberg** asked when the Council has a budget of \$70,000 how do they determine how to estimate costs and is there a standard fee. He was told by Roxanne that the chairman of the Council determines it. Once it goes to the Council you need approval from the Council and send in your voucher request.

**Senator Tallackson** asked what happens if there is any money left. He was told it would be carry over money.

**Representative Carlise** (08.51) stated section 12 regarding the commission to provide coverage, that turned up in Parks and Recreation Budget, they had a fire and they didn't have coverage for everything so Representative Wald brought forth amendments and we put on if you have 2 buildings the contents from building to the other are covered. It's a good amendment.

**Representative Williams** made further comments about the coverage also.

**Chairman Holmberg** itemized the items once again that had been discussed. He talked about HB 1001, which may have some duplication regarding some of the appropriation.

Representative Carlisle stated that he and Representative Carlson are on that bill and will watch for it when it comes through and make sure there is no duplication of appropriations.

**Senator Tallackson made the motion THE SENATE ACCEDE TO THE HOUSE AMENDMENTS. Seconded by Senator Christmann. A roll call vote was taken with 6 yeas, 0 nays, 0 absent. The motion carried. SB 2010 was placed on the Seventh order of business on the calendar.**

The Conference Hearing closed on SB 2010.

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

Bill Number 2010 (, as (re)engrossed):

Date: 4/4

Your Conference Committee Approp.

**For the Senate:**

**For the House:**

Sen Ray Holmberg	<sup>4/4</sup> ✓	yes	Rep Ron Carlisle	<sup>4/4</sup> ✓	yes
Sen Randy Christmann	✓	yes	Rep Al Carlson	✓	yes
Sen Harvey Tallackson	✓	yes	Rep Clark Williams	✓	yes

SS 1127-1129

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_ -- \_\_\_\_\_

✓ and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_, adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) ✓ was placed on the Seventh order of business on the calendar.

DATE: \_\_\_\_\_

HOUSE CARRIER: \_\_\_\_\_

SENATE CARRIER: \_\_\_\_\_

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Tallackson

SECONDED BY: Christmann

VOTE COUNT: 6 YES \_\_\_ NO \_\_\_ ABSENT

**REPORT OF CONFERENCE COMMITTEE**

**SB 2010, as engrossed:** Your conference committee (Sens. Holmberg, Christmann, Tallackson and Reps. Carlisle, Carlson, Williams) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1127-1129 and place SB 2010 on the Seventh order.

Engrossed SB 2010 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

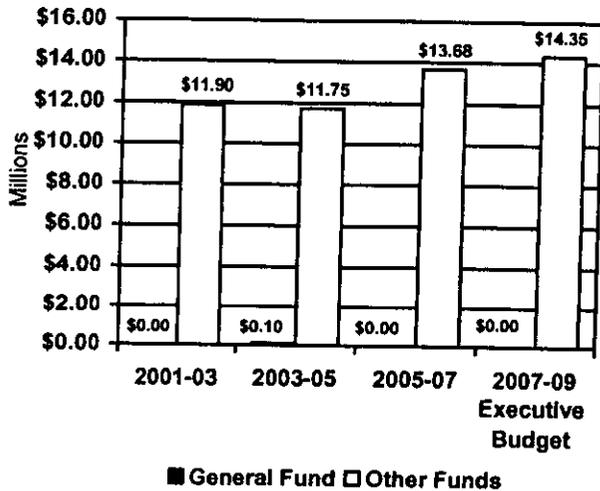
SB 2010

**Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments  
 Senate Bill No. 2010**

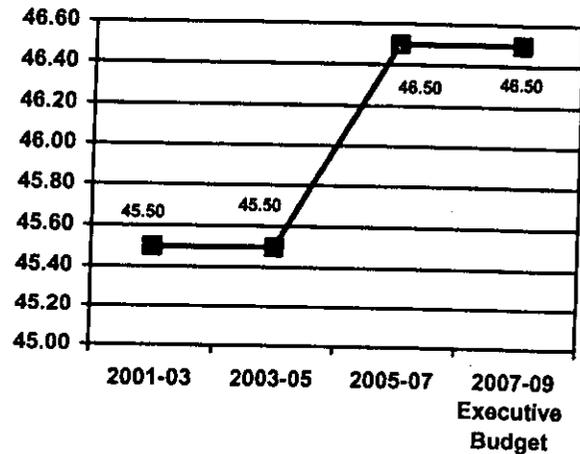
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	46.50	\$0	\$14,350,979	\$14,350,979
2005-07 Legislative Appropriations	46.50	0	13,679,655	13,679,655 <sup>1</sup>
Increase (Decrease)	0.00	\$0	\$671,324	\$671,324

<sup>1</sup>The 2005-07 appropriation amounts do not include \$15,000 of additional special funds authority resulting from Emergency Commission action during the 2005-07 biennium.

**Agency Funding**



**FTE Positions**



**Executive Budget Highlights**

1. Removes one-time funding provided in the 2005-07 biennium for a grant to the North Dakota oil and gas-producing counties
2. Provides funding for salary equity increases
3. Adds funding for expenses associated with legislative members attending functions of the National Conference of Insurance Legislators in a separate line item. (Previously these expenses were included in the department's operating expenses line item.)
4. Includes \$55,000 of special funds relating to the payment of cost-benefit analyses of legislative measures mandating health insurance coverage, the same level of funding provided for the 2005-07 biennium
5. Includes \$6,320,000 from the insurance tax distribution fund of which \$6.2 million is for insurance tax payments to fire departments and \$120,000 is for two equal payments to the North Dakota Firefighters Association, the same level of funding provided for the 2005-07 biennium
6. Includes the statutory changes necessary to increase the commissioner's salary as follows:  
Annual Salary Authorized by the 2005 Legislative Assembly  
 July 2005 - June 2006 - \$70,739  
 July 2006 - June 2007 - \$73,568

General Fund	Other Funds (\$100,000)	Total (\$100,000)
	\$172,236	\$172,236
	\$60,000	\$60,000

Proposed Annual Salary Recommended in the  
 2007-09 Executive Budget  
 July 2007 - June 2008 - \$76,511  
 July 2008 - June 2009 - \$79,571

**Other Sections in Bill**

**Administrative costs of special funds** - Sections 5, 6, 7, and 8 of Senate Bill No. 2010 provide for administrative costs allocated to the bonding fund, fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The following schedule provides information regarding the administrative costs allocated to each special fund. The increases from the 2005-0 biennium will result in a decrease of \$144,579 of Insurance Department administrative costs being provided from the insurance regulatory trust fund.

	2005-07 Biennium Legislative Appropriation	2007-09 Biennium Executive Recommendation	Increase (Decrease)
Bonding fund	\$35,000	\$44,131	\$9,131
Fire and tornado fund	\$988,576	\$1,153,804	\$165,228
Unsatisfied judgment fund	\$35,000	\$16,546	(\$18,454)
Petroleum tank release compensation fund	\$120,000	\$108,674	(\$11,326)

**Continuing Appropriations**

No continuing appropriations for this agency.

**Major Related Legislation**

**Senate Bill No. 2097** - This bill increases the amount of state fire marshal program fees to be paid from the fire and tornado fund and the petroleum release compensation fund for the 2005-07 biennium.

**Senate Bill No. 2183** - This bill provides a \$50,000 appropriation from the insurance premium tax collections for providing firefighters death benefits.

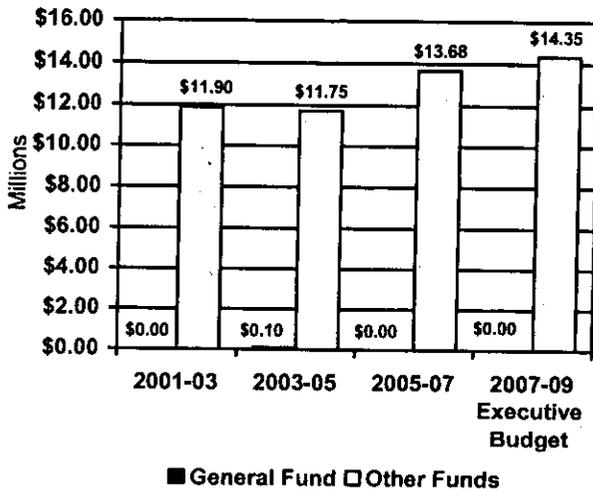
**House Bill No. 1296** - This bill provides a \$5.5 million appropriation from the insurance tax distribution fund for making payments of insurance premium tax collections to medical services operations.

**Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments  
 Senate Bill No. 2010**

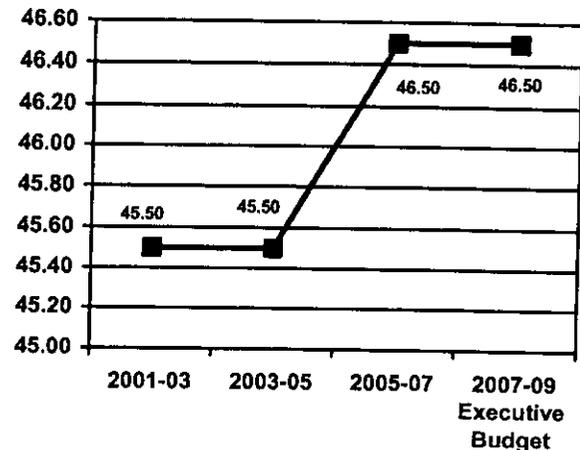
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	46.50	\$0	\$14,350,979	\$14,350,979
2005-07 Legislative Appropriations	46.50	0	13,679,655	13,679,655 <sup>1</sup>
Increase (Decrease)	0.00	\$0	\$671,324	\$671,324

<sup>1</sup>The 2005-07 appropriation amounts do not include \$15,000 of additional special funds authority resulting from Emergency Commission action during the 2005-07 biennium.

**Agency Funding**



**FTE Positions**



**First House Action**

Attached is a summary of first house changes.

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

1. Removes one-time funding provided in the 2005-07 biennium for a grant to the North Dakota oil and gas-producing counties
2. Provides funding for salary equity increases
3. Adds funding for expenses associated with legislative members attending functions of the National Conference of Insurance Legislators in a separate line item. (Previously these expenses were included in the department's operating expenses line item.) **The Senate removed this funding and appropriated it in a separate section to the Legislative Council.**
4. Includes \$55,000 of special funds relating to the payment of cost-benefit analyses of legislative measures mandating health insurance coverage, the same level of funding provided for the 2005-07 biennium
5. Includes \$6,320,000 from the insurance tax distribution fund of which \$6.2 million is for insurance tax payments to fire departments and \$120,000 is for two equal payments to the North Dakota Firefighters Association, the same level of funding provided for the 2005-07 biennium

General Fund	Other Funds	Total
	(\$100,000)	(\$100,000)
	\$172,236	\$172,236
	\$60,000	\$60,000

6. Includes the statutory changes necessary to increase the commissioner's salary as follows:

Annual salary authorized by the 2005 Legislative Assembly:

July 1, 2005	\$70,739
July 1, 2006	\$73,568

Proposed annual salary recommended in the 2007-09 executive budget:

July 1, 2007	\$76,511
July 1, 2008	\$79,571

### Other Sections in Bill

**Administrative costs of special funds** - Sections 5, 6, 7, and 8 of Senate Bill No. 2010 provide for administrative costs allocated to the bonding fund, fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The following schedule provides information regarding the administrative costs allocated to each special fund. The changes from the 2005-07 biennium will result in an increase of \$5,421 of Insurance Department administrative costs being provided from the insurance regulatory trust fund.

	2005-07 Biennium Legislative Appropriation	2007-09 Biennium Executive Budget	2007-09 Biennium Senate Version	2007-09 Senate Version Increase (Decrease) From 2005-07 Legislative Appropriation	2007-09 Senate Version Increase (Decrease) From 2007-09 Executive Budget
Bonding fund	\$35,000	\$44,131	\$44,131	\$9,131	\$0
Fire and tornado fund	\$988,576	\$1,153,804	\$1,003,804	\$15,228	(\$150,000)
Unsatisfied judgment fund	\$35,000	\$16,546	\$16,546	(\$18,454)	\$0
Petroleum tank release compensation fund	\$120,000	\$108,674	\$108,674	(\$11,326)	\$0

### Continuing Appropriations

No continuing appropriations for this agency.

### Major Related Legislation

**Senate Bill No. 2097** - This bill increases the amount of state fire marshal program fees to be paid from the fire and tornado fund and the petroleum release compensation fund for the 2005-07 biennium.

**Senate Bill No. 2103** - This bill provides a \$500,000 appropriation from the insurance regulatory trust fund for reimbursing health care facilities and health care professionals for the costs of performing forensic medical examinations on alleged victims of criminal sexual conduct.

**Senate Bill No. 2183** - This bill provides a \$50,000 continuing appropriation from the insurance premium tax collections for providing firefighters death benefits.

**House Bill No. 1296** - This bill provides a \$1 million appropriation from the insurance tax distribution fund for making payments of insurance premium tax collections to medical services operations.

ATTACH:1



State of North Dakota  
Senate Appropriations Committee  
*Senator Ray Holmberg, Chairman*

*with the exception  
of these pages  
I am  
testimony given  
to Senate  
and House*

# North Dakota Insurance Department BUDGET PRESENTATION 2007 - 2009 BIENNIIUM

Presented by:  
*Jim Poolman, Insurance Commissioner*  
*January 15, 2007*

NORTH  
DAKOTA  
Protecting the  
public good.

---

Insurance  
Department  
*Jim Poolman, Commissioner*



North Dakota Insurance Department  
SECTION BREAKDOWN  
Senate Bill No. 2010

Section 1 — Base Level Funding Information

- Base level funding was kept at 100 percent per the Governor's recommendation.

Section 2 — Funding Adjustments or Enhancements Information

- Salary levels for a few positions, including attorneys, financial examiners, financial analysts and boiler inspectors, are currently well enough below competitive market rates to require adjustments. Accordingly, the Department has requested a lump sum salary package to create competitive salaries for these positions. The Department also needs to review specific salaries for equity increases (see pages 21-22).
- \$15,000 was appropriated from the Emergency Commission in 2006 to expand the Anhydrous Tank Lock Pilot Program. This program provides for reimbursement to tank owners in critical zone counties for the purchase of approved locking devices. To date the Division has reimbursed owners for 970 locks.
- Grants to local fire departments were decreased by \$100,000. This amount was a one-time expenditure in the 2005-2007 biennium for training in western North Dakota's oil producing counties.
- A \$60,000 line item has been added to cover travel expenditures for legislators who attend National Conference of Insurance Legislators (NCOIL) events. The Chairman of the Legislative Council appoints two members of the House and two members of the Senate as NCOIL representatives. These expenses are currently part of the Department's operating budget.



## North Dakota Insurance Department

### SECTION BREAKDOWN

#### Senate Bill No. 2010

##### Section 3 — Appropriation

- The total appropriation of \$14,350,979 represents a 4.9 percent increase over the 2005-2007 budget. This includes the Governor's recommended salary increases.
- Fundamentally, this is a hold even budget with the exception of the salary package and the \$60,000 line item addition to cover NCOIL travel expenses for legislators.

##### Section 4 — Insurance Premiums Tax Collections Payments

- The Department is expected to collect over \$63.1 million in premium taxes in 2007-2009.
- \$6,320,000 of these funds are distributed to Fire Districts and the North Dakota Firefighter's Association (see page 19).



North Dakota Insurance Department  
SECTION BREAKDOWN



Senate Bill No. 2010

Sections 5-8:

- Sections 5 - 8 provide for allocation of expenses for administration of each of the following funds:

Section	FUND	Expected Reserve Balance	Appropriated Admin Expense
5	State Bonding Fund	\$ 2,850,630	\$ 44,131
6	Fire and Tornado	\$ 28,061,018	\$ 1,153,804
7	Unsatisfied Judgment Fund	\$ 9,860,716	\$ 16,546
8	Petroleum Tank Release Compensation Fund	\$ 210,615	\$ 108,674

Section 9 — Anhydrous Ammonia Storage Facility Inspection Fund

- Section 9 of the Act includes the sum of \$150,000 to pay for anhydrous ammonia tank inspection costs.

Section 10 — Amendment

- This amendment provides for the Governor's recommended salary increases of 4 percent and 4 percent of the Commissioner of Insurance's salary.



**State of North Dakota**  
**House Appropriations Government Operations Subcommittee**  
*Representative Alan H. Carlson, Chairman*

**North Dakota Insurance Department**  
**BUDGET PRESENTATION**  
**2007 - 2009 BIENNIIUM**

**Presented by:**  
*Jim Poolman, Insurance Commissioner*  
*February 23, 2007*

**NORTH DAKOTA**  
*Protecting the public good.*  
**Insurance Department**  
*Jim Poolman, Commissioner*



# North Dakota Insurance Department

## Budget Presentation 2007 - 2009 Biennium

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# North Dakota Insurance Industry and Regulation

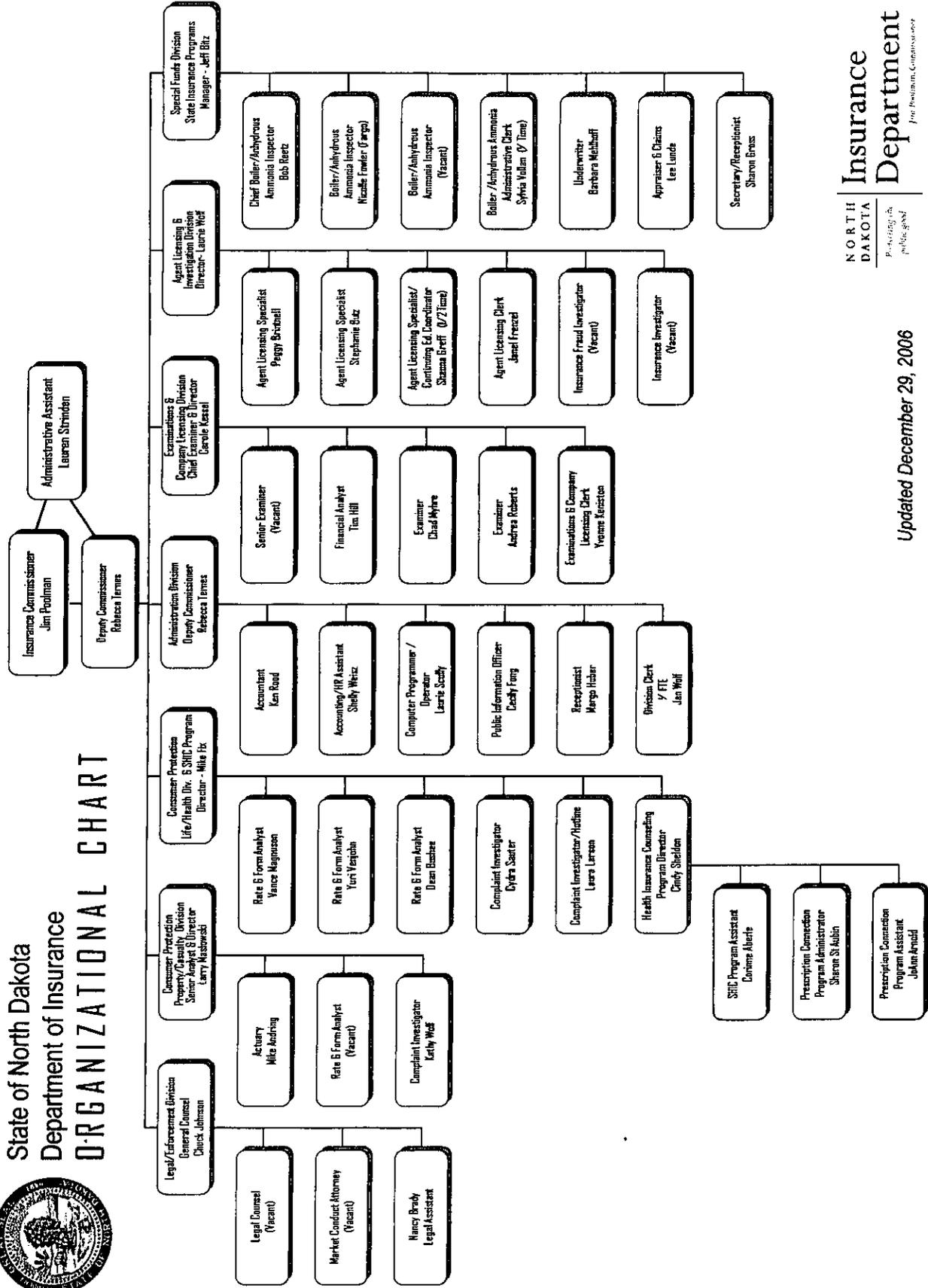
## — AT A GLANCE —



THE INSURANCE INDUSTRY	2005 - 2006
Total Premium Written	\$ 3.05 billion (2005)
Net Premium Tax Collected ( <i>general fund dollars</i> )	\$ 53.9 million (Fiscal Year)
Claims, Losses & Benefits Paid to Consumers	\$ 2.35 billion (2005)
REGULATION AND CONSUMER PROTECTION	
ND Insurance Department Dedicated Regulatory Staff	37.5 Auth. FTE
Dedicated Special Fund Staff	9.0 Auth. FTE
Consumer Relief from Complaints and Hotline Contacts	\$ 3.19 million
Administrative Fines from Agents and Companies	\$ 97,568
Administrative Relief from Agents and Companies	\$ 713,241
SENIOR HEALTH INSURANCE COUNSELING (SHIC) PROGRAM	
Number of North Dakotans Assisted	6,131
Savings for North Dakota Citizens	\$ 2.9 million
Number of Website Hits	11,356
PRESCRIPTION CONNECTION PROGRAM	
Number of North Dakotans Assisted	12,719
Savings for North Dakota Citizens	\$ 8.2 million
Number of Website Hits	11,805
BENEFITING NORTH DAKOTA TAXPAYERS	
Insurance Regulatory Trust Fund – Turnback to the General Fund	\$ 4.38 million



State of North Dakota  
Department of Insurance  
**ORGANIZATIONAL CHART**



**Insurance Department**  
NORTH DAKOTA  
Protecting the public good  
The Premium Commitment

Updated December 29, 2006



## North Dakota Insurance Department DIVISION OVERVIEWS

NORTH  
DAKOTA  
Insuring the  
People of the State  
Insurance  
Department  
*For Public Convenience*

### ADMINISTRATION DIVISION

The Administration Division of the Insurance Department is responsible for oversight of the budget, accounting, IT needs, and general office support throughout 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.

### AGENT LICENSING AND INVESTIGATION DIVISION

The Agent Licensing and Investigation Division is responsible for the licensing of over 45,000 insurance producers doing business in North Dakota. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements. The Division approves continuing education courses, determines the appropriate credit, and monitors agent compliance with the licensing and continuing education requirements.

This Division also investigates complaints against insurance companies and insurance producers and works together with the Legal Division and other pertinent agencies in prosecuting any misconduct by an insurance company or insurance producer which may result in a fine and a suspended or revoked license.

The Division implements an insurance fraud referral system utilizing existing staff resources to receive the initial fraud referral and coordinate the investigation with various law enforcement agencies.

### 2005 - 2006 IN REVIEW

On behalf of North Dakotan insurance consumers the Agent Licensing and Investigations Division worked together with the Legal Division to obtain a total of \$713,240 in resolving agent and company administrative investigations. Additionally, the Department collected administrative fines totaling \$97,568.



## North Dakota Insurance Department DIVISION OVERVIEWS

### LEGAL DIVISION

The primary function of the Legal Division is to provide counsel and advice to the Insurance Commissioner and Department staff. Other functions of the Division include: responding to general questions regarding insurance and insurance law posed by consumers and the insurance industry; assisting Department staff to resolve consumer complaints; and, reviewing drafts and finalizing proposed law and rule changes.

When it comes to the attention of the Insurance Department that an insurance agent or company may have acted in violation of the law, the Legal Division collaborates with the Agent Licensing and Investigations Division to initiate the appropriate enforcement proceeding. Possible consequences of the proceeding include: a penalty fine; a suspended or revoked license; and, occasionally an investigation of specific company activities in a "market conduct" examination.

### 2005 - 2006 IN REVIEW

Three rule-making hearings were held on the following issues: self-funded insurance pools; rule changes to implement 2005 legislative decisions; and, updated Medicare supplement rules as required by a federal law change.

The Commissioner signed Cease and Desist orders on five companies for using illegal techniques to market discount medical plans in the state. The companies were located in Texas, California, Delaware, Florida, and Arizona.



## North Dakota Insurance Department DIVISION OVERVIEWS

NORTH  
DAKOTA  
Protecting the  
Public Good  
Insurance  
Department  
*for Nebraska, Commissioner*

### 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. Division examiners perform periodic financial audits to assure these companies maintain reserves sufficient to pay policyholder claims and comply with state laws.

#### 2005 - 2006 IN REVIEW

As of December 31, 2006 there were a total of 2,090 insurance entities licensed to do business in North Dakota and among them, 39 domiciled companies. Division examiners completed 18 financial exams on North Dakota domiciled companies during 2005 and 2006. The Department is currently preparing for its fourth Solvency Oversight Accreditation for a five-year term by the National Association of Insurance Commissioners (NAIC) effective 2007.

### CONSUMER PROTECTION: PROPERTY/CASUALTY and LIFE/HEALTH

The Consumer Protection Division consists of two subdivisions: Property/Casualty, and Life/Health. To protect consumers, Division analysts review policy forms and rate filings for insurance products which insurance companies seek to sell in North Dakota. The Division also provides an "Insurance Hotline" service to consumers who get prompt answers to questions on claims and policies. When appropriate, the staff helps consumers file formal complaints. Investigators gather facts on these complaints and when justified, act as an advocate to help consumers get their disputed claims settled.

#### 2005 - 2006 IN REVIEW

During this period, staff processed 20,428 inquiries and complaints from North Dakotans needing help resolving insurance-related matters and obtained over \$3.2 million dollars of relief on behalf of consumers.



## North Dakota Insurance Department DIVISION OVERVIEWS

NORTH  
DAKOTA  
Presenting the  
Public Good.  
Insurance Department  
The Professional Licensee

### CONSUMER PROTECTION - LIFE/HEALTH, *cont.*

Included in the Consumer Protection - Life/Health Division are two programs benefiting North Dakotan consumers: The Senior Health Insurance Counseling (SHIC) Program, and the Prescription Connection for ND Program.

#### SENIOR HEALTH INSURANCE COUNSELING ( SHIC )

Funded through the Centers for Medicare and Medicaid Services (CMS) the SHIC program provides free, confidential, health insurance counseling to Medicare beneficiaries, their families, or other representatives. Services provided by trained SHIC counselors include:

- Help enrolling in the new Medicare Part D prescription drug plans
- Explanation of benefits of long term care insurance
- Evaluation of insurance coverage
- Assistance with claims and appeals

#### 2005 - 2006 IN REVIEW

In preparation of the massive launch of the Medicare Part D prescription drug benefit, North Dakota's SHIC program lead a cooperative effort of 30 organizations to inform approximately 104,000 Medicare beneficiaries in the state about the program. Over 200 Part D outreach sessions were conducted throughout the state and SHIC volunteers fielded thousands of telephone calls giving one-on-one help with the complicated enrollment process. *The joint effort was so successful that North Dakota achieved the highest signup percentage in its CMS region. At 81%, signup, North Dakota's rate surpassed that of Minnesota, South Dakota, Montana and Wyoming.*

*According to CMS estimates, the SHIC program saved North Dakota Medicare beneficiaries \$2.9 million during 2005-2006.*



## North Dakota Insurance Department DIVISION OVERVIEWS

NORTH  
DAKOTA  
Protecting the  
Public, Saving  
Insurance Department  
For the Health of our Citizens

### CONSUMER PROTECTION - LIFE/HEALTH, cont.

#### PRESCRIPTION CONNECTION FOR ND

The Prescription Connection for ND Program helps low income North Dakotans of all age groups find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs (PAPs) offered by pharmaceutical manufacturers. The program's rate of success is extremely high. Program staff assists consumers with every aspect of the application process and connects 99 percent of all applicants to an appropriate PAP. *For every dollar invested in the Prescription Connection for ND Program, \$64 worth of prescriptions have been provided to North Dakotans in need.*

#### 2005 - 2006 IN REVIEW

*In 2005-2006 the Prescription Connection program helped approximately 12,719 people across North Dakota obtain more affordable or free prescriptions. Savings to these low-income applicants amounted to over \$8.2 million in prescription drug costs that would otherwise be unaffordable.*

During the first half of 2006, the program concentrated it's outreach efforts on helping seniors with Medicare Part D decisions. Later in the year, with more and more seniors reaching the Part D "donut hole," many faced the difficult prospect of paying full cost for their prescriptions or going without the drugs they need. Connecting these seniors with timely assistance became an important function of Prescription Connection.

Also, during the second half of the year, outreach efforts began targeting the prescription needs of children in the state and the needs of Native Americans.



## North Dakota Insurance Department DIVISION OVERVIEWS

### SPECIAL FUNDS DIVISION

The Special Funds Division includes a variety of programs serving North Dakotans. All of the following programs are self funded and do not require an appropriation from either the State General Fund or the Insurance Regulatory Trust Fund.

#### STATE BONDING FUND:

The State Bonding Fund provides fidelity bond coverage to the State of North Dakota and its political subdivisions including counties, townships, cities, park districts and school districts. The bond issued by the Fund is a fidelity bond, which covers public officials and employees for theft of money and property by public officials and employees. Established by the Legislature in 1919, no premium has been charged for this coverage since 1953. Collection of premiums resumes if the Fund reserve is depleted below \$2 million and continues until the reserve fund reaches \$3 million. The State Bonding Fund serves 2,948 bondholders with a combined insured value of approximately \$423 million.

#### CURRENT UPDATE:

As of December 31, 2006 the State Bonding Fund had a reserve balance of an estimated \$2,850,630 with a minimum required reserve of \$2,000,000 and loss claims payable of \$654,702 consisting of ten claims. To date this biennium, three (3) judgments totaling \$60,866 have been paid out on claims filed during the previous biennium.



# North Dakota Insurance Department DIVISION OVERVIEWS

**Insurance Department**  
NORTH DAKOTA  
*Protecting the Public Good*  
The National Commitment

## SPECIAL FUNDS DIVISION

### FIRE AND TORNADO FUND:

Since 1919, the State Fire and Tornado Fund has provided affordable building and business personal property insurance coverage to state entities and political subdivisions of the state. In the event the reserve falls below \$12 million, assessments will be computed and collected, without exceeding 60 percent of the rates set by the Insurance Services Office for insured property, unless the reserve balance is depleted below \$3 million. The State Fire and Tornado Fund insures 8,763 public buildings throughout the state with a combined insured value of \$5.9 billion.

### CURRENT UPDATE:

As of December 31, 2006 the Fire and Tornado Fund had a reserve balance of an estimated \$28,061,018 with a minimum required reserve balance of \$12,000,000 and loss claims payable of \$727,774. So far this biennium approximately 385 claims totaling \$3.6 million have been processed.

Fire and Tornado Fund						
Fiscal Year	No. of Policyholders	Rate Change	Premiums Collected	No. of Claims	Claim Payments	
2002	1086	15% Increase	\$ 3.91 million	351	\$ 4.95 million	
2003	1087	5% Increase	\$ 4.38 million	272	\$ 3.13 million	
2004	1087	No Change	\$ 4.60 million	209	\$ 3.24 million	
2005	1084	No Change	\$ 4.89 million	222	\$ 1.39 million	
2006	1079	10% Reduction	\$ 4.89 million	237	\$ 2.60 million	



## North Dakota Insurance Department DIVISION OVERVIEWS

### SPECIAL FUNDS DIVISION, cont.

#### PETROLEUM TANK RELEASE COMPENSATION FUND:

The North Dakota Petroleum Tank Release Compensation Fund was established by the 1989 North Dakota State Legislature to financially assist tank owners for cleanup costs and third party liability caused by petroleum contamination.

All owners or operators of aboveground or underground petroleum storage tanks in North Dakota are required to register their tanks with the Fund and pay an annual registration fee. Violation of this law is a class B misdemeanor. The annual fee per tank can range from \$5 to \$100 depending on the level of the Fund's balance, but is generally \$50. Annually, 1,659 tank owners pay a registration fee for 5,534 tanks.

If a petroleum release occurs or petroleum contamination is discovered, an eligible tank owner is reimbursed 90 percent of necessary and reasonable costs between \$5,000 and \$155,000 for cleanup of contamination or third-party liability. The fund reimburses 100 percent of costs between \$155,000 and \$1,000,000.

#### CURRENT FUND UPDATE:

As of December 31, 2006 the Petroleum Tank Release Compensation Fund had a reserve balance of an estimated \$9,860,716, with a minimum required balance of \$6,000,000 and loss claims payable of \$1,155,340.



## North Dakota Insurance Department DIVISION OVERVIEWS

NORTH  
DAKOTA  
Protecting the  
Public Good  
Insurance  
Department  
The Business Commissioner

### SPECIAL FUNDS DIVISION, *cont.*

#### UNSATISFIED JUDGMENT FUND:

The Unsatisfied Judgment Fund was created to protect residents of North Dakota against the financial hardships associated with bodily injury caused by irresponsible, uninsured, judgment-proof drivers.

A North Dakota resident who recovers in court a judgment exceeding \$300 for bodily injury incurred as a result of the operation or use of a motor vehicle may apply to a judge for an order to direct payment from the Unsatisfied Judgment Fund. The injury has to occur in North Dakota and the applicant must provide proof that the judgment is uncollectible prior to making application to the Fund.

Recovery from the Fund is limited to payment of \$10,000 for bodily injury, including death, of one person in any one accident or \$20,000 for bodily injury, including death, of two or more persons in any one accident. An applicant must first exhaust all uninsured motorist coverage and Assigned Claims Plan monies that are available before payment from the Fund may be made.

When payment is made out of the Fund, the judgment debtor or Defendant is liable to repay the amount of the judgment plus six percent interest per annum. The amount can be repaid either by a lump sum payment or by installment payments ordered by the court.

If no arrangements are made to repay the judgment, a Defendant's drivers license is suspended. If at any time a Defendant defaults in his installment payments, his license may again be revoked and a penalty payment in the amount of \$200 must be made to get it back.

On June 1<sup>st</sup> of any year, if the uncommitted balance of the Fund has fallen below \$150,000, the motor vehicle registration fee is increased by \$1. This extra \$1 fee is suspended if on the next June 1<sup>st</sup> the uncommitted balance is above \$150,000 and continued if under \$150,000.

#### CURRENT FUND UPDATE:

As of December 31, 2006 the reserve balance of the Unsatisfied Judgment Fund was \$210,615 with a minimum required balance of \$150,000 and loss claims payable of \$10,000. During 2005-2006 the fund paid on three files for a total of \$40,000.



North Dakota Insurance Department  
DIVISION OVERVIEWS

SPECIAL FUNDS DIVISION, cont.

SPECIAL FUNDS BALANCE REPORT

*Estimate as of December 31, 2006*

Fund	Reserve Balance	Minimum Requirement	Variance Fav (Unfav)	Loss Claims Payable
State Bonding Fund	\$ 2,850,630	\$ 2,000,000	\$ 850,630	\$ 654,702
Fire and Tornado	\$ 28,061,018	\$ 12,000,000	\$ 16,061,018	\$ 727,774
Petroleum Tank	\$ 9,860,716	\$ 6,000,000	\$ 3,860,716	\$ 1,155,340
Unsatisfied Judgment	\$ 210,615	\$ 150,000	\$ 60,615	\$ 10,000

Note: Reserve Balance = Cash + Money Market Deposit Accounts + Investments



## North Dakota Insurance Department DIVISION OVERVIEWS

### SPECIAL FUNDS DIVISION, *cont.*

#### BOILER AND PRESSURE VESSEL INSPECTION PROGRAM:

The Boiler and Pressure Vessel Inspection Programs provide initial and periodic inspections of boilers of all sizes, types and pressures. Originated in 1953, the Boiler Inspection Program is responsible for the inspection and safe repair of boilers installed in public and commercial locations. Technical advice and engineering assistance is provided to installers, repair firms, operators, and owner/users.

Nominal fees ranging from \$40-\$90 per boiler are collected to fund the inspection activity. Coordination of inspections with insurance companies allows qualified insurance company "special inspectors" to participate in making required inspections and prevents duplication of services.

#### CURRENT UPDATE:

There are 8,696 boilers in North Dakota. The Department inspects approximately 4,590 boilers and ensures that the remaining 4,106 boilers are inspected by their private insurance carriers.



## North Dakota Insurance Department DIVISION OVERVIEWS

### SPECIAL FUNDS DIVISION, *cont.*

#### ANHYDROUS AMMONIA FACILITY INSPECTION PROGRAM:

The Anhydrous Ammonia Inspection Program provides initial and periodic inspections of anhydrous ammonia storage facilities, including storage containers, system piping, safety equipment and nurse tanks. Inspections of storage facilities and providing of technical information are handled by the Insurance Department through the State Fire and Tornado Fund and the Boiler Inspection Program.

#### CURRENT UPDATE:

To help in the state's fight against the illegal manufacture of methamphetamine, the Anhydrous Tank Lock Pilot Program was expanded in 2005, requiring all anhydrous dealers, farmers and any owner/operator of an anhydrous nurse tank in the Critical Methamphetamine Use Zone to lock their tanks with an approved locking device when unattended. This program provides for reimbursement to tank owners in critical zone counties for the purchase of approved locking devices. To date the Division has reimbursed owners for 970 locks.



## North Dakota Insurance Department

### SECTION BREAKDOWN

#### Senate Bill No. 2010

NORTH  
DAKOTA  
Protecting the  
Public Good  
The Public-Adjusters Commission

#### Section 1 — Base Level Funding Information

- Base level funding was kept at 100 percent per the Governor's recommendation.

#### Section 2 — Funding Adjustments or Enhancements Information

- Salary levels for a few positions, including attorneys, financial examiners, financial analysts and boiler inspectors, are currently well enough below competitive market rates to require adjustments. Accordingly, the Department has requested a lump sum salary package to create competitive salaries for these positions. The Department also needs to review specific salaries for equity increases (see pages 21-22).
- \$15,000 was appropriated from the Emergency Commission in 2006 to expand the Anhydrous Tank Lock Pilot Program. This program provides for reimbursement to tank owners in critical zone counties for the purchase of approved locking devices. To date the Division has reimbursed owners for 970 locks.
- Grants to local Departments were decreased by \$100,000. This amount was a one-time expenditure in the 2005-2007 biennium for training in western North Dakota's oil producing counties.
- The Senate Appropriations Committee added language to Senate Bill 2010 that transfers \$60,000 from the Insurance Department's budget to the Legislative Council's budget. The Chairman of the Legislative Council appoints two members of the House and two members of the Senate as National Conference of Insurance Legislators (NCOIL) representatives. Effective this biennium, travel expenditures for legislators who attend NCOIL events will come out of the Legislative Council's budget.



## North Dakota Insurance Department

### SECTION BREAKDOWN

#### Senate Bill No. 2010

##### Section 3 — Appropriation

- The total appropriation of \$14,350,979 represents a 4.9 percent increase over the 2005-2007 budget. This includes the Governor's recommended salary increases.
- Fundamentally, this is a hold even budget with the exception of the salary package and the \$60,000 line item addition to cover NCOIL travel expenses for legislators.
- The Senate Appropriations Committee modified the language in this section to indicate that moneys are not appropriated to the Insurance Department from the general fund. The Insurance Department's budget is funded through special funds and federal funds only.

##### Section 4 — Insurance Premiums Tax Collections Payments

- The Department is expected to collect over \$63.1 million in premium taxes in 2007-2009.
- \$6,320,000 of these funds are distributed to Fire Districts and the North Dakota Firefighter's Association (see page 19).



North Dakota Insurance Department  
SECTION BREAKDOWN

Senate Bill No. 2010

Sections 5-8:

- Sections 5 – 8 provide for allocation of expenses for administration of each of the following funds:

Section	FUND	Expected Reserve Balance	Appropriated Admin Expense
5	State Bonding Fund	\$ 2,850,630	\$ 44,131
6	Fire and Tornado	\$ 28,061,018	\$ 1,153,804
7	Unsatisfied Judgment Fund	\$ 9,860,716	\$ 16,546
8	Petroleum Tank Release Compensation Fund	\$ 210,615	\$ 108,674

- The Senate Appropriations Committee corrected a drafting error in SB 2010 that was the result of a double posting of \$150,000 in the Fire and Tornado Fund. This clerical error did not change the overall appropriation.

Section 9 -- Anhydrous Ammonia Storage Facility Inspection Fund

- Section 9 of the Act includes the sum of \$150,000 to pay for anhydrous ammonia tank inspection costs.

Section 10— Amendment

- This amendment provides for the Governor's recommended salary increases of 4 percent and 4 percent of the Commissioner of Insurance's salary.



# North Dakota Insurance Department

## FIRE DISTRICT PAYMENTS

### FIRE DISTRICT PAYMENTS

Every insurance company licensed to do business in North Dakota is subject to a premium tax on the gross amount of its annual premiums, membership fees, and policy fees received from North Dakota policyholders as reported on the company's North Dakota State page of its annual statement. The premium tax rate is two percent for life insurance and one and three-fourths percent for accident, health, property, casualty and surplus lines of insurance.

The insurance premium tax is administered by the State Insurance Commissioner and is collected quarterly and deposited into the State General Fund. North Dakota law provides that properly organized fire districts receive financial assistance in the form of an annual payment which is also administered by the State Insurance Commissioner. Therefore, the legislature appropriates a portion of the insurance premium tax revenue collected to be allocated to qualified fire districts in the state of North Dakota.

Senate Bill 2010 appropriates \$6,320,000 to the Fire District Fund for the 2007-2009 biennium. The bulk of the Fund is distributed to qualifying fire districts within the state of North Dakota and the remaining \$120,000 covers the North Dakota Firefighter's Association dues. Payments to districts are mailed in September of each year.

#### CURRENT UPDATE:

The chart on the following page provides a sampling of district payments for 2006.



# North Dakota Insurance Department

## SELECTED FIRE DISTRICT PAYMENTS - 2006

Fire District	2005 Premium	% of Total Premiums	2006 Payment
Bismarck Fire Department	\$ 19,961,307	6.82540%	\$ 211,588
Bismarck Fire Protection District	4,826,334	1.65028%	51,159
Bowman Fire Department	677,799	0.23176%	7,185
Bowman Fire Protection District	504,495	0.17250%	5,348
Carrington Fire Department	986,289	0.33724%	10,454
Carrington Fire Protection District	1,232,427	0.42141%	13,064
Dickinson Fire Department	5,269,766	1.80190%	55,859
Dickinson Fire Protection District	1,707,307	0.58378%	18,097
Fargo Fire Protection District	29,588,754	10.11733%	313,637
Grand Forks Fire Protection District	15,166,995	5.18608%	160,768
Hillsboro Fire Protection District	1,802,725	0.61641%	19,109
Jamestown Fire Department	4,765,649	1.62953%	50,515
Jamestown Fire Protection District	2,552,762	0.87287%	27,059
Minot Fire Department	11,623,760	3.97453%	123,210
Minot Fire Protection District	2,537,566	0.86767%	26,898
Mott Fire Protection District	1,256,649	0.42969%	13,320
New Salem Fire Protection District	899,279	0.30753%	9,533
Osnaabrock Fire Department	76,343	0.02610%	809
Osnaabrock Fire Protection District	415,188	0.14197%	4,401
Rufland/Cayuga Fire Protection District	317,813	0.10867%	3,369
Tioga Fire Department	372,313	0.12731%	3,946
Tioga Fire Protection District	352,829	0.12064%	3,740
Valley City Fire Department	2,448,371	0.83718%	25,952
Valley City Fire Protection District	1,250,786	0.42768%	13,258
Wahpeton Fire Protection District	2,867,292	0.98042%	30,393
West Fargo Fire Department	5,547,809	1.89697%	58,806
West Fargo Fire Protection District	2,624,247	0.89731%	27,817
Wolford Fire Protect District	286,626	0.09801%	3,038
<b>Total State Premiums</b>	<b>\$ 292,456,078</b>	<b>Total Annual District Payments</b>	<b>\$ 3,100,000</b>

Formula: (Each Fire District Premiums ÷ Statewide Premiums) x \$3,100,000



# North Dakota Insurance Department

## POSITION VACANCIES

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*Leading the way for public good*

Insurance Department  
*The Public's Commissioner*

Position #	Class Title	Status of Position	Vacancy Date
4878	Senior Insurance Company Examiner	<ul style="list-style-type: none"> <li>Recruitment attempts unsuccessful</li> <li>Request For Proposal sent to contractors nation-wide</li> </ul>	May 2006
4902	Attorney - Not Classified	<ul style="list-style-type: none"> <li>Employee terminated employment to move out of state</li> <li>Recruitment attempt unsuccessful - offer declined</li> </ul>	Aug 2006
4900	Insurance Form/Rate Analyst II	<ul style="list-style-type: none"> <li>Recently vacated through a RIF due to lower numbers of paper filings</li> <li>Half-time position</li> </ul>	Jan 2007
4889	Insurance Investigator	<ul style="list-style-type: none"> <li>Currently assessing need to reclassify position</li> </ul>	Sept 2001
4891	Attorney, Market Conduct - Not Classified	<ul style="list-style-type: none"> <li>Currently utilizing contractors as needed</li> <li>Plan to fill position in near future</li> </ul>	Dec 2004
4911	Insurance Fraud Investigator	<ul style="list-style-type: none"> <li>Job duties currently performed by existing staff</li> <li>Assessing need to fill vacancy due to increased work load</li> </ul>	July 2003

### 2005 - 2006 Update:

- Two deputy boiler inspector positions became vacant, one due to death. Both vacancies were difficult to fill, requiring much time and recruitment efforts. This was due to under market salary levels, travel necessities of the position and National Board Commission requirements.
- The Business and Administrative Services Director (HR) position was re-classified as an Examiner I position. Job duties were reassigned among several existing positions.



# North Dakota Insurance Department



## SALARY INCREASE PACKAGE

Salaries for several positions in the Insurance Department have slid below competitive market rates and require adjustment. Positions of concern include attorneys, financial examiners, financial analysts and boiler inspectors.

- The Department's General Counsel will retire in the second quarter of 2007. The ending salary for the position is below both the average experienced state-employed attorney salary and the average experienced private practice attorney.
- The staff attorney that recently left was underpaid given experience and specialty in insurance.
- HB1003 from the 2005 Legislative Session provided for a study of attorney and paralegal salaries. The Human Resource Management Services Division (HRMS) of the Office of Management and Budget conducted a survey of attorneys and paralegals employed by all entities of state government as of January 1, 2006. Job Service Labor Market data was also reviewed for the study.

Attorney and Paralegal Overall Average Salaries: Equity Review Findings	
ND State Attorney Average Salary (5-10 years experience)	\$ 54,017
ND State Attorney Average Legal Division Director Salary	\$ 80,038
ND Job Service Labor Market Average Attorney Salary	\$ 75,422
ND Job Service Labor Market Average Experienced Attorney Salary	\$ 91,944



## North Dakota Insurance Department



### SALARY INCREASE PACKAGE, cont.

- The Senior Insurance Company Examiner position was vacated through retirement of an employee after 28 years of service with the Department. The position requires a Certified Financial Examiner (CFE) designation. There are only **three** CFEs in North Dakota (one is the same retired employee and a second is currently employed by the Department). A wider six-state region employs only 25 CFEs. The scarcity of qualified candidates and the need to recruit out of state makes it likely that the salary level of the Senior Examiner position will need to be significantly increased to attract recruits.
- The Chief Examiner (Division Director) position is currently occupied by a long-time Department employee. The unlikely ability of filling the vacant Certified Financial Examiner (CFE) Senior Examiner position at a salary level below that of the current Chief Examiner is expected to create a salary equity issue within the Division.
- The current Financial Analyst will likely retire in the next few years. Again, this will be a difficult position to fill without an increase in the salary level.

NAIC - 2004 Average National Salary Ranges*	
Average Salary - All Levels Examiners	\$ 37,974 - \$ 71,555
Average Salary - Financial Analysts	\$ 34,992 - \$ 63,425
Average Salary - Supervisory Staff (Chief / Director)	\$ 50,395 - \$ 84,050
*Source: NAIC 2004 Insurance Department Resources Report	



# SUMMARY OF MAJOR GOALS AND OBJECTIVES AND RELATED PERFORMANCE

## Measurement Data for the 2007 - 2009 Biennium

The following five major goals and objectives of the Insurance Department are ongoing:

### I. IMPLEMENTATION OF ELECTRONIC (PAPERLESS) SYSTEM IN INSURANCE REGULATION

Advances achieved during 2005-2007 biennium

- Implemented electronic processing and payment for all agent appointment renewals, processing over 273,000 transactions
- Mandated electronic renewal process and payment for nonresidents due to renew in January 2007
- Added value to the Department web site by adding an Agent/Agency and Company look-up feature
- Updated policy electronic filing system, creating a faster and simpler platform
- Created online forms in several areas of company licensing to simplify process

Planned focus during 2007-2009 biennium

- Assess the need to migrate to one electronic form/rate filing system
- Implement an electronic initiative to allow persons to file applications for resident agent licenses electronically
- Implement an electronic initiative to allow resident agents to file continuing education reports and renew on line
- Create an electronic address change process for resident and nonresident producers
- Implement electronic renewal processes for licensed and registered companies
- Fully implement the electronic Uniform Application licensing process and Corporate Amendment process for admitted companies
- Continue to analyze and implement electronic imaging solutions for all Divisions

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Protecting the  
Public Good

Insurance  
Department  
for the benefit of consumers



## SUMMARY OF MAJOR GOALS AND OBJECTIVES AND RELATED PERFORMANCE

Measurement Data for the 2007 - 2009 Biennium, *cont.*

### 2. IMPLEMENT CONSUMER PROTECTION ENHANCEMENTS RESULTING FROM 2005 LEGISLATION

#### Advances achieved during 2005-2007 biennium

- Implemented 45-06-14 Self-Insurance Pools to enable groups to form a cooperative to provide health insurance to implement SB2347
- Completed a general Rulemaking to address several 2005 legislative changes
- Bulletin 2006-2 implements a Century Code change requiring that a "covered entity" disclose annually the benefits of a "payment received by a pharmacy benefits manager"
- Worked with companies to implement underwriting standards under the Comprehensive Loss Underwriting Exchange (CLUE) bill

#### Planned focus during 2007-2009 biennium

- Adopt Rules and Bulletins necessary to implement statutory changes, if any, created during the 2007 Legislative Session



# SUMMARY OF MAJOR GOALS AND OBJECTIVES AND RELATED PERFORMANCE

Measurement Data for the 2007 - 2009 Biennium, *cont.*

## 3. ENHANCE CONSUMER EDUCATION

### Advances achieved during 2005-2007 biennium

- Updated consumer handbooks for auto and homeowners insurance
- Updated the Fire and Tornado Fund mitigation brochures
- Developed new promotional materials for the Senior Health Insurance Counseling (SHIC) and Prescription Connection for North Dakota (PC4ND) programs
- Began promotion of the "Insure U" Life Stages consumer education campaign
- Increased unique visitor web site traffic by almost 20 percent

### Planned focus during 2007-2009 biennium

- Develop and maintain all print materials as needed
- Maintain Department web site to provide timely industry and consumer general information, company financial reporting requirements, and agent and company information
- Continue promotion of the "Insure U" program
- Promote increased Department web site use



# SUMMARY OF MAJOR GOALS AND OBJECTIVES AND RELATED PERFORMANCE

Measurement Data for the 2007-2009 Biennium, *cont.*

## 4. ENHANCE OUTREACH PROGRAMS

### Advances achieved during 2005-2007 biennium

- Spearheaded organization effort with various assistance providers in preparation for the Medicare Part D roll-out
- Set up exclusive 1-888 telephone number to handle upsurge of Medicare Part D calls
- Implemented two new marketing campaigns for Prescription Connection for North Dakota focusing on children and Native American consumers
- Assisted almost 13,000 people in the Prescription Connection for North Dakota program
- Assisted over 6,000 people with Medicare Part D questions
- Trained (and continue to train) over 160 SHIC volunteers statewide
- Arranged multiple statewide presentations by the Commissioner and staff on a variety of insurance industry topics
- Educational materials developed and mailed to Fire and Tornado Fund policyholders and Bonding Fund bondholders

### Planned focus during 2007-2009 biennium

- Continue playing lead role in providing Medicare Part D information and enrollment assistance
- Identify and reach new demographic groups in need of SHIC and PC4ND services
- Recruit and train additional SHIC and PC4ND volunteers and support current volunteers
- Create PC4ND educational campaign targeting medical and general community on program benefits
- Continue to present educational programs to community groups and consumers



## SUMMARY OF MAJOR GOALS AND OBJECTIVES AND RELATED PERFORMANCE

Measurement Data for the 2007-2009 Biennium, *cont.*

### 5. TIMELY RESPONSE TO INQUIRIES AND REQUESTS

#### Advances achieved during 2005-2007 biennium

- Acted on incoming hotline calls within two days.
- The majority of property and casualty (P/C) and life and health (L/H) consumer complaints received by the Department are resolved within 60 days. Due to fact finding and mediation processes, certain complaints may exceed 60 days to be fully resolved.
- The majority of P/C and L/H company filings were completed within 60 days. A few filings required more time, but were completed as promptly as their complexity allowed.

#### Planned focus during 2007-2009 biennium

- Respond to hotline calls within two days
- Process P/C and L/H consumer complaints within 60 days
- Process P/C and L/H company filings within 60 days

**NORTH DAKOTA FIREFIGHTER'S ASSOCIATION  
BISMARCK, NORTH DAKOTA  
SB 2010**

Chairman Carlson and members of the committee, my name is Lois Hartman. I am the Executive Director of the North Dakota Firefighter's Association. I appear before you today in support of SB 2010 and to request an amendment be attached to the bill. The Senate Appropriations Committee deleted the funding from the Fire and Tornado fund for fire service training from the OMB budget. The North Dakota Firefighter's Association has received an appropriation for fire service training since at least 1931. I went through the financial records I have in the office as far back as 1931 and found an annual appropriation for training. The appropriation has been in the OMB budget, but the funds have come from the Fire and Tornado fund. It would seem appropriate to have the appropriation in the Insurance Commissioner's budget as the funds are under the management of the Insurance Department.

The North Dakota Firefighter's Association was organized in 1884 for the purpose of training firefighters. I have attached a chart showing the number of firefighters and departments trained at regional and the state fire school over the past seven years. The 2007 State Fire School is in progress this week here in town. We had 1,117 firefighters pre-registered for classes this year. I would like to invite you to the Civic Center to see the training that is being provided. Classes start at 8 AM and continue until 5 Pm today and tomorrow. Fire

Page 2

SB 2010

school will continue through Sunday noon. The Board Members or myself would welcome the opportunity to show you around. Without the state appropriation, this training could not happen.

I have attached a chart showing the growth in the state fire school and the increasing costs of training. As fire school has grown in numbers and classes, we have expanded our requirement for more space and instructors to accommodate all those who wish to attend and take training.

Mr. Chairman, I would respectfully request the committee's adoption of the amendment and a do pass on SB 2010. Thank You for the opportunity to speak to you today. I would be happy to answer any questions.

**NORTH DAKOTA FIREFIGHTER'S ASSOCIATION  
FIRE SCHOOL ATTENDANCE SUMMARY**

**FIREFIGHTERS PARTICIPATING IN STATE FIRE SCHOOL: (Held in February each year)**

2000	2001	2002	2003	2004	2005	2006
848	933	1053	1016	1043	1076	1079

**FIRE DEPARTMENTSPARTICIPATING AT STATE FIRE SCHOOL**

158	188	202	184	190	199	216
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**State Fire School Costs Summary:**

	2004	2005	2006
Instructors:	\$28,914.44	\$26,543.75	\$52,811.29
Hotel	\$5,736.85	\$12,174.61	\$14,538.76
Civic Center	\$8,448.47	\$9,031.98	\$20,907.88
Equipment	\$2,030.50	\$1,596.00	\$1,465.00
Supplies	\$1,809.13	\$1,357.84	\$2,022.61
<b>Totals</b>	<b>\$46,939.39</b>	<b>\$50,704.18</b>	<b>\$91,745.54</b>

## **Proposed Amendment to SB 2010**

Page 1, line 20, before Grants to fire districts, insert "Grants to North Dakota Firefighters Association \$170,000"

Page 1, line 21, remove "\$611,324" and insert "\$781,324"

Page 2, line 5, remove "\$6,320,000" and insert "\$6,490,000".

Page 2, line 6, remove "\$14,290,979" and insert "\$14,460,979".

Page 2, line 17, insert "for association administration costs" after "association"

Page 2, line 24, insert after expenses "\$170,000 to the North Dakota Firefighter's Association for the purpose of making two equal payments for fire service training"

Renumber accordingly