

2013 HOUSE APPROPRIATIONS

HB 1010

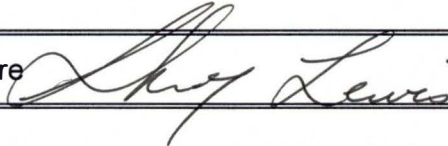
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
January 17, 2013
Recorder Job# 17334

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating the to the commissioner's salary.

Minutes:

Chairman Thoreson: Opened the hearing on HB1010. It was noted that all members were present.

Rebecca Ternes, Deputy Commissioner, ND Insurance Department: See testimony attachment 1.

4:06

Chairman Thoreson: From the same five companies or from different organizations?

Rebecca Ternes: From several other companies. The primary investigation was on the top twenty writers; and there may be settlements after that as well.

Representative Kempenich: Are you able to identify who the beneficiaries are also?

Rebecca Ternes: What's happening that a market conduct examiner, which in this case is a consulting firm, is going into the companies and looking at the files. They're doing sampling of whether they did that properly, did they use the death master index the same ways for annuities and life insurance. If they didn't, they're creating a list of findings and they're having them fix it. They also pay a fine to the state as well.

Chairman Thoreson: We have the organizational chart which shows vacancies. I'm just wondering did you have a separate hand out?

Rebecca Ternes: I can go through this on this chart. Rebecca Ternes then explained the vacancy chart.

11:01

Chairman Thoreson: What position was that one?

Rebecca Ternes: That is under consumer assistance; the third division over and third box down.

12:03

Chairman Thoreson: How long has that one been open for?

Rebecca Ternes: Since September 2012.

12:45

Representative Kempenich: What kind of ranges are you in?

Rebecca Ternes: For the biennium, salary and benefits, it's \$248,759.00. I think that position runs usually between \$60,000.00 and \$90,000.00; depending on their years of experience.

Representative Kempenich: Even nationally you're having a hard time filling this?

Rebecca Ternes: These are very difficult positions to fill. Even the new examiner positions are difficult to fill because there is a lot of travel.

14:34

Vice Chairman Brandenburg: It looks like you have 7 positions open. Do you have that type of turnover on a regular basis?

Rebecca Ternes: In the company examiner positions we do tend to see; sometimes they stay two or three years and move around. It's highly unusual that we would have all these division director positions having turned over in the past year.

Vice Chairman Brandenburg: The people that apply or are hired; are they within the agency or are they coming from different areas?

Rebecca Ternes: They are typically coming from outside the agency. We are seeing a lot more out of state applications than we used to see. Overall, the numbers of applications aren't very large.

Vice Chairman Brandenburg: Aren't there people within the division that know these positions are going to be vacant; so they get the proper education, licenses, etc.? Is it too difficult?

Rebecca Ternes: When we get a new graduate, unfortunately, a lot of them don't even have enough accounting credits; even as accounting grads to sit for the AFE exam. So we have to pay tuition costs to get them to that point and then they can start sitting for the exams; it's a series of three and four exams.

Representative Hawken: Is there discussion with the human resources people about job sharing, telecommuting, any of those kinds of those kinds of things on the positions where that would be feasible?

Rebecca Ternes: It's difficult in our agency because of the work and the multiple people that are working on issues; not that we couldn't consider it at some point.

22:06

Chairman Thoreson: Where are the locations away from the capitol complex?

Rebecca Ternes: We now have a small location up by where BCI and highway patrol are north on 83. We have our location on south 12th street; which is our consumer assistance division and our special funds division.

23:12

Chairman Thoreson: We see numbers like this with the securities department. Are a lot of these the same people that are doing multiple lines of work?

Rebecca Ternes: Yes.

25:17

Chairman Thoreson: This would be fingerprinting of everybody; not just out of state but also in the state?

Rebecca Ternes: Just the opposite. It would be fingerprinting of anyone who wants to become a resident agent in North Dakota. We do have a system of reciprocity among states. So each state is responsible for their own resident producers.

Chairman Thoreson: Is that something they're working on?

Rebecca Ternes: Fingerprinting is a uniformity measure for NAIC's producer's licensing task force; as the producer licensing model law. It's one that we have not ever been uniform in; it's about half the states that fingerprint right now. However, what we fingerprint and have to send it through is the FBI; we have to use the national law enforcement databases to get the information.

28:46

Vice Chairman Brandenburg: Are you having people that are plain not getting insurance?

Rebecca Ternes: This last biennium we've hired an additional police officer. The department has had full law enforcement capability since it added its fraud unit in the mid-2000's. That helps to get more reports; since we've had more of a presence and we tend to put things in the news when people are prosecuted.

Vice Chairman Brandenburg: The money should go directly to the insurance company instead of the agent; and then the insurance company should be giving a cut back to the insurance agent. Is that something that can be done? Have you ever talked about that?

Rebecca Ternes: There's nothing statutory that requires that; but, you're right. The majority of companies require direct payment.

Chairman Thoreson: I think we're still a state that has the idea that you stop by the office and drop the check off to pay your premium.

Rebecca Ternes: Correct.

37:07

Representative Kempenich: This is going back to your product filing division. How many companies are you dealing with out of those policies?

Rebecca Ternes: Any of those 2,267 entities that are licensed in the state can send us whatever they need to for the policies and rates. On the health side, the provider contracts.

39:09

Chairman Thoreson: Do you get quite a few cases where it deals with states around us? How do you handle that? Do you work with commissioners in other states or refer them? If someone is not getting what they should be getting due to the situation between former spouses or whatever the situation could be?

Rebecca Ternes: We know our fellow states very well. We know their staff even; we sometimes even know the names of the complaint people in other states. We certainly can make referrals if the insurance needs to be purchased in that state; or was purchased in that state. If it was supposed to be purchased here, usually in child support cases that is usually in the court order; the remedy is usually going back to the court.

Chairman Thoreson: This was prior to that.

Rebecca Ternes: We would certainly lay out the options that are available to them if they want to purchase it themselves. As for forcing their ex-spouse to do it; that would be a court remedy.

Chairman Thoreson: What about CHIP and CHAND? What are we seeing with those?

Rebecca Ternes: CHIP is in DHS; and we don't deal with that. I don't have the numbers on CHAND; I can get them to you.

Chairman Thoreson: Do you make referral for the CHIP Program?

Rebecca Ternes: Yes. We try to support that program as much as we can. They'll be making some changes with health care reform as well.

Vice Chairman Brandenburg: We had a bad tornado come through and a few families were nailed pretty hard; big losses, big claims and the insurance company dropped them. They can find an insurance company to insure them but it's only for liability; there's no coverage on buildings. Do you see more problems with that? Or is this just an area where the problem happened.

Rebecca Ternes: It's not a pattern or anything in any one company. If it were a pattern with one company doing things like that all the time; we probably would pay very close attention.

47:53

Chairman Thoreson: Why 5%; how did you work to make that determination?

Rebecca Ternes: We use a software program for our valuing and appraisals.

Chairman Thoreson: How much dollar wise are we talking?

Jeff Bitz, Manager, ND State Fire and Tornado Fund: We automatically annually at renewal time, update all building values based upon current labor and material trends. We also annually update the personal property 5% based upon increased costs of goods and services.

Representative Kempenich: What is your liability? Do you have an idea of what we're covering?

Jeff Bitz: Our insured values for the fire and tornado fund are approximately \$11 billion; for building property, personal property and outdoor property. We do keep a very close eye on that on a quarterly basis.

Vice Chairman Brandenburg: For the buildings being insured, are they on an actual cash value basis or replacement cost basis? Is it a different process that you use for those?

Jeff Bitz: State entities and political subdivisions are required to have their buildings at replacement cost; for those essential buildings needed for services to the public. There are going to be outbuildings that may not be essential; that some may put on an actual cash value basis. But, 90% of our portfolio is at replacement cost value.

Vice Chairman Brandenburg: I could see the computers in these that are extremely costly. Are they being kept up to date; so that these computers can be replaced and insured properly?

Jeff Bitz: What we're finding is you can buy more for less. When you look at replacement costs of computers, most entities are on a two or three year cycle for replacement costs.

Vice Chairman Brandenburg: Looking at computers, with the cost, that should cover the expense of the newer computers. Am I right?

Jeff Bitz: You are correct.

Rebecca Ternes continued with her testimony.

54:41

Chairman Thoreson: What was that bill number again?

Rebecca Ternes: SB2154.

Chairman Thoreson: Is that one of your bills?

Rebecca Ternes: That is not one of our bills. There is an advisory board for the petroleum tank fund that's required by law; and that came out of that advisory board, and was sponsored by a legislator.

55:41

Chairman Thoreson: Has there been any payments prior to that recently?

Rebecca Ternes: I don't have that.

57:12

Representative Kempenich: Is that every three years or five years?

Rebecca Ternes: It's every three years for pressure and every three years for steam.

Vice Chairman Brandenburg: Just for clarification. Does a steam session show they have to the boilers inspected?

Rebecca Ternes: There is a particular legislator that's fond of threshing shows; that brought in the licensing for the operators of those.

Representative Glassheim: Are the fees high enough to be covering the cost of the inspection? It seems like they're kind of low for the time involved.

Rebecca Ternes: They do not cover the costs. They were raised last year. The fire and tornado fund helps assist that program; because of the connection between the fire and tornado fund, property and the safety of boilers.

Representative Kempenich: You're inspecting but not necessarily covering the fees.

Rebecca Ternes: It's about half that we inspect. If they do need a repair and they don't know how or who to contact, we help them.

1:02

Chairman Thoreson: I see the note at the bottom about the reserve balance. How much of each of those are made up of the components to make the total?

Rebecca Ternes: I don't have that with me; but, we'll give you that.

1:05

Chairman Thoreson: When is your next replacement of your devices? That's not included here; but, will we be seeing that the next time around?

Rebecca Ternes: That's here. We do half and half each biennium; but, we condense that into a six month period that straddles the biennium change.

1:07

Chairman Thoreson: What do we pay for membership at NAIC?

Rebecca Ternes: I believe our dues \$7,500.00 a year.

Chairman Thoreson: What is the commissioner's title within the organization?

Rebecca Ternes: He's president elect.

Chairman Thoreson: He will take over the presidency coming up. Will that be requiring additional travel on his behalf; who takes care of that? Is that part of your agency or does NAIC cover his costs?

Rebecca Ternes: NAIC covers the costs for the officer's travel. This is his third year of being an officer; next year he will be president. He will be immediate past president as well. It will be a lot more travel for him.

1:11

Representative Guggisberg: It will still show up on your records as money that's coming in from the insurance premiums and distributed back to fire departments. That will definitely still be reported right? It just won't show up in your budget anymore as an appropriation out of the insurance commissioner's budget.

Rebecca Ternes: That's correct. We'll still track the money coming in and going out.

1:14

Representative Kempenich: Out of those 2,900 companies, how many companies would be related to what is going on with health care?

Rebecca Ternes: We have about six active sellers of health insurance in the state; four that are particularly active. But the dental, the vision, etc. are impacted as well. Would you like me to get you more specifics on that?

Chairman Thoreson: Yes.

Representative Glassheim: Could you give us a summary of where we're at with health care reform and the state exchange?

1:15-1:18

Rebecca Ternes: Explained what happened last session with health care reform and how we are going to have a federally facilitated exchange.

Renee Loh, Executive Director, ND Firefighter's Association: See testimony attachments 2 and 3.

1:27

Chairman Thoreson: The handout that you provide; this shows the different classes or the training that's occurring?

Renee Loh: Yes. In 2012, those were the classes and it will show the number of students that participated in that training

Chairman Thoreson: Are these ongoing or are these a special class that are offered just certain times? If someone doesn't get them, do they have an opportunity at some other point to go forward with those?

Renee Loh: They're ongoing. However, we also have incorporated several new types of classes. We go out and have regional classes with the big rig rescue. We also are doing oilfield emergency classes; because there are different protocols that should be followed with that. We introduce new classes according to what is coming into the state of North Dakota.

Representative Glassheim: We got a letter from the fire academy claiming that you had huge amounts of monies in cd's. Could you speak to that?

Renee Loh: I'm not aware that we have all this money. We do utilize our funding that we receive from you yearly. However, we probably have a little bit of a cushion in case the state wouldn't be able to provide the funding that we normally get. We take our funding very seriously.

Chairman Thoreson: Closed the hearing on HB1010.

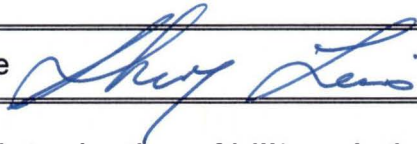
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
January 30, 2013
Recording Job# 18020

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating the to the commissioner's salary.

Minutes:

Vice Chairman Brandenburg: Opened the hearing on HB1010.

Rebecca Ternes, Deputy Commissioner, ND Insurance Department: Explained attachments 1 and 2.

Ken Purdy, Compensation Manager, Human Resource Management Services, ND Office of Management and Budget: Talked about attachments 1 and 2.

Joe Morrisette, Fiscal Analyst, ND Office of Management and Budget: Explained attachments 3 and 4.

Rebecca Ternes: Explained the green sheet.

8:54

Representative Kempenich: Why was that tax collected? What was the genesis of that?

Rebecca Ternes: During that testimony on HB1145, the firefighter's presented some history. I can't verify or deny. What the firefighter's say is that premium tax on those five lines was always intended to go back to the districts to help pay for the cost of fighting fires and protecting property. The request in HB1145 is to go back to 100% of those taxes collected on those five lines and to make it a continuing appropriation.

Vice Chairman Brandenburg: The total going to the fire districts is \$7 million with adding this \$800,000.00 in there.

Rebecca Ternes: That's correct.

Joe Morrisette: It was an adjustment that was made by OMB and put in the governor's budget together. In arriving at that \$800,000.00 we looked at the history and that amount had been at \$6.2 million per biennium since 2005; so we went back to that time and adjusted it based on the CPI and that increased it to about \$7 million per biennium.

Representative Guggisberg: For 100 years 100% went into this fund and it's just been since the 1990's that it's been an appropriation instead.

Representative Kempenich: What is the tax? Didn't you have a number from your previous testimony?

Rebecca Ternes: You might also be thinking of the money to the association which is separate. The association gets additional money from the tax and an additional amount from our fire and tornado fund reserve.

15:59

Representative Guggisberg: You said earlier that you were trying to hire somebody from the industry for much less than they're making now. Do you have any success with that?

Rebecca Ternes: In that particular case, it's someone more in the social services area for our outreach program.

Vice Chairman Brandenburg: Looking at the salary increases, the \$459,000.00 there's some equity that you're trying to deal with.

Rebecca Ternes: Referenced attachments 1 and 2.

21:32

Vice Chairman Brandenburg: Is there any money in there left from the exchange?

Rebecca Ternes: It's all gone.

23:56

Representative Kempenich: They go into your fund for operating expenses then?

Rebecca Ternes: It would go into the fire and tornado fund first and then we expend those funds as needed on operating; so a portion of salaries, etc.

Representative Kempenich: So you have a ½ FTE?

Rebecca Ternes: We have those all broken out.

Representative Sanford: The notice of the \$170,000.00 for grant to the firefighter's association. Is that in addition to the \$670,000.00?

Rebecca Ternes: That's correct.

25:48

Representative Sanford: What are the reserves of the fire and tornado fund?

Rebecca Ternes: Referenced testimony.

Representative Sanford: You look at the exposure you have and you determine a percentage of that?

Rebecca Ternes: We have our property and casualty actuary review the fund balance. The claims we've paid in the past, any projected claims or yet to be paid that we have reserves for; they discuss what the market's like right now, what the industry is expecting going forward and then we make our calculations on the premiums.

28:44

Vice Chairman Brandenburg: What would those types of claims be?

Rebecca Ternes: Someone hits you with a car and does great damage and doesn't have insurance.

31:06

Vice Chairman Brandenburg: Do we have to start paying in that \$100.00 also?

Rebecca Ternes: I think that what you're talking about is the SPCC from EPA; for farm tanks, you're supposed to have embankments around them and measures to mitigate spills and leaks. Farmers are not required to register with the tank fund.

Representative Sanford: On each of these you have lines dealing with invested cash and investments. How are they invested?

Rebecca Ternes: The state investment board invests our funds on our behalf.

Representative Sanford: So you establish your asset allocation and bring that forward to the state investment board?

Rebecca Ternes: Is the question the allocation of how much is invested?

Representative Sanford: I guess it would be is it basically fixed income or do you get into the stock market in terms of your asset allocation?

Rebecca Ternes: They do that on our behalf.

Representative Sanford: But you have an opportunity to have an individual asset allocation. If you wanted them to invest strictly in fixed income, you could do that.

Rebecca Ternes: I'm not sure of the answer.

Representative Sanford: Maybe I should restructure my question. If you're working through the state investment board you have the ability to set your asset allocation. Are you doing that? What's the percentage?

Rebecca Ternes: We've never been asked what we would want. So whether or not this is discussed at the board meeting I don't know. We'll do some research on that.

37:46

Representative Kempenich: What are your limits?

Rebecca Ternes: For fire and tornado there's a \$1 million event loss; then it goes to our reinsurer. We don't have reinsurance on the bonding fund; so I don't think there's a limit.

Rebecca Ternes: Testimony see attachment 5.

Vice Chairman Brandenburg: Closed the hearing.

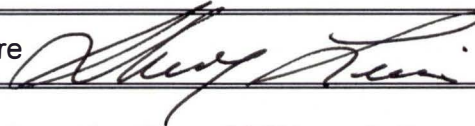
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
February 11, 2013
Recording Job# 18665

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating the to the commissioner's salary.

Minutes:

Vice Chairman Brandenburg: Opened the discussion with attachment 1.

Representative Guggisberg: Number 1 on the green sheet is what the governor recommends. What HB1145 would do is take the five lines of insurance that's designated for fire districts; right now, that money isn't put into a special fund. For over 100 years that money was automatically sent to the fire districts. In the 1980's there was some volatility in the insurance market; so fire districts weren't getting as much as they were before, so they changed it to an appropriation and took money out of the general fund. Now that there's more stability in the insurance markets, the fire departments would like to go back to an automatic appropriation. The IBL committee put some additional amendments on there to make sure the cities get some money.

Representative Kempenich: There's more than what was historically in these lines. You're talking \$32 million not \$16 million; because this is a yearly deal; it's not biennially.

Representative Hawken: Explain why this is wrong.

Representative Kempenich: This has been in discussion with Rebecca to explain if its \$16 million biennially or yearly. The way we've been doing it is basically an appropriation.

Representative Hawken: Ron what exactly is the money used to do?

Representative Guggisberg: The second column is what we're talking about. Before we were a state, 2% of those premiums on those five lines were taken out and once they were collected, it was figured out which fire districts the money came from and gave the payments back to the fire departments. Even when it was an appropriation, over 100% of that money went back to the fire departments. Over the past 10 years, that money has slowly gone down from 100% or more to 48%.

Vice Chairman Brandenburg: What are you asking for in HB1145?

Representative Guggisberg: I can get some more information that makes it much more clear; what I'm trying to explain.

Representative Sanford: What would be the impact of that on the fire departments? What would it be used for? Would it have a tax implication locally?

Representative Guggisberg: That's one of the amendments on to the bill since it was introduced. They would have to report to the budget section; as to what they did with the money.

Vice Chairman Brandenburg: I'm trying to understand the way it was to what we're trying to do in the future.

Representative Sanford: How is the money distributed? Is it on the basis of size or population?

Representative Guggisberg: They know exactly where the money came from and they know what the district lines are; so, wherever that policy is paid for, that's where the money goes back.

Representative Kempenich: Read from the engrossed bill of HB1145. What's currently proposed in HB1315 is \$6.87 million. If HB1145 passes it would be \$15,336,000.00; then it would go up in 2015-2017.

Representative Sanford: What I'm associating this with is that it's similar to a property tax bill. The premium would be on the basis of value.

Representative Guggisberg: If you look at what the fire department does; by the value of your house going up \$50,000.00 it's not going to change how they respond. In the bigger cities, we're looking at bringing the insurance costs down; so, the better fire department you have, the less you pay on insurance.

Vice Chairman Brandenburg: It's not only the bigger cities but also the smaller cities. Are we going through a period where we're upgrading these trucks? If you have better trucks or a better fire department, you're insurance premium is less?

Representative Guggisberg: Yes. It's an ISO rating; which goes from 1 to 9, 1 is the best, 9 is the worst. I guess that most fire departments in the state by number are 9's. All the big city departments are probably 3 or 4.

Representative Kempenich: The amendment has certified city fire and certified rural and certified fire protection districts. Is everyone certified in the state?

Representative Guggisberg: All you have to do to become certified in the state of North Dakota is to send in a piece of paper. There's very few that aren't charging 2 mils and this bill gives them two years to get it there.

Representative Guggisberg: I know tomorrow the bill is going to be in front of the full appropriations.

Vice Chairman Brandenburg: Closed the discussion.

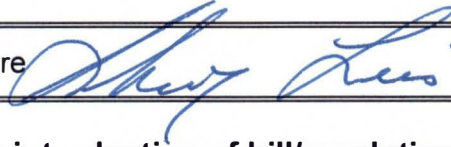
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
February 13, 2013
Recording Job# 18868

☐ Conference Committee

Committee Clerk Signature



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Minutes:

Chairman Thoreson: Opened the discussion on HB1010. Referenced attachment 1 from discussion on February 11.

Brittini Reims, Fiscal Analyst, ND Legislative Council: Explained attachment 1 from discussion on February 11.

Rebecca Ternes, Deputy Commissioner, ND Department of Insurance: See attachment 1.

Representative Kempenich: Are we going to have to amend HB1145 to reflect what's in the budget already?

Rebecca Ternes: Either the money would stay in our budget as an appropriated expense; or HB1145 would pass..

Representative Kempenich: Is that per year?

Rebecca Ternes: Referenced attachment 1.

Chairman Thoreson: That's in addition to what's currently being distributed?

Rebecca Ternes: Right. It's currently \$3.1 million per year.

Chairman Thoreson: The total is \$6.2 million for the biennium.

Rebecca Ternes: Right. If HB1145 passes, it would be \$8.3 million for the biennium.

Representative Kempenich: You keep ratcheting it up but we're not increasing the premium tax. Why does it keep increasing?

Rebecca Ternes: There's more insurance being sold in North Dakota; because there's more people, more property and property values have increased.

Chairman Thoreson: By the 2019-2021 biennium, you basically expect this to double?

Rebecca Ternes: Yes. These are probably conservative estimates.

Chairman Thoreson: Are you saying we were underinsured in the past?

Rebecca Ternes: Our increases are conservative. The \$8.3 million is not the total. The total would be \$7.029 million.

Representative Hawken: This would be going back to the way it is done prior to changing it? I'm assuming since we're selling more and the value is more; that those fire departments are also increasing in size?

Rebecca Ternes: HB1145 is not our bill and the increase in our budget wasn't ours either. I think that's the assumption.

Representative Guggisberg: I just want to point out that while the numbers do look big if you look at the history I emailed to you a few days ago and the graph on the last page, the problem and the reason these numbers look so big; if you look to the 1980's when we changed this, we haven't been keeping up.

Representative Kempenich: When we look at the numbers they're going to be over \$20 million in a few years.

Representative Hawken: I'm in agreement with Representative Kempenich that we can do this now and in four years if we have a problem we can change this back.

Representative Kempenich: You don't want them to spend it just to spend it. I don't have a problem with this today; but, it's always something that's on the table.

Representative Guggisberg: It's something that came up in committee and they were concerned how the money's going to be used so they put that language in there to report to the budget section.

Representative Kempenich: Just looking at it outside of this issue, there's an \$800,000.00 increase in the budget. This is all going to get melded together.

Representative Kempenich: Made a motion for a "Do Pass".

Representative Sanford: Seconded the motion.

A roll call vote was taken. 6 Yeas 0 Nays 1 Absent

Chairman Thoreson: Closed the discussion.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1010
2/22/13
Job 19401
Job 19402

☐ Conference Committee

Committee Clerk Signature



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Minutes:

You may make reference to "attached testimony."

Rep. Sanford moved the adoption of amendment 13.8139.01001. Went through amendment 13.8139.01001 and the green sheet.

Chairman Delzer: I think on number 1 we would need to subtract that \$7,800,000. Allen, how would we go about that?

Allen Knudson, Legislative Council: We would remove the funding from the bill.

Chairman Delzer: Because the funding is in HB 1145?

Allen Knudson: At the bottom of page 1, it talks about the \$7,670,000 for those payments. The money is up above, so that would have to come out, too. On the bill itself, remove section 2.

Chairman Delzer: So on the bill itself, remove section 2, and adjust the money up on top. Rep. Sanford, do you want to make that part of your motion to amend?

Rep. Sanford: Yes.

Chairman Delzer: You are moving amendment .01001 with the deletion of section 2 of the bill and the adjustments to the dollars above.

Rep. Thoreson: Seconds.

Voice vote to adopt amendment .01001 plus removal of section 2 and adjustments to dollars. **Motion carries.**

3:23 **Rep. Sanford** continued discussion of green sheet.

Chairman Delzer: Did they tell you the level of the bonding fund?

Rep. Sanford: Yes, the current balance is \$3,982,915.

Chairman Delzer: Is that something they put a tax on every so often? Is there a floating level on that?

Rep. Sanford: The fund currently does not charge a premium because it has been able to maintain a healthy fund balance. The coverage limit for each entity covered is determined by the amount of money or property handled. It has a maximum limit of \$2 million. It does collect payments on judgments from a defendant.

5:44 **Rep. Sanford:** Continued going through green sheet, beginning with the fire/tornado fund.

Chairman Delzer: Is that something we need to adjust?

Rep. Sanford: Yes. I believe those were included in the \$800,000 appropriation to the...

Chairman Delzer: Joe, was that part of the 670 the governor had in his? Or is that over and above?

Joe Morrisette, OMB: It's on top of that.

Chairman Delzer: We just raised that up to 800. Committee, I guess we have a decision to make.

Rep. Sanford: I would **move** that the 170 be removed from here.

Rep. Brandenburg: Seconded.

Joe Morrisette: Just to clarify, in the executive budget there was the 670 plus the 170 so a total of 840.

Voice vote to on motion to remove the 170. **Motion carries.**

Chairman Delzer: So the firefighters association will end up with \$800,000.

7:39 **Rep. Sanford:** Resumed going through the green sheet, beginning with section 4 and the fire/tornado fund.

8:45 **Chairman Delzer:** How much is the unsatisfied judgment fund used?

Rep. Sanford: I don't think that much. What they did tell us is that the judgment amounts are repaid by the driver. This is more or less a convenience for the injured party.

Chairman Delzer: So they can get the money up front.

Rep. Sanford: Exactly. Resumed going through green sheet with the section on the petroleum release compensation fund.

Chairman Delzer: Isn't there an upper limit on that petroleum release compensation fund? Joe, do you know? Joe, you might find that out for us.

Rep. Sanford: That concludes the green sheet because the other is the commissioner's salary, and that has been adjusted.

Chairman Delzer: To reflect the 3% and 3% without the 1-and-1 to the retirement. Further discussion?

Rep. Sanford: I move a **Do Pass as Amended** on the insurance commissioner's budget.

Rep. Thoreson: Seconded.

Roll call vote on a Do Pass as Amended, HB 1010. Motion carries.

Yes = 21
No = 0
Absent = 1

Carrier: Rep. Sanford

Recording job 19402

Joe Morrisette: It looks like in the statutory authority, that the fees charged are suspended when the fund balance gets to \$9 million.

Chairman Delzer: When was that set? Does it say how much was used in the last biennium? Allen, is that one of the ones on our report?

Joe Morrisette: This section was amended in 2011, but I don't know what that amendment was. I don't know how much was used out of it.

Allen Knudson: No, we don't do that one.

Rep. Sanford: I forgot to mention the insurance department returns less the \$35 million to the general fund during the course of this last biennium. They are collecting premiums on over \$4.5 billion of coverage.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, remove "to provide for making payments of insurance premiums tax collections to fire"

Page 1, line 3, remove "departments;"

Page 1, replace line 12 with:

"Salaries and wages	\$6,859,830	\$1,024,320	\$7,884,150
Accrued leave payments	0	163,182	163,182"

Page 1, remove line 15

Page 1, replace line 18 with:

"Total special funds	\$12,004,080	(\$1,098,740)	\$10,905,340"
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Page 1, remove lines 20 through 24

Page 2, line 4, replace "\$1,722,929" with "\$1,552,929"

Page 2, line 5, remove ", including \$170,000 for a grant to the North Dakota firefighters"

Page 2, line 6, remove "association and \$1,552,929"

Page 2, line 18, replace "ninety-six" with "ninety-five"

Page 2, line 18, replace "seven" with "eight"

Page 2, line 19, replace "ninety-three" with "sixty-three"

Page 2, line 19, replace "one hundred" with "ninety-eight"

Page 2, line 20, replace "six" with "seven"

Page 2, line 20, replace "sixty-five" with "thirty-nine"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,260,726	(\$376,576)	\$7,884,150
Operating expenses	2,858,008		2,858,008
Grants	7,840,000	(7,840,000)	
Accrued leave payments		163,182	163,182
Total all funds	\$18,958,734	(\$8,053,394)	\$10,905,340
Less estimated income	18,958,734	(8,053,394)	10,905,340
General fund	\$0	\$0	\$0
FTE	49.50	0.00	49.50

Department No. 401 - Insurance Department - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Removes Grants Line Item ⁴	Total House Changes
Salaries and wages	\$37,503	(\$250,897)	(\$163,182)		(\$376,576)
Operating expenses					
Grants				(7,840,000)	(7,840,000)
Accrued leave payments			163,182		163,182
Total all funds	\$37,503	(\$250,897)	\$0	(\$7,840,000)	(\$8,053,394)
Less estimated income	37,503	(250,897)	0	(7,840,000)	(8,053,394)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴This amendment removes \$7,670,000 from the insurance tax distribution fund for grants to fire departments (\$7 million) and the North Dakota Firefighter's Association (\$670,000). The amendment also removes \$170,000 from the fire and tornado fund for grants to the North Dakota Firefighter's Association.

Section 7 is changed to reduce the Insurance Commissioner's annual salary increase from 4 to 3 percent.

Date: 2/22/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number -01001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Sanford Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

with deletion of section 2
+ adjustments to dollars
voice vote carries

Date: 2/22/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Sanford Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

remove 170 - firefighters assoc. gets \$800,000

voice vote carries

Date: 2/22/13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.8139.01002

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Sanford Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson			Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 21 No 0

Absent 1

Floor Assignment Rep. Sanford

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

REPORT OF STANDING COMMITTEE

HB 1010: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to provide for making payments of insurance premiums tax collections to fire"

Page 1, line 3, remove "departments;"

Page 1, replace line 12 with:

"Salaries and wages	\$6,859,830	\$1,024,320	\$7,884,150
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General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

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²This amendment adjusts the state employee compensation and benefits package as follows:

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2013 SENATE APPROPRIATIONS

HB 1010

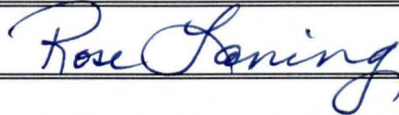
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1010
March 15, 2013
Job # 20009

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

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

Minutes:

Testimony attached # 1 - 7

Legislative Council - Becky J. Keller
OMB - Sheila Peterson

V.Chairman Grindberg opened the hearing on HB 1010. All committee members were present.

Subcommittee for Insurance Department budget: **Senator Wanzek, Senator Krebsbach, Senator Robinson**

Rebecca Ternes, Deputy Commissioner, North Dakota Insurance Commissioner

Testified in favor of HB 1010
Testimony attached # 1

(19:21) **Senator Warner:** There has been talk in the Water Commission budget that there should be some insurance mechanism for farmers whose lands are inundated by man-made action relative to the diversion. There is no existing federal policy which would cover that? Would your department have the capacity to administer, to do the actuarial work in administering a fund if that should be an outcome?

Rebecca Ternes: I don't know. I'd have to look at what that would involve. We have a property and casualty actuary on staff. I don't know if he knows anything about water risk, but we could sure get back to you.

(25:52) **Senator Carlisle:** What is the source of that money and what's the status of HB 1145? I assume it made it out of the House?

Rebecca Ternes: It made it out of the House and it had its first hearing this week in Senate Finance and Tax. No action was taken. I got the sense there would be some changes. That source is premium taxes, so insurance companies all pay a tax on what they sell. This specific source is five or six lines of specific type of insurance.

Senator Carlisle: HB 1145, the way you had it, you were just paying it out of your special funds?

Rebecca Ternes: We're still paying it out of premium tax. HB 1145 is about 110% increase over this amount. It over doubles the amount that used to be in our budget in 1145.

(32:05) **Renee Loh, Executive Director, ND Firefighter's Association**

Testified in favor of HB 1010.

Testimony attached # 2

Testimony attached # 3 Amendment Package

Testimony attached # 4 ND Dakota Firefighter's Association brochure

Testimony attached # 5 NDFA -State Emergency Response Commission

(39:55) **V.Chairman Bowman:** When you're talking about communications between fire dept., isn't there a relationship between them and the emergency managers in the local areas that coordinate that? They've been working on that for a long time. Is that part of the training?

Renee Loh: Yes, we're doing more of a consorted effort to get everyone moving in that direction because we're having so many more incidents. Whenever the department of emergency services has a new group of emergency managers, they always invite NDFA because they want to make sure the firefighters are getting the necessary training they need. It is a strong effort because the conditions out there are much more dangerous than they were several years ago.

(42:29) **Robert Knuth, Training Director, ND Firefighters Association**

Testimony attached # 6 North Dakota Firefighter's Association Annual Training Report

Testimony attached # 7 NDFA Training Calendar & Sites

The \$170,000 that Renee mentioned for the grant would pay for 100% coverage that NDFA would be able to provide auto extrication training to include big rig, advanced training and all the re-certifications for every firefighter in the state of ND. They would not have to pay out of their pocket or their department funds. \$170,000 would cover that. As a training director, my responsibility is developing, managing, scheduling, and documenting all the training that the firefighters receive in the state.

(44:08) **Senator Warner:** When you mentioned big rig, I understood it to mean oil rig, so this is semi's? Answer - yes. Do you train people to fight oil well fires as in personal safety extrication? Where's the line where we divide what's safe for our civilian firefighters to go into and where do we need to call in professionals from out of state?

Rob Knuth: The NDFA offers two primary classes dealing with oil field emergencies. It's a four hour class and it's designed to inform the volunteer firefighter what he/she will come across when they arrive on a scene. In no way is NDFA trying to create oil field fire fighters, but we do recognize that the firefighters need to have the knowledge how to successfully mitigate a situation. When they could be first on the scene, or the second or third, it's their responsibility to control the situation, mitigate the hazards to the surrounding

area and then work with the oil company in coming up with a plan of attack on dealing with the situation - not matter what it is, whether it's a rescue or an actual fire. We feel that it's imperative that we pass that knowledge on to the volunteer firefighters. The other class is our flammable liquid class. The Minot Rural Fire Department received a grant from oil impact funds and has purchased a boil over simulator. It's a propane fed oil tank that simulates an actual oil tank that is on fire. We incorporate that training prop in our oil field emergencies, along with a life size prop at Dickinson Fire Dept. to provide some hands on training for these fire fighters in the application foam and proper control techniques. Those are the main one, then obviously, we have our Haz Mat Ops, Haz Mat Awareness, technical level operations that we offer to the firefighters free of charge as well.

(46:59) CJ Craven, Fire Chief for the City of Minot; President of ND Fire Chiefs Assoc.
Testified in favor of HB 1010

I'm here to support the NDFA. The main point is that the removal of the money from the Fire and Tornado Fund would drop NDFA's funding below the last biennium's level. The money that was transferred into HB 1145 came from the five lines of insurance that are transferred out to fire departments every year. It was never the intention to remove the funding that came from the Fire & Tornado insurance fund. That was a separate item. If the bill stands as it is, the funding for the NDFA, the training arm of the fire service would be less in the upcoming biennium than in the last biennium.

(48:10) Greg Wilz, Deputy Director, Department of Emergency Services; also Homeland Security Director for the State of North Dakota
Testified in favor of HB 1010

The NDFA has a long standing history with the state. In 1977, Gov. Art Link signed an executive order because of no other state's agencies capability that does not exist today - the assignment to provide training for our firefighters across the state of ND. I'm here to advocate that some of the money be put back into the bill. This is not the time where the NDFA should take a cut in their funding. We are at a point in time in ND where we are seeing more and more requirements for both certifications and more requirements to respond based upon what's happening across the state of ND. We are in support of whatever amendment would put some funds back into meet what the governor originally had.

V.Chairman Grindberg closed the hearing on HB 1010.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee

Harvest Room, State Capitol

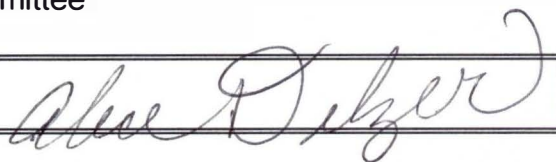
HB 1010 Subcommittee

03-22-2013

Job # 20374

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee for the Insurance Commissioner

Minutes:

See attached testimony

Chairman Wanzek called the subcommittee to order. Senator Robinson and Senator Krebsbach were present. Brittani Reim from Legislative Council and Joe Morrisette from OMB were present. If we could just go through some of the explanation of what the House had done and the removal of the fire department grants. I did get an explanation of the Insurance Premium Tax Revenue Allocations.

Rebecca Ternes, Deputy Director for the Insurance Department provided Testimony attached # 1, Insurance Premium Tax Revenue Allocations. These are premium taxes collected on all lines of insurance for the entire biennium. First of the bat of needed then the \$50,000 from the firefighters death benefit fund that goes over there, that fund we didn't make any payments the last biennium thank goodness. It would get replenished each biennium if needed.

Brittani Reim - There was one payment made in the last 2 biennium and it was replenished.

Rebecca Ternes - We actually tweaked the law after the first passage of it because someone had passed away with circumstances we hadn't contemplated and then we fixed it the next biennium and made a payment. Then, the \$8,120,000 goes to the insurance tax distribution fund which is the fund that funds both the EMS grants and the firefighter grants and the remainder always goes to the general fund.

Chairman Wanzek - How do they determine the grants under current law?

Rebecca Ternes - By appropriation in our budget currently and in the Health Department budget.

Joe Morrisette - Just as a dollar amount, there is no formula that arrives at that amount. A hard dollar amount that is put into law.

Senator Krebsbach - How is it determined is there a percentage of the amount that goes from the tax collection to the general fund and to the other distribution fund?

Rebecca Ternes - It is a set amount in our appropriation bills each session.

Senator Krebsbach - So it's a set amount each biennium. That has not changed or has it, over the years?

Joe Morrisette - I think it was the 2005 when the grants to fire districts were changed last. And just in response to Senator Krebsbach's question, the general fund amount is an estimate at this point because we don't know exactly what the collections are going to be so the hard number in law is the amount of the grant that goes to the fire districts and to the EMS and then the balance is what goes to the general funds.

Rebecca Ternes - March 1 is the deadline for the companies to file their final quarterly statement and reconcile for the previous year.

Brittani Reim - I was told a portion the major portion \$8,120,000 was collected off of 5 lines of insurance. So it is a portion of that total premium collected.

Chairman Wanzek - Basing on the fact that some of these fire districts visited with us before, is the dollar amount that is attributed to them, is it based off some of the property lines?

Rebecca Ternes - What Brittani is referring to is way back. The firefighters were given 100% of these specific lines of insurance. Not to be confused with how it's distributed which is based on how much insurance is sold in each district.

Chairman Wanzek - When they talk to us they showed us, and they started by kind of laying out the history that 100% of the premium tax, in their mind, were intended for the fire districts but over time we did a set appropriation which we are to the point where it's probably 45% of that but regardless of what it is then it's divided up based on the prorated share of business from their district.

Rebecca Ternes - What HB 1145 is trying to do, and it's written very interestingly, it's written as 100% of those lines, but then it sets an appropriated amount because we don't know what 100% of those lines are until well into the following year.

Joe Morrisette - Some of that language carried over from the first draft where it was drafted as a continuing appropriation. They want to revisit it every time so they replaced it with a specific appropriation.

Chairman Wanzek: It's becoming clearer that we have to wait for HB 1145 before we can pass this out.

Senator Krebsbach - If it's based on an estimate of what is coming in on HB 1145 of the taxes that they are anticipating coming and yet the payment is made on the actual amount of insurance from the district, of the premium from that fire district.

Rebecca Ternes - The way we understand HB 1145 as it reads now, is someone would come to us, and I'm assuming it would be each biennium when we are making our budget projections for revenue. (10:29)

Senator Krebsbach - I thought it was based on the collections from the fire district.

Chairman Wanzek - For example, say we totally collected \$100,000 and the fire district in my area collected \$10,000 of that \$100,000 they would get 10% of what was appropriated.

Senator Robinson - I know for a number of years we had a problem with the growth of the larger communities and insurance sales would be largely coming from, let's say Jamestown, and the premiums were paid on insurance in Lamoure, and so we had a disproportionate transfer of premiums and some of the fire departments were getting reductions because they didn't have any sales. Did we correct that problem in terms of tracking?

Rebecca Ternes - We rely on the companies to report by the zip codes.

Brittani Reim - It had grown difficult because the fire districts do not follow county lines. Also, the numbers that are reflected on this memo we had received those projected numbers from a fiscal note from the insurance company and that is where we got our information as far as what they are projecting.

Chairman Wanzek - Just for the record for the clerk and whoever might wonder why we are talking about another bill when we are meeting on HB 1010, but I think it's pertinent because and I'm doing this just for the record mostly, that the House removed the funding which typically has been in the Department of Insurance budget regarding the fire district grants and payments off the premium tax. The House removed that from the budget with the intent that this other bill, HB 1145 will take care of that. So we feel it's important we're going to have to address both of these bills collectively before we release this budget.

Rebecca Ternes - Then from the insurance tax distribution fund in the fall every year we make those distributions and right now in the Health Departments budget, we do a transfer basically of \$1.25 million and then the Health Department does what they do with the emergency medical services grants. (15:51)

Chairman Wanzek - That \$170,000 that you talked about that's from the state fire and tornado fund, is that included in the \$670,000 here?

Rebecca Ternes - Yes

Chairman Wanzek - That 670,000 I was understanding all came through the premium tax.

Brittani Reim - On this layout it is not included in here but it is stated on the first page.

Chairman Wanzek - Are they currently getting that \$170,000 that the House removed out of the budget?

Rebecca Ternes - They are getting the \$670,000 from the premium tax fund and then the \$170,000 from the fire and tornado fund. The governor's budget didn't change any of that. What the House did was they got rid of the \$170,000 and increased just the grants.

Chairman Wanzek - What was the total number of dollars that the firefighters received?

Rebecca Ternes - They got \$840,000 total, \$670,000 from the premium tax and \$170,000 from the fire and tornado.

Chairman Wanzek - HB 1145 provides \$800,000 out of the premium tax.

Rebecca Ternes - So it's \$40,000 less than what it is in this biennium today. That amendment would add another \$170,000.

Senator Krebsbach - You make the predictions based on an estimate for the coming biennium, right?

Rebecca Ternes - We go back and look at how the tax has increased and we take an average of that and apply that forward.

Senator Krebsbach - So it isn't an estimate then, it's an average of the actual.

Rebecca Ternes - We just do the best we can to predict from what happened in the past.

Chairman Wanzek - I do my budget on the farm the same way.

Rebecca Ternes - Mostly it's gone up.

Chairman Wanzek - It's a calculated projection.

Senator Krebsbach - But it's a consistent projection.

Joe Morrisette - The estimated part in this total picture is the amount that is left over from the general fund. That is always an estimate until the end of the fiscal year.

Chairman Wanzek - The transfer is arrived at based on looking at the projections though right?

Joe Morrisette - The estimate for the revenue forecast, it's an estimate, in actual practice it will be whatever amount is left over after these appropriated amounts are taken out.

Chairman Wanzek - It appears to me that HB 1145 actually makes changes in how this biennium will end.

Joe Morrisette - That was the version before the emergency clause was removed.

Brittani Reim - We had changed the date from a September payment to a December payment.

Senator Robinson - Look at the engrossed bill.

Chairman Wanzek - If that is gone go to page 5.

Rebecca Ternes - There was a lot of confusion originally in HB 1145 because of this March 1st reconciliation date for the companies and the ability to give us enough time to collect enough funds for the time frame coming up this fall. So they changed it to December so that we would have the ability to collect a couple more quarters of tax because most companies pay on a quarterly basis.

Chairman Wanzek - Walk through the flow chart on page 5.

Rebecca Ternes - So again we've estimated what we might collect for premium tax A99, again, if the firefighter death benefit needed money we would put it there, but right now it doesn't and then the balance...

Brittani Reim - Those are the fund balances after transfers of payment, of those lines into the Insurance Tax Distribution fund. We are making payments in December now.

Rebecca Ternes - So the payments went out in 2012 in September. So everything after that we turn over to the general fund right now. Normally then, when the first quarter payments would start coming in for 2013, actually July 1, we start keeping that money again but we wouldn't have had enough if we would have had to make a payment in September. This way as of July 1 we will start keeping these balances.

Chairman Wanzek - Are these balances reflective of those specific lines of insurance?

Rebecca Ternes - Yes

Senator Robinson - Come September you would have accumulated more dollars. Then you make another payment in September of 2013? You do it twice during the biennium?

Rebecca Ternes - We do it twice but the new HB 1145 would have us do it in December.

Senator Robinson - Based on everything you know now the payments to fire departments would be \$14.5 million, the bottom box for the new biennium.

Rebecca Ternes - The way HB 1145 sits today is \$14.5, whatever that appropriated amount is, would go to the departments themselves, \$800,000 would go to the association and then that \$1.25 million would still go to the Health Department for the EMS grants.

Chairman Wanzek - So what we would be considering is \$170,000 whether we want to reinstate that, and then again, we are going to have to wait to see how HB 1145 turns out.

Rebecca Ternes - That amendment all that does is it takes money out of the fire and tornado fund which in the current version of the bill isn't happening but it actually would

increase, if you gave them the full \$170,000. This biennium they got \$840,000, you would then be giving them \$970,000.

Chairman Wanzek - I did see an increase in the premium tax distributions to the association of \$130,000. I wasn't certain that the \$170,000 was an ongoing thing. You are saying they got that \$170,000 this biennium so really it would be taking it away from them if we were to follow through with what the House did. We are more or less reducing the funding that they got.

Rebecca Ternes - But only by \$40,000, not \$170,000. And different sources because instead of fire and tornado fund it's all coming from the premium tax fund.

Chairman Wanzek - Under the executive budget, or the original bill, the \$170,000 was coming from the state fire and tornado fund just as it always has. The House removed it.

Rebecca Ternes - Removed it and then increased what was coming out of the tax distribution fund from the association but for a net decrease.

The subcommittee hearing was closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1010
04-04-2013
Job # 20891

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for the Insurance Commissioner.

Minutes:

Attachment

Senator Wanzek called the subcommittee to order in regards to HB 1010, the Insurance Department budget. All conferees were present: Senator Wanzek, Senator Robinson and Senator Krebsbach. And others from the Insurance Department were also present.

Brittani Reim - Legislative Council

Joe Morrisette - OMB

Senator Wanzek If my recollection is correct we were waiting for HB 1145 to come forward. It does impact the budget whether we incorporate it in this or leave it stand alone.

The house took out \$170,000 from the tornado and fire fund. It was supposed to go to firefighters for training. The salary will be amended back to the where the executive budget was previously. Brittani Reim is here to explain insurance premium tax allocations and what the bill essentially does.

Brittani Reim: See attached testimony #1 - Insurance Premium Tax Revenue Allocations (13.9534.05000) With the new amended version it will not affect the 2011-13 biennium. The change from this memo to the previous one is that the Insurance Tax Distribution Fund will not have a biennial balance. The numbers are similar but the payment date has been changed to December of each year from Sept. That will allow the fund to accumulate the amount needed for payments. Anything after that payment marker will be flowed back into the general fund.

Senator Wanzek: It results in the flow chart on the last page of your memo, right?

Ms. Reim: Correct. (The last page of the memo was reviewed.)

Senator Wanzek: The only feedback that I've gotten, and that isn't pertaining to the budget, is that we need to get this solved, I don't hear anyone objecting to that increase only that it is quite a substantial increase. We're trying to decide if it is justified or not. Maybe other members would talk about it.

Senator Robinson: It is a significant increase. Based on our senate colleagues I've talked to about this issue there is strong support. Fire Departments are excited. Some are doing well and some are not. Those I heard from are hoping the dollars will materialize. Some will use it as catch up and some will argue this is going too far, too fast. I think support on the floor would be pretty strong. If we amend it down we have two issues: (1) getting it through the floor and (2) if we get it through the floor, it has to go back to the House.

Senator Krebsbach: (07:25) spoke about her support for 1145.

Senator Wanzek: (08:10) asked for more time to think about the size of the increase. He agreed that there is a need for catching up.

Senator Krebsbach (09:15) We can look at it as returning to them what was once theirs. I think we will be reviewing it in two years. They need to furnish us good reports how the money is to be utilized.

Senator Robinson: I agree with Senator Krebsbach to leave the bill as is. I would be reluctant to send it back to the House and would be concerned of the ability to pass any reduction on the floor of the Senate.

Senator Wanzek: (11:25) How about the \$170,000?

Rebecca Ternes, Deputy Insurance Commissioner, introduced Amy and Shelly, accountants with the Insurance Commission. Part of the \$170,000 is in 1145. I personally would like to see all the money that goes to the districts in the association in 1145 not in our budget.

Senator Robinson: If we are going to correct that and we'd be reluctant to touch 1145, could it be done within the funding bill.

Ms. Ternes: (13:48) It could.

Senator Wanzek: If we want 1145 to go through it probably is best if we don't touch it and we can make changes within this budget to address that.

Mr. Ternes: To bring them back it would be a \$40,000 amendment if you want to stay even.

Senator Wanzek: Are there any other issues?

Ms. Ternes: Just the salaries and wages and the vacant position changes that were made to every budget. They took the grant money out.

Senator Wanzek asked to have Brittani Reim prepare the amendments to add the 40,000 back in on the budget.

Joe Morrisette asked if it would be the intent that the \$40,000 added to 1010 comes from the tornado fund. That is the source of the \$170,000 now.

Senator Wanzek: If I understood Rebecca right she would prefer it all come from one place or the other.

Ms. Ternes: To be clear I would prefer it not be in my budget at all. What funds the fire and tornado fund are the premiums paid by the state and the political subdivisions. That reduces the amount available for reserves to pay claims. That's really the only difference verses having it come from the premium tax fund which is where the grants come from. That money comes from insurance companies that pay tax on the premiums they sell here. It is your decision what source of funds is the best.

Senator Wanzek: Considering the significant increase we are giving them, isn't there a way for those fire districts to offset a loss of \$170,000.

Ms. Ternes: It's only a decrease to the association of \$40,000. They got part of the \$170,000 in 1145.

(19:08) More discussion followed on where the \$40,000 should come from.

Senator Robinson: If 1145 stays in place there is a significant increase. Given the increase in 1145 I'm sure they can live with it.

Senator Krebsbach concurred.

Senator Wanzek: There is an additional requirement to file a report on how those funds are going to be expended.

Ms. Ternes: That is a new requirement and was added to 1145 on the House side.

Senator Wanzek: If we go ahead with this and have those reports in the next two years, we will be better able to study and analyze how the money was spent.

Ms. Ternes: The association has received increases over the past biennium. It's not the same as grants.

Senator Wanzek: We could go ahead and get amendments prepared. It appears that the only thing at this point in time is salaries.

The subcommittee hearing on HB 1010 was adjourned.

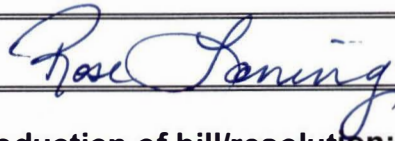
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1010
April 5, 2013
HB 20927

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This is a vote on the Insurance Commissioner's budget.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg opened the hearing on HB 1010.

Senator Wanzek handed out amendment 13.8139.02001 and said the only change was the compensation package to the executive department. When the bill was presented, the House removed the funding for the insurance distribution fund for grants to fire districts. That was dealt with in HB 1145. Now all the departments have to return a detailed description or report of how they spend the money so at next session we would have information regarding how that money is being utilized.

The House took those grants out and they are being addressed in HB 1145. The ND Firefighters Association requested for us to put the \$170,000 from the Fire & Tornado Fund into this bill. We declined that and feel there is enough money within the departments or districts to help offset the costs from the premium dollars to help offset the costs of additional firefighter training. Overall, the budget is actually a decrease because of some the onetime funding from the previous biennium for the Affordable Care Act in dollars that were available for them to prepare for the ACA.

Senator Wanzek moved the amendment.
Senator Robinson seconded the motion.
Voice vote carried.

Senator Wanzek moved Do Pass as Amended on HB 1010.
Senator Robinson seconded the motion.

A roll call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Wanzek will carry the bill on the floor.

lot 2
4/5/13
TD

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, replace lines 11 and 12 with:

"Salaries and wages	\$6,859,830	\$1,438,399	\$8,298,229"
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Page 1, replace line 17 with:

"Total special funds	\$12,004,080	(\$847,843)	\$11,156,237"
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Page 2, line 11, replace "ninety-five" with "ninety-six"

Page 2, line 11, replace "eight" with "seven"

Page 2, line 12, replace "sixty-three" with "ninety-three"

Page 2, line 12, replace "ninety-eight" with "one hundred"

Page 2, line 13, replace "seven" with "six"

Page 2, line 13, replace "thirty-nine" with "sixty-five"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,260,726	\$7,884,150	\$414,079	\$8,298,229
Operating expenses	2,858,008	2,858,008		2,858,008
Grants	7,840,000			
Accrued leave payments		163,182	(163,182)	
Total all funds	\$18,958,734	\$10,905,340	\$250,897	\$11,156,237
Less estimated income	18,958,734	10,905,340	250,897	11,156,237
General fund	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50

Department No. 401 - Insurance Department - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$250,897	\$163,182	\$414,079
Operating expenses			
Grants			
Accrued leave payments		(163,182)	(163,182)
Total all funds	\$250,897	\$0	\$250,897
Less estimated income	250,897	0	250,897
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are

restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

Section 6 of the Engrossed Bill is changed to provide the Insurance Commissioner with a 4 percent salary increase, the same as the executive budget. The House provided a 3 percent annual salary increase.

Date: 4-5-13Roll Call Vote # 12013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____

Senate Appropriations Committee☐ Check here for Conference CommitteeLegislative Council Amendment Number 13.88 8139. 02001Action Taken ☐ Adopt Amendment ☐ Do Pass
☐ Do Pass as Amended ☐ Do Not PassMotion Made By Wanzek Seconded By Robinson

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote
Carried

Date: 4-5-13Roll Call Vote # 22013 SENATE STANDING COMMITTEE
ROLL CALL VOTESBILL/RESOLUTION NO. 1010Senate Appropriations Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

☐ Adopt Amendment☐ Do Pass☒ Do Pass as Amended☐ Do Not Pass

Motion Made By

Wanzek

Seconded By

Robinson

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0Absent 0Floor Assignment Wanzek

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

REPORT OF STANDING COMMITTEE

HB 1010, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1010 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 and 12 with:

"Salaries and wages	\$6,859,830	\$1,438,399	\$8,298,229"
---------------------	-------------	-------------	--------------

Page 1, replace line 17 with:

"Total special funds	\$12,004,080	(\$847,843)	\$11,156,237"
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Page 2, line 11, replace "ninety-five" with "ninety-six"

Page 2, line 11, replace "eight" with "seven"

Page 2, line 12, replace "sixty-three" with "ninety-three"

Page 2, line 12, replace "ninety-eight" with "one hundred"

Page 2, line 13, replace "seven" with "six"

Page 2, line 13, replace "thirty-nine" with "sixty-five"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,260,726	\$7,884,150	\$414,079	\$8,298,229
Operating expenses	2,858,008	2,858,008		2,858,008
Grants	7,840,000			
Accrued leave payments		163,182	(163,182)	
Total all funds	\$18,958,734	\$10,905,340	\$250,897	\$11,156,237
Less estimated income	18,958,734	10,905,340	250,897	11,156,237
General fund	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50

Department No. 401 - Insurance Department - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$250,897	\$163,182	\$414,079
Operating expenses			
Grants			
Accrued leave payments		(163,182)	(163,182)
Total all funds	\$250,897	\$0	\$250,897
Less estimated income	250,897	0	250,897
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

Section 6 of the Engrossed Bill is changed to provide the Insurance Commissioner with a 4 percent salary increase, the same as the executive budget. The House provided a 3 percent annual salary increase.

2013 CONFERENCE COMMITTEE

HB 1010

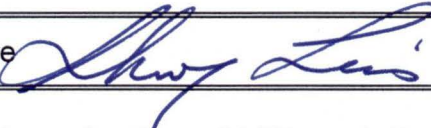
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
April 19, 2013
Recording Job# 21300

☒ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating the to the commissioner's salary.

Minutes:

Chairman Sanford: Opened the conference committee on HB1010.

Representative Brandenburg: I think everything we have to do deals with the compensation package.

Senator Wanzek: I know the conference committees are for addressing the differences; and the differences are just the compensation package. You had removed \$170,000.00 from the fire and tornado fund ; we did agree with the House on that. In the Senate we had HB 1145 and to keep it at 100%, we felt we couldn't mess with it too much. We felt with that additional money the firefighter's association gets their \$170,000.00. We might have to consider an amendment to make sure they get that \$170,000.00. It would be \$40,000.00 more to make sure they have \$170,000.00 over the next biennium.

Representative Brandenburg: The \$170,000.00 has been amended to remove that from the fire and tornado fund for grants to the firefighters association. What happened over in the Senate?

Senator Wanzek: The House removed the \$170,000.00 out of the insurance budget; it came out of the fire and tornado fund and you put it back. We more or less agreed to go along with that. The other bill raised it to 100% of the premium taxes collected to go to the firefighting districts and departments. The thought was we're dramatically increasing those monies that they could find an extra \$40,000.00. The North Dakota firefighters association's concern is they won't necessarily see that. We gave them \$130,000.00 more in that other bill. To make it a full \$170,000.00 we'd have to come up with another \$40,000.00; and in visiting with the insurance department they'd prefer it all come out of one area. I think we could do that with an amendment that takes \$40,000.00 more out of the payments to all the fire districts and make sure the firefighters association gets their full

\$170,000.00. It would be a very small deduction to every fire district to make sure that gets done.

Representative Brandenburg: I think it was almost \$7 million and we increased that to almost \$15 million.

Senator Wanzek: Last biennium the fire districts received \$6.2 million and this biennium they will receive \$8 million more than last biennium. I'm saying out of the \$8 million we're giving them, let's just take \$40,000.00 out of there and make sure the firefighters association gets the full \$170,000.00. There are 378 districts; so that would be a little over \$100.00 for each district; Renee said that they need the money for training. So I think we should take \$40,000.00 out of that additional \$8 million. I'm not proposing more money or taking it out of anywhere else; just an amendment that \$40,000.00 out of the premium tax goes to the firefighters and the rest goes to the districts as planned.

Representative Guggisberg: That bill is on the governor's desk; so are we able to change numbers?

Senator Wanzek: I think it might be able to be done.

Senator Robinson: We were very reluctant at the final stages of HB1145; there were some people who thought it was too much of an increase. To save that bill, we elected not to address the \$40,000.00. If we would elect to do something here; this would trump HB1145 and reduce HB1145 by the \$40,000.00.

Joe Morrisette, Fiscal Analyst, ND Office of Management and Budget: That's correct. I think in any case where there's a conflict between two bills the code advisor will take the last one passed and that will take precedence.

Representative Guggisberg: It's no longer a negotiation between the legislature and the firefighters; now it's a negotiation between the association and all the fire departments in the state. The \$40,000.00 isn't a big deal when you're looking at the \$14 million. Maybe we could add some language in there that looks at somehow studying or clarifying that relationship between the fire departments and the association; how they're to negotiate the dollar amount that comes out of these insurance premiums.

Senator Robinson: I think we have a very good product. I think it's important with the costs were seeing across the state with the fire departments. I would suggest we be very careful what we do here.

Senator Wanzek: The firefighter's association provides a great deal of firefighter training for all the firefighters within the districts. You pay the firefighters association? That's provided for you complimentary of membership in the association? I was thinking maybe there could be a membership or a fee charge for the training.

Representative Guggisberg: We are unique in this state. We're the only state where the training isn't under any state department; we have a board that's elected by the firefighters to the firefighter's association. They get the state money and they provide the training. The

fire departments don't pay a fee to belong to the association; they used to, but, they don't anymore. It's \$65.00. With this funding it would be 5% of the premium dollars go to NDFA for training. Without talking to the fire chiefs, I don't know if this is what they want.

Chairman Sanford: The idea was mentioned to just assess a fee. It could just be done and not have an amendment. Is that possible to do that?

Representative Guggisberg: What you're saying is that you'd have a fee for every fire department. The firefighters association isn't part of state government so we couldn't tell them what to charge for a fee. I don't know how that work; they could bring it up at their convention this summer and request to do something like that.

Senator Wanzek: I probably did take a little heat to make sure that we got the 100%. I'm hoping somehow between the districts and the firefighters association that you can find a way to get the \$40,000.00 to them; or we could just make it clear in an amendment that it's coming out of the premium dollars.

Senator Robinson: Couldn't we insert a couple sentences of legislative intent and leave it?

Representative Guggisberg: Maybe the association could talk to the chiefs and see if we could come up with a compromise.

Chairman Sanford: Closed the conference committee on HB1010.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1010
April 23, 2013
Recording Job# 21422

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating the to the commissioner's salary.

Minutes:

Chairman Sanford: Opened the conference committee on HB1010.

Senator Robinson: Made a motion to recede from the Senate's amendments and further amend to add the compensation package.

Senator Wanzik: Seconded the motion.

Roll call vote 5 Yeas 0 Nays 1 Absent

Chairman Sanford: Closed the conference committee.

VR
4/23/13
1062

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

That the Senate recede from its amendments as printed on pages 1299 and 1300 of the House Journal and pages 1180 and 1181 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, replace line 11 with:

"Salaries and wages	\$6,859,830	\$1,159,684	\$8,019,514"
---------------------	-------------	-------------	--------------

Page 1, replace line 17 with:

"Total special funds	\$12,004,080	(\$963,376)	\$11,040,704"
----------------------	--------------	-------------	---------------

Page 2, line 11, replace "ninety-five" with "ninety-six"

Page 2, line 11, replace "eight" with "seven"

Page 2, line 12, replace "sixty-three" with "ninety-four"

Page 2, line 12, replace "ninety-eight" with "ninety-nine"

Page 2, line 13, replace "seven" with "six"

Page 2, line 13, replace "thirty-nine" with "ninety-eight"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$8,260,726	\$7,884,150	\$135,364	\$8,019,514	\$8,298,229	(\$278,715)
Operating expenses	2,858,008	2,858,008		2,858,008	2,858,008	
Grants	7,840,000					
Accrued leave payments		163,182		163,182		163,182
Total all funds	\$18,958,734	\$10,905,340	\$135,364	\$11,040,704	\$11,156,237	(\$115,533)
Less estimated income	18,958,734	10,905,340	135,364	11,040,704	11,156,237	(115,533)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50	49.50	0.00

Department No. 401 - Insurance Department - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Total Conference Committee Changes
Salaries and wages	\$250,897	(\$115,533)	\$135,364
Operating expenses			
Grants			
Accrued leave payments			
Total all funds	\$250,897	(\$115,533)	\$135,364

Less estimated income	250,897	(115,533)	135,364
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

Section 6 is changed to reduce the Insurance Commissioner's annual salary increase from a 4 percent annual increase to a 4 percent increase on July 1, 2013, and a 3 percent increase on July 1, 2014. The House provided annual salary increases of 3 percent. The Senate provided annual salary increases of 4 percent, the same as the executive recommendation.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB1010 as (re) engrossed

Date: April 23, 2013

Roll Call Vote #: 1

Action Taken

☐ HOUSE accede to Senate amendments

☐ HOUSE accede to Senate amendments and further amend

☐ SENATE recede from Senate amendments

☒ SENATE recede from Senate amendments and amend as follows

Senate Amendments on HJ page(s) 1299 -- 1300

☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1010 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Robinson Seconded by: Senator Wanzek

Representatives	4-19	4-23	Yes	No		Senators	4-19	4-23	Yes	No
Chairman Sanford	x	x	x			Senator Wanzek	x	x	x	
Rep Brandenburg	x	x	x			Senator Erbele	x	x	x	
Rep Guggisberg	x					Senator Robinson	x	x	x	

Vote Count Yes: 5 No: 0 Absent: 1

House Carrier Representative Sanford Senate Carrier Senator Wanzek

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment
To add the compensation package as in all the budget bills.

REPORT OF CONFERENCE COMMITTEE

HB 1010, as engrossed: Your conference committee (Sens. Wanzek, Erbele, Robinson and Reps. Sanford, Brandenburg, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1299-1300, adopt amendments as follows, and place HB 1010 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1299 and 1300 of the House Journal and pages 1180 and 1181 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, replace line 11 with:

"Salaries and wages	\$6,859,830	\$1,159,684	\$8,019,514"
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Page 1, replace line 17 with:

"Total special funds	\$12,004,080	(\$963,376)	\$11,040,704"
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Page 2, line 11, replace "ninety-five" with "ninety-six"

Page 2, line 11, replace "eight" with "seven"

Page 2, line 12, replace "sixty-three" with "ninety-four"

Page 2, line 12, replace "ninety-eight" with "ninety-nine"

Page 2, line 13, replace "seven" with "six"

Page 2, line 13, replace "thirty-nine" with "ninety-eight"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$8,260,726	\$7,884,150	\$135,364	\$8,019,514	\$8,298,229	(\$278,715)
Operating expenses	2,858,008	2,858,008		2,858,008	2,858,008	
Grants	7,840,000					
Accrued leave payments		163,182		163,182		163,182
Total all funds	\$18,958,734	\$10,905,340	\$135,364	\$11,040,704	\$11,156,237	(\$115,533)
Less estimated income	18,958,734	10,905,340	135,364	11,040,704	11,156,237	(115,533)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50	49.50	0.00

Department No. 401 - Insurance Department - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Total Conference Committee Changes
Salaries and wages	\$250,897	(\$115,533)	\$135,364
Operating expenses			
Grants			
Accrued leave payments			
Total all funds	\$250,897	(\$115,533)	\$135,364
Less estimated income	250,897	(115,533)	135,364
	\$0	\$0	\$0

General fund			
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

Section 6 is changed to reduce the Insurance Commissioner's annual salary increase from a 4 percent annual increase to a 4 percent increase on July 1, 2013, and a 3 percent increase on July 1, 2014. The House provided annual salary increases of 3 percent. The Senate provided annual salary increases of 4 percent, the same as the executive recommendation.

Engrossed HB 1010 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1010

House Bill No. 1010

HB1010
January 17, 2013
Attachment 1

Presented by: Rebecca Ternes
Deputy Commissioner
North Dakota Insurance Department

Before: House Appropriations Committee
Government Operations Division
Rep. Blair Thoreson, Chairman

Date: January 17, 2013

ND insurance industry and regulation—At a glance

The North Dakota Insurance Department is a special-funded agency that generated \$53.7 million in revenue in 2012. The Department contributed \$35,736,397 in premium tax revenue to the state's general fund last year.

	2011	2012
The insurance industry		
Total premium written	\$4,941,246,953	n/a
Net premium tax collected (general fund dollars)	\$34,813,193	\$35,736,397
Claims, losses and benefits paid to consumers	\$4,263,096,958	n/a
Regulation and consumer protection		
Consumer relief from complaints and hotline contacts	\$1,255,655.61	\$1,126,575.76
Enforcement fines from agents and companies	\$1,000	\$1,257,061
State Health Insurance Counseling (SHIC) program		
Number of North Dakotans assisted	12,270	n/a
Savings for North Dakota citizens	\$3,006,150	n/a
Centers for Medicare and Medicaid grants	\$267,703	\$264,733
Prescription Connection program		
Number of North Dakotans assisted	393	358
Savings for North Dakota citizens	\$605,062	\$450,774
Benefiting North Dakota taxpayers		
Insurance regulatory trust fund; turnback to the general fund	\$2,979,660	\$3,546,995

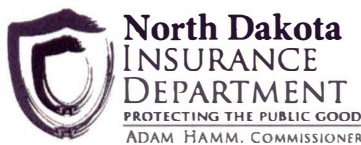
The Department's 2012 revenue was 15 percent higher than the previous year. There were several contributing factors to the increase.

- Premium tax revenue has increased due to the state's growth. More policies are being written and more premiums are being paid, which means more tax revenue is collected.
- The number of licensed agents in the state has grown, which generates more licensing fees.

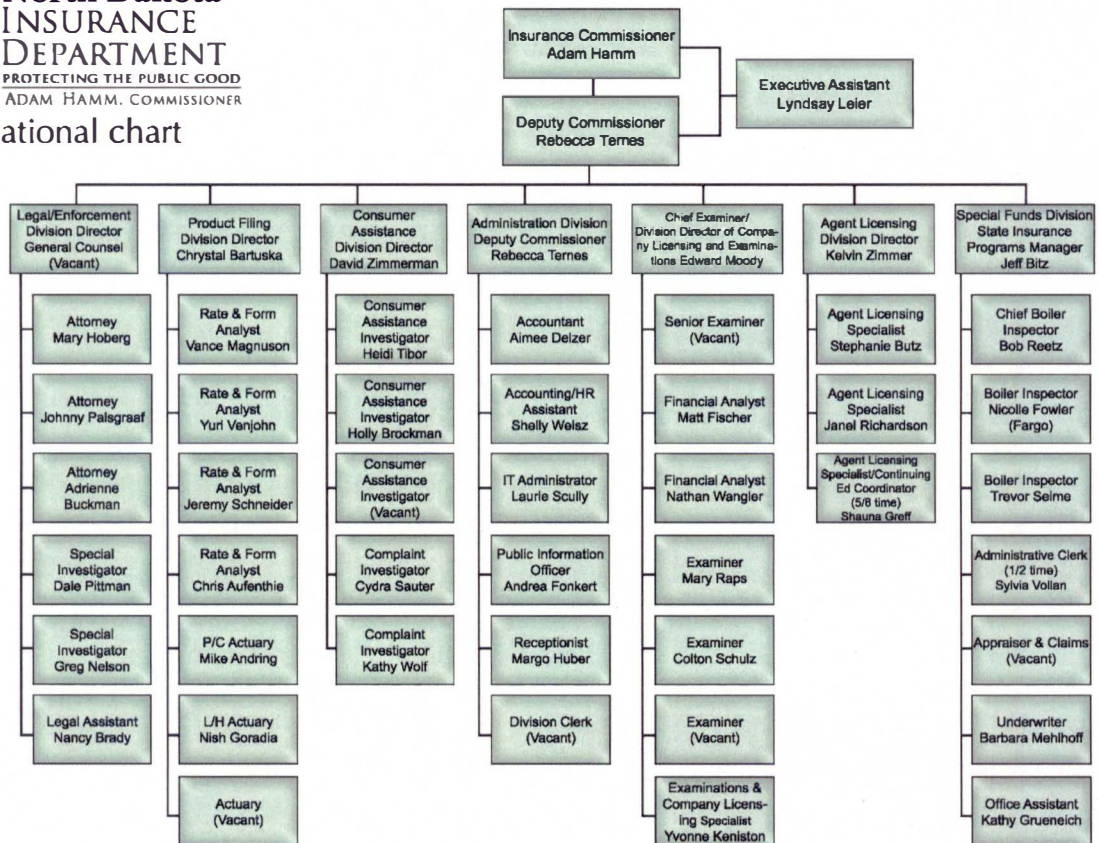
- Petroleum tank fee totals have increased due to the Department's more stringent program to collect past due petroleum tank fund dues.
- \$953,315 was collected through five multi-state life insurance company settlements regarding practices using the Death Master File to identify beneficiaries.

From 2010 to 2011, written insurance premiums in the state increased by nearly \$750 million.

Year	Written premiums
2011	\$4,941,246,953
2010	\$4,191,934,714
2009	\$4,044,836,633
2008	\$4,325,613,863
2007	\$3,669,017,601
2006	\$3,325,364,809



Organizational chart



Updated Jan. 7, 2013

Division overviews

The Insurance Department completed its reorganization in 2011 by forming the Product Filing Division and moving complaints and hotline responsibilities to the Consumer Assistance Division.

Administration Division

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

Agent Licensing Division

The Agent Licensing Division is responsible for the licensing of more than 50,000 individual insurance producers doing business in North Dakota. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements.

Licensed agents	2005	2011	2012
Resident producers	6,204	5,824	5,653
Non-resident producers	29,690	43,989	46,480
Total	35,894	49,813	52,133

Licensed business entities	2005	2011	2012
Resident	671	812	811
Non-resident	2,665	4,179	4,294
Total	3,336	4,991	5,105

Legal Division

The primary functions of the Legal Division are to provide legal counsel to the Department; investigate fraud; litigate administrative actions; and, research and prepare proposed bills and administrative rules. The commissioner signed 21 orders involving agents in 2011 and 34 orders involving agents in 2012.

The fraud unit received 93 insurance fraud referrals in 2012 and ended the year with 151 cases still under investigation. Losses due to fraud in 2012 totaled \$710,104.

Examinations and Company Licensing Division

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.

As of Dec. 31, 2012, there were a total of 2,267 insurance entities licensed to do business in North Dakota and among them, 38 domiciled companies.

- Three financial exams were completed on domiciled companies July 1, 2011–June 30, 2012.

- Two financial exams completed July 1–Dec. 29, 2012.
- Five examinations are in progress.

Product Filing Division

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

The Department expects to receive a large number of health insurance filings in the spring of 2013 as companies bring their policies into compliance with Patient Protection and Affordable Care Act (PPACA) requirements.

	Filings received
2008	5,929
2011	5,594
2012	5,655

Consumer Assistance Division

The Consumer Assistance Division houses the Prescription Connection and State Health Insurance Counseling (SHIC) programs, as well as complaints and hotline duties.

The SHIC program provides free, confidential health insurance counseling to Medicare beneficiaries, their families or other representatives. The program held seven Medicare Part D enrollment events and cosponsored 24 Part D events across the state in 2012.

The Prescription Connection program helps low income North Dakotans find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs. Program staff assists consumers with every aspect of the application process and connect 99 percent of all applicants to a program.

Special Funds Division

This division includes the following programs that are self-funded and do not require an appropriation from either the State General Fund or the Insurance Regulatory Trust Fund.

Fund	2012
State Bonding Fund	
Bondholders	2,978
Combined insured value	\$681,512,932
Fire and Tornado Fund	
Policyholders	1,131
	9,438 buildings
	4,787 outdoor structures
Combined insured value	\$10.9 billion

Fund	2012
Petroleum Tank Release Compensation Fund	
Tank owners	1,688
Tanks	5,645
Boiler and Pressure Vessel Inspection Programs	
Boilers inspected by Department	4,621
Boilers inspected by private insurance carriers	5,191
Total boilers in ND	9,812

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. To date this biennium, one judgment totaling \$48,028 has been paid.

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 recent years, property values have increased due to the increases in construction cost, both labor and material, and the explosive growth in new construction statewide. The Fund recommended policyholders budget for a minimum five percent increase for each policy year of the 2013-2015 biennium.

Fire and Tornado Fund premiums and claims					
Fiscal year	Policyholders	Rate change	Premiums collected	# claims	Claim payments
2008	1,085	35% premium credit	\$3.85 million	111 (12/7/08)	\$1,085,373 (12/7/08)
2009	1,088	No change	\$6.44 million	251	\$2.67 million
2010	1,087	50% premium credit	\$3.22 million	381 (12/23/10)	\$2.91 million
2011	1,090	50% premium credit	\$3.47 million	272	\$4.35 million
2012	1,131	Permanent 50% premium reduction	\$3.77 million	220	\$2.87 million

Petroleum Tank Release Compensation Fund

The North Dakota Petroleum Tank Release Compensation Fund financially assists 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. The annual fee per tank is \$100.

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. During 2010-2012, no payments were made from the fund.

Boiler and Pressure Vessel Inspection Programs

The Boiler and Pressure Vessel Inspection Programs provide initial and periodic inspections of boilers. Nominal fees ranging from \$40-\$90 per boiler are collected to fund the inspection activity. The boiler certification fee, collected every three years, is \$60. The number of active boilers today is 9,812. Of that total, the Department inspects 4,621; the remaining boilers are inspected by authorized agencies. The majority of these new active boilers are in western North Dakota related to new construction.

	Boilers
2000	8,401
2008	8,951
2012	9,812

	Oil rig boilers
2000	23
2008	103
2012	299

Special Funds balance report *As of Oct. 31, 2012*

Fund	Reserve balance	Minimum requirement	Variance fav (unfav)	Loss claims payable
State Bonding Fund	\$3,982,915	\$2,000,000	\$1,982,915	\$20,000
Fire and Tornado Fund	\$24,616,485	\$12,000,000	\$12,616,485	\$2,327,883
Petroleum Tank Release Comp Fund	\$6,206,083	\$6,000,000	\$206,083	\$1,050,643
Unsatisfied Judgment	\$196,003	\$150,000	\$46,003	\$0

Note: Reserve balance = cash + money market deposit accounts + investments

Department appropriation

House Bill No. 1010

Appropriation

- Total executive budget recommendation—\$18,958,734
- The Department requested \$17,530,329

	Department request*	Governor's recommendation
Salaries and wages	\$7,632,321	\$8,260,726
Operating	\$2,858,008	\$2,858,008
IT/Sware over \$5,000	0	0
Grants to fire districts	\$170,000	\$170,000
Total	\$10,660,329	\$11,288,734
Grants to fire districts	\$6,870,000	\$7,670,000
Total budget	\$17,530,329	\$18,958,734

*The Department's original request did not include legislative salary increases or fringe benefit increases. The Governor's recommendation did include these increases.

Base budget changes for 2013-2015

The Department's operating expenditure request represents a decrease of \$690,892 compared to the 2011-2013 biennium. This is a net result of the Insurance Department's federal funding decrease, cost to continue operations, an increase in expenses that are not within the Department's control and cost savings implemented in various areas within the Department. The Department has also combined the federal Affordable Care Act with the operating line because they are all part of the everyday operations of the agency.

The overall impact of the federal funding on the agency's operating expenditures:

- The 2010 Rate Review Grant amount was reduced by \$758,636
- The State Health Insurance Counseling Grant was reduced by \$41,458
- The 2010 Health Insurance Exchange Planning Grant was eliminated (\$768,022)

Key changes in operating expenditures outside of the federal funding are identified in the following and are netted between the operating and federal Affordable Care Act lines:

- Travel increase of \$37,064: Staff will travel more to western North Dakota. State fleet, per diem, airline and hotel costs have increased.
- IT software decrease of \$36,500: The Department purchased upgrades to some of their software programs in the 2011-13 biennium and do not anticipate the need for additional upgrades in the 2013-15 biennium.
- Printing decrease of \$43,334: The Department reviewed their processes of sending out information to their customers. The Department began making items available electronically instead of sending out printed mailers to their customers.
- Postage decrease of \$16,125: The decrease in printing within the Department also affected the amount of postage the Department uses to mail out the information to their customers.
- Insurance decrease of \$10,805: The information supplied by Risk Management shows a 52% decrease in premium for 2013-15.
- Rentals/leases—building/land increase of \$8,631: The Department will see an increase in their capitol office rent of 9% and a slight increase in their two off-site office spaces.
- IT-data processing increase of \$87,526: ITD senior developer costs for existing software application enhancements and designing a web based application for surplus lines
- Professional development increase of \$13,323: The new positions within the Department all require certain levels of professional designation, which the Department reimburses for.

Increase grants to fire districts

This recommendation included by the Governor provides an increase of \$800,000, or about 13%, for grants to fire districts from the insurance tax distribution fund. This increase brings the appropriation to \$7 million for the biennium, or \$3.5 million per year.

Executive compensation package adjustment

This budget change provides funding for recommended 2013-15 compensation adjustments as suggested by the Hay Group study and ND Human Resources Management Services (HRMS).

Full-time employees

The Department has 49.5 FTEs, up from 45.5 in 2011. Four FTEs were added during the November 2011 special session in response to the increased demands the Patient Protection and Affordable Care Act has put on the Department. The four new positions included a company examiner, a rate and form filing analyst, a financial analyst and a life/health actuary. No new FTEs are being requested for the 2013-2015 biennium.

Special Funds allocation

The requested appropriation provides for allocation of expenses for administration of each of the following funds:

Section	Fund	Appropriated admin expense
3	State Bonding Fund	\$45,199
4	Fire and Tornado Fund	\$1,722,929
5	Unsatisfied Judgment Fund	\$28,690
6	Petroleum Tank Release Comp Fund	\$107,598

Commissioner's salary

Section 7 adjusts the Commissioner's salary with a four percent increase.

Summary of major achievements and goals

1. Health care reform tracking

Achievements

- Participated weekly in numerous conference calls
- Participated in numerous interim IBL and budget committee meetings
- Held 11 statewide stakeholder meetings to discuss the Exchange
- Hired a consultant to analyze North Dakota's Exchange options
- Commissioner Hamm was elected President-Elect of the National Association of Insurance Commissioners, giving North Dakota an active role in health care reform discussions at the national level
- In November 2012, the Department transferred the remainder of the \$1 million federal Exchange planning grant to the North Dakota Department of Human Services. The Department was granted permission to spend the grant funds beginning July 1, 2011.

2013-2015 focus

- Continue to participate in weekly conference calls and meetings
- Cross train rate and filing analysts to keep up with increased health insurance filings

2. Continued progress toward fully electronic (paperless) systems in insurance regulation

Achievements

- Implemented SBS external review tracking system
- Data from surplus lines affidavits is now being recorded electronically

2013-2015 focus

- Participate in electronic email address changes and address changes for business entities when implemented by National Insurance Producer Registry
- Continue to work with SERFF to modify the system to meet PPACA requirements
- Continue to work on scanning Fire and Tornado building appraisals into FileNET
- Continue to work with SBS to develop enhancements
- Develop surplus lines system allowing insurance producers to submit affidavits online

3. Enhance outreach programs and consumer education

Achievements

- In 2011 and 2012, the Prescription Connection program helped approximately 750 people across North Dakota obtain more affordable or free prescriptions. Savings to these low-income applicants amounted to \$1.1 million in prescription drug costs that would otherwise be unaffordable.

2013-2015 focus

- Increase Prescription Connection program awareness and participation
- Increase program outreach to Native American residents

4. Respond in a timely fashion to inquiries and requests

Achievements

- During 2011 and 2012, staff handled 14,728 inquiry and complaint calls from North Dakotans needing help resolving insurance-related matters and obtained more than \$724,000 in relief on behalf of consumers.

2013-2015 focus

- Process new company applications for licensure within 60 days
- Respond to inquiries within 24 hours
- Respond to complaints within time frame appropriate for each division

5. Improve enforcement and solvency regulation

Achievements

- The Legal Division added an additional special investigator to its fraud unit in 2011, increasing its ability to follow up on reports of fraudulent activity

- Improved collections for State Bonding Fund and Petroleum Tank Release Compensation Fund

2013-2015 focus

- Strengthen company practices relating to auditor independence, corporate governance and internal control over financial reporting
- Increase insurance fraud referrals to appropriate prosecutors and continue developing working relationships with local, state and federal law enforcement agencies

Fire District Payments

- The insurance premium tax is collected quarterly and deposited into the State General Fund. The legislature appropriates a portion of the insurance premium tax revenue collected from all companies licensed to do business in North Dakota to be allocated to qualified fire districts in the state of North Dakota.
- The following chart provides a sampling of district payments for 2012.

Sampling of fire district annual premiums and payments	2011 premium	% of total premiums	2012 payments
Bismarck F/P District	\$7,300,481	1.84008%	\$57,042.59
Bismarck Fire Department	\$28,595,399	7.20746%	\$223,431.24
Bowman Fire Department	\$1,017,729	0.25652%	\$7,952.06
Bowman Rural Fire Department	\$796,782	0.20083%	\$6,225.69
Carrington Fire Department	\$1,096,878	0.27647%	\$8,570.50
Carrington Rural Fire Department	\$1,456,090	0.36701%	\$11,377.21
Edgeley Fire Department	\$524,305	0.13215%	\$4,096.68
Edgeley Rural Fire Department	\$1,573,207	0.39653%	\$12,292.31
Fargo Fire Department	\$37,789,735	9.52489%	\$295,271.53
Grand Forks Fire Department	\$18,127,272	4.56897%	\$141,638.13
Mayville Fire Department	\$1,577,097	0.39751%	\$12,322.71
Minot F/P District	\$3,757,946	0.94719%	\$29,362.85
Minot Fire Department	\$15,123,491	3.81187%	\$118,167.97
Mylo F/P District	\$209,069	0.05270%	\$1,633.57
Osnabrock F/P District	\$510,183	0.12859%	\$3,986.33
Osnabrock Fire Department	\$113,783	0.02868%	\$889.05
New Salem F/P District	\$1,601,516	0.40366%	\$12,513.51
Rugby F/P District	\$1,213,025	0.30574%	\$9,478.02
Rugby Fire Dept	\$1,342,722	0.33843%	\$10,491.41
Tioga Fire Dept	\$581,680	0.14661%	\$4,544.98
Tioga Rural Fire Dept	\$625,291	0.15760%	\$4,885.73
Wahpeton Fire Dept	\$3,215,468	0.81046%	\$25,124.18
West Fargo Fire Dept	\$8,156,526	2.05585%	\$63,731.33
West Fargo Rural Fire Dept	\$2,990,658	0.75379%	\$23,367.62

Total (all districts)	\$396,747,255	\$3,100,000
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Formula: (Each fire district premiums/statewide premiums) x \$3,100,000

House Bill: 1010

*HB 1010
January 17, 2013
Attachment 2*

Good morning, Chairman Thoreson and members of the Government Operations Division Committee. Thank you for your time this morning and for your continued support of the North Dakota firefighters.

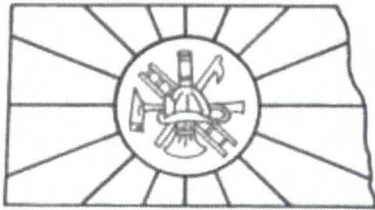
Please let me introduce myself; Renee Loh, Executive Director of the North Dakota Firefighter's Association. I've come here this morning to ask for your support of House Bill 1010. This bill provides for making payments of insurance premiums tax collections to fire departments with a portion allocated to the North Dakota Firefighter's Association.

The mission of the North Dakota Firefighter's Association is to promote the safety and welfare of the North Dakota firefighters through uniform and established national training standards. The North Dakota Firefighter's Association realizes the importance of being fiscally responsible. Therefore, please note by the Annual Training Report that NDFA has proactively reached out to the North Dakota firefighters with the types of classes are needed in the infrastructure that makes up the perimeters of the state of North Dakota today. For 2012, NDFA held 255 classes and trained over 4600 firefighters. Some of the most valuable assets for the state of North Dakota relates to the front-line firefighters that protect our great state.

There is not a week that goes by that I don't have the North Dakota fire service personnel calling with concerns about the increasing pressures and demands that are needed to respond to more technical services such as Big Rig Extrication, structural collapse, trench rescue and hazardous materials response. The firefighters are the first line of defense in emergency scenes; risking their lives to save others and it is vital that they have the proper training so that they return home safely to their families after a fire hazard response.

North Dakota should be very proud of their firefighters because they have accomplished great things in the state and across the nation! They are here to serve the state; nevertheless, the circumstances are probably the biggest area of concern. Our firefighters don't want to fail to respond to an emergency because they do not have the proper training so that the victims can be rescued.

The North Dakota Firefighter's Association again wants to thank you for your support of the North Dakota firefighters! The Association Members are appreciative and thankful for your service to North Dakota. Please let me know if you have any questions.



North Dakota Firefighter's Association Annual Training

HB 1010
January 17, 2013
Attachment 3

Class Title	Number of Students
"Two Fires - Two Separate Outcomes" & "The Command Sequence"	85
ABC's of SCBA's - 4hrs	63
Air Management for Firefighter Survival	16
Assistance to Firefighter Grant Program (AFG)	16
Auto Extrication	513
Auto Extrication - Health Department	70
Automobile Extrication	53
Automobile Extrication Re-Certification	386
Basic Ventilation	43
Beyond Helmets & Hoses, Strategy & Tactics of Leading a Volunteer or Combination Fire/Rescue Organization	17
Building Construction/Fire behavior/Firefighter Safety	65
Car Fire Attack	40
Cars, Buses and Trucks Or Grinder Wrecks	103
Class A Structural Burn Building	18
Courage To Be Safe So Everyone Goes Home	426
Crew Resource Management (CRM)	53
Emergency Response to Military Vehciles, Aircraft, and Facilities	28
Essentials of Firefighting: Basic Skills - 8hrs	100
EVOC (FD)	52
EVOC (FD) - Classroom only	2

Class Title	Number of Students
Farm Vehicle Extrication(NFPA 1670)	23
FD Emergency Vehicle Operations Course (EVOC)	78
Fire Department Inspections	20
Fire Ground Communications	31
Fire Operations in the Wildland/Oil & Gas Interface	40
Fire Prevention on a Shoestring	9
Fire Streams and Fire Control	54
Firefighter Myths	130
Firefighter Survival	22
Grain Bin Extrication (attended)	11
Grain Bin Extrication (Completed)	23
Haz Mat Awareness	163
Haz Mat operations - Classroom	19
Haz Mat Operations Level	48
Haz Mat Operations Level Refresher Hands-on	49
Hazardous Materials Operations Level Refresher Hands-on	84
HazMat - Refresher Hands-on Practical	33
HazMat Operations: Train-the-Trainer	29
Hazmat Ops - Basic Metering	15
Highway Response Safety	100
Incident Safety Officer - 4hrs	31
Incident Safety Officer -16 hrs	17
Introduction to Rope Rescue	48

Class Title	Number of Students
Junior Firefighter Program Management	9
Leadership I	12
Leadership II: Strategies for Personal Success	9
Leadership III: Strategies for Supervisory Success	7
Leadership, Accountability, Culture and Knowledge (LACK) Training	78
Live Fire Propane Emergencies	27
LPG Fire Training	23
NFIRS	12
PICO (Preparing for Initial Company Operations)	16
Primary Search; Back to the Basics	48
Primary Search; Intermediate Level	49
Pump Operations & Maintenance	48
Pump Operator/Engineer	30
Railroad Safety for First Responders	25
Rapid Intervention Team (RIT) Trailer	12
Rehabilitation and Medical Monitoring	40
Rescue from Storage Grain Bins (NFPA 1670)	24
Responding to Oilfield Emergencies	60
Responding to Wind Turbine Emergencies	24
RIT (rapid intervention teams)/Live Fire Training	10
RT-130 Annual Fireline Safety Refresher Training	26
Rules of Engagement	42
Rural Tactics and Water Supply	7

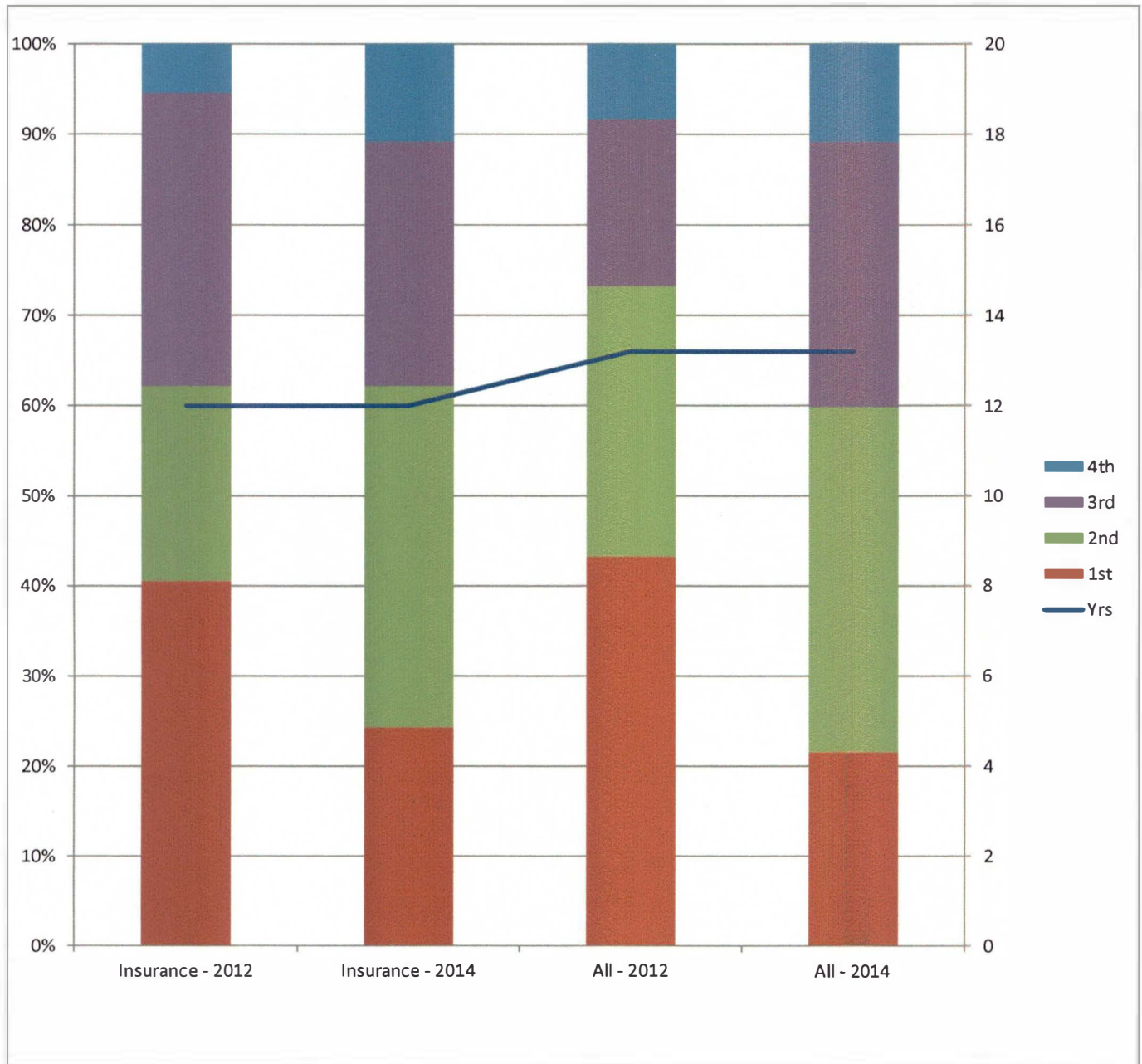
Class Title		Number of Students	
S130/S190 Introduction to Wildland Fire Behavior and Firefighter Training		17	
Safe Motor Grader Fire Suppression		18	
Spray Plane Crashes and Extrication/Grain Bin Rescue		44	
Stretching and Advancing the Initial Attack Line		33	
Structural Burn Simulation Trailer - Advanced		4	
Structural Burn Simulation Trailer - Basic		55	
Structural Burn Simulation Trailer - Intermediate		45	
Ten Fire Ground Mistakes With Tim Zehnder		81	
The Doctrine of Combat Fire Engagement & Five Star Command 2012		40	
Transportation Community Awareness & Emergency Response (TRANSCAER)		275	
Vent-Enter-Search		31	
Wide Area Search		27	
Wildland Fire Essentials-4		37	
Wildland Fire Suppression Tactics		39	
<u>Total number of Classes Presented</u>		<u>253</u>	<u>Total number of Students reached</u>
			<u>4610</u>

HB 1010 January 30, 2013 Attachment 1

		Relativity to Market Policy Position *				+ Meet Standards		+ Exceed Standards		Current C/R		Projected 2013 C/R		Projected 2014 C/R		EXAMPLE																																																																																																																																																																																																																																																																																																																																																																																																																						
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* ALL increases contingent upon Performance Meeting Standards										2013										2014																																																																																																																																																																																																																																																																																																																																																																																																																		
										Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2013				Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2014																																																																																																																																																																																																																																																																																																																																																																																																												
Yrs Svc		Job Title		FTE Ann Sal		Grade		Market Policy Point		FTE		C/R (Current)		2012 Qtl		%		\$		%		\$		%		\$		2013 New Salary		New MPP (3% range increment)		2013 New C/R		2013 Qtl		%		\$		%		\$		%		\$		2014 New Salary		New MPP (3% range increment)		2014 New C/R		2014 Qtl																																																																																																																																																																																																																																																																																																																																																																																
10.6	LICENSING SPECIALIST I	28,871	E	31,724	1.00	0.91	2	2.0%	577	3.0%	866	5.0%	1,443	30,314	32,676	0.93	2	2.0%	606	3.0%	909	5.0%	1,515	31,829	33,656	0.95	2	2.0%	611	5.0%	1,527	7.0%	2,138	32,678	33,656	0.97	2	3.0%	1,138	3.0%	1,138	39,086	36,608	1.07	3	3.0%	1,931	5.0%	1,931	40,544	36,608	1.11	3	4.0%	1,178	3.0%	884	7.0%	2,062	31,521	36,608	0.86	1	3.0%	-	5.0%	1,579	5.0%	1,579	33,165	30,815	1.08	3	4.0%	1,102	3.0%	827	7.0%	1,929	29,482	33,656	0.88	2	0.0%	-	5.0%	3,140	5.0%	3,140	65,948	54,090	1.22	4	0.0%	-	3.0%	1,164	3.0%	1,164	39,976	40,103	1.00	3	0.0%	-	5.0%	2,093	5.0%	2,616	9.0%	4,709	57,029	64,252	0.89	2	0.0%	-	3.0%	1,287	3.0%	1,287	44,200	44,146	1.00	3	0.0%	-	5.0%	1,401	5.0%	1,751	9.0%	3,152	38,180	44,146	0.86	1	0.0%	-	5.0%	1,375	3.0%	1,032	7.0%	2,407	36,792	44,146	0.83	1	0.0%	-	5.0%	1,443	5.0%	1,804	9.0%	3,247	39,326	44,146	0.89	2	0.0%	-	3.0%	1,445	3.0%	1,445	49,603	44,146	1.12	3	0.0%	-	5.0%	1,062	5.0%	2,655	7.0%	3,717	56,807	58,788	0.97	2	0.0%	-	5.0%	2,285	5.0%	2,857	9.0%	5,142	62,276	70,372	0.88	2	0.0%	-	5.0%	2,142	3.0%	1,607	7.0%	3,749	57,311	70,372	0.81	1	0.0%	-	5.0%	1,700	5.0%	2,126	9.0%	3,826	46,336	54,090	0.86	1	0.0%	-	5.0%	1,669	3.0%	1,252	7.0%	2,921	44,651	54,090	0.83	1	0.0%	-	5.0%	2,825	5.0%	3,532	9.0%	6,357	76,989	85,779	0.90	2	0.0%	-	5.0%	1,483	3.0%	2,224	5.0%	3,707	77,851	85,779	0.91	2	0.0%	-	5.0%	1,476	5.0%	4,746	9.0%	9,657	85,779	1.16	4	0.0%	-	3.0%	2,618	3.0%	2,618	89,887	85,779	1.05	3	0.0%	-	5.0%	2,910	5.0%	3,638	9.0%	6,548	79,299	85,779	0.92	2	0.0%	-	5.0%	1,900	3.0%	1,425	7.0%	3,325	50,833	58,788	0.86	1	0.0%	-	5.0%	3,016	5.0%	3,016	63,341	58,788	1.08	3	0.0%	-	3.0%	1,383	3.0%	1,383	47,474	44,146	1.08	3	0.0%	-	5.0%	2,122	5.0%	2,653	9.0%	4,775	57,828	64,252	0.90	2	0.0%	-	5.0%	1,644	3.0%	1,233	7.0%	2,877	43,965	58,788	0.75	1	0.0%	-	5.0%	2,158	5.0%	2,698	9.0%	4,856	58,814	64,252	0.92	2	0.0%	-	5.0%	1,183	3.0%	1,774	5.0%	2,957	62,095	64,252	0.97	2	0.0%	-	5.0%	1,330	5.0%	3,326	7.0%	4,656	71,175	70,372	1.01	3	0.0%	-	5.0%	1,888	3.0%	1,888	64,837	58,788	1.10	3	0.0%	-	5.0%	2,999	5.0%	2,999	62,987	58,788	1.07	3	0.0%	-	5.0%	2,442	3.0%	2,442	83,838	70,372	1.19	4	0.0%	-	5.0%	37,292	4.0%	76,731	6.1%	114,023			0.97	

401 - Insurance - 2012-14 Quartile Charts

HB1010
January 30, 2013
Attachment 2



HB1010
January 30, 2013
Attachment 3

ND SALARY RANGES

July 1, 2012 -- June 30, 2013

Grade	Hourly Salary Range			Monthly Salary Range			Annual Salary Range			Grade
	Min	MPP*	Max	Min	MPP*	Max	Min	MPP*	Max	
A	8.36	11.14	13.93	1,448	1,931	2,414	17,381	23,175	28,969	A
B	9.03	12.03	15.04	1,565	2,086	2,608	18,772	25,029	31,286	B
C	9.73	12.97	16.22	1,687	2,249	2,811	20,240	26,986	33,733	C
D	10.47	13.96	17.46	1,816	2,421	3,026	21,785	29,046	36,308	D
E	11.44	15.25	19.06	1,983	2,644	3,305	23,793	31,724	39,655	E
F	12.44	16.59	20.74	2,156	2,875	3,594	25,879	34,505	43,131	F
G	13.63	18.17	22.72	2,363	3,150	3,938	28,351	37,801	47,251	G
H	15.00	20.01	25.01	2,601	3,468	4,335	31,209	41,612	52,015	H
I	16.56	22.09	27.61	2,871	3,828	4,785	34,454	45,938	57,423	I
J	18.38	24.51	30.64	3,187	4,249	5,311	38,239	50,985	63,731	J
K	19.98	26.64	33.30	3,464	4,618	5,773	41,561	55,414	69,268	K
L	21.84	29.12	36.40	3,785	5,047	6,309	45,423	60,564	75,705	L
M	23.92	31.89	39.86	4,146	5,528	6,910	49,749	66,332	82,915	M
N	26.37	35.16	43.95	4,571	6,094	7,618	54,848	73,130	91,413	N
O	29.15	38.87	48.59	5,054	6,738	8,423	60,641	80,855	101,069	O
P	30.94	41.25	51.56	5,363	7,150	8,938	64,349	85,799	107,249	P
Q	33.02	44.02	55.03	5,723	7,631	9,539	68,675	91,567	114,459	Q
R	35.39	47.19	58.99	6,135	8,180	10,225	73,619	98,159	122,699	R
S	38.11	50.81	63.51	6,605	8,807	11,009	79,259	105,678	132,098	S
T	41.26	55.02	68.77	7,152	9,536	11,920	85,825	114,433	143,041	T
U	44.05	58.73	73.41	7,635	10,180	12,725	91,619	122,158	152,698	U
V	46.80	62.39	77.99	8,111	10,815	13,519	97,335	129,780	162,225	V

* Market Policy Point (formerly Midpoint)

North Dakota Classification Index - Alpha Sequence

11/15/10
January 30, 2013
Attache 4

Job Code	Job Title	Grade	Min	Max
15704	ACADEMY OPERATIONS COORD	J	3,187	5,311
10211	ACCOUNT TECHNICIAN I	E	1,983	3,305
10212	ACCOUNT TECHNICIAN II	G	2,363	3,938
10221	ACCOUNT/BUDGET SPEC I	J	3,187	5,311
10222	ACCOUNT/BUDGET SPEC II	K	3,464	5,773
10223	ACCOUNT/BUDGET SPEC III	L	3,785	6,309
10224	ACCOUNTING MANAGER I	N	4,571	7,618
10225	ACCOUNTING MANAGER II	P	5,363	8,938
13108	ACTIVITY ASSISTANT I	C	1,687	2,811
13109	ACTIVITY ASSISTANT II	E	1,983	3,305
13111	ACTIVITY THERAPIST I	H	2,601	4,335
13112	ACTIVITY THERAPIST II	J	3,187	5,311
13113	ACTIVITY THERAPIST III	K	3,464	5,773
13146	ADAPTIVE EQUIP SPEC I	J	3,187	5,311
13147	ADAPTIVE EQUIP SPEC II	K	3,464	5,773
14132	ADDICTION COUNSELOR I	J	3,187	5,311
14133	ADDICTION COUNSELOR II	L	3,785	6,309
14134	ADDICTION COUNSELOR III	M	4,146	6,910
14131	ADDICTION COUNSELOR INTRN	I	2,871	4,785
10041	ADMIN ASSISTANT I	F	2,156	3,594
10042	ADMIN ASSISTANT II	H	2,601	4,335
10043	ADMIN ASSISTANT III	I	2,871	4,785
10924	ADMIN DIV DIRECTOR, DOT	O	5,054	8,423
10911	ADMIN OFR I	I	2,871	4,785
10912	ADMIN OFR II	K	3,464	5,773
10951	ADMIN STAFF OFFICER I	J	3,187	5,311
10952	ADMIN STAFF OFFICER II	K	3,464	5,773
10953	ADMIN STAFF OFFICER III	L	3,785	6,309
10438	ADMIN SVCS MANAGER - CSSB	N	4,571	7,618
12024	ADMIN TRANS ENGINEER I	O	5,054	8,423
12025	ADMIN TRANS ENGINEER II	R	6,135	10,225
12026	ADMIN TRANS ENGINEER III	S	6,605	11,009
12028	ADMIN TRANS PLANNER	O	5,054	8,423
13238	ADMIN, FORENSIC EXAM OFC	N	4,571	7,618
10753	ADMINISTRATIVE LAW JUDGE	Q	5,723	9,539
14216	ADVANCED CLINICAL SPEC	N	4,571	7,618
16201	AG PROGRAM COORDINATOR	M	4,146	6,910
16222	AG PROGRAM INSPECTOR II	J	3,187	5,311
16202	AG PROGRAM SPECIALIST I	J	3,187	5,311
16203	AG PROGRAM SPECIALIST II	K	3,464	5,773
16200	AGRI DIVISION DIRECTOR	O	5,054	8,423
16305	AGRI MARKETING SPEC I	K	3,464	5,773
16306	AGRI MARKETING SPEC II	L	3,785	6,309
16302	AGRI MEDIATION SVC NEGTR	J	3,187	5,311
18424	AIRCRAFT MAINTENANCE CORD-DOT	J	3,187	5,311
14360	APPEALS REFEREE	K	3,464	5,773
11251	ARCHAEOLOGICAL TECHNICIAN	J	3,187	5,311
11252	ARCHAEOLOGIST I	K	3,464	5,773
11253	ARCHAEOLOGIST II	L	3,785	6,309
10179	ARCHITECT ASSOCIATE	O	5,054	8,423
11244	ARCHIVIST I	I	2,871	4,785
11245	ARCHIVIST II	K	3,464	5,773
10447	AREA DIRECTOR-JSND	R	6,135	10,225
11270	ART PROGRAMS ADMINISTRATOR	K	3,464	5,773
10908	ASSISTANT MGR, ND VETS CEMETERY	J	3,187	5,311
10850	ASSISTANT STATE ENGINEER	R	6,135	10,225

House Bill No. 1010

*HB 1010
January 30, 2013
Attachment 5*

Presented by: Rebecca Ternes
Deputy Commissioner
North Dakota Insurance Department

Before: House Appropriations Committee
Government Operations Division
Rep. Blair Thoreson, Chairman

Date: January 30, 2013

Good afternoon Mr. Chairman and members of the Committee. My name is Rebecca Ternes and I am the Deputy Insurance Commissioner at the North Dakota Insurance Department.

This testimony provides the follow up information requested during the Department's initial appropriations hearing held January 17.

CHAND enrollment

CHAND has 1,402 enrollees, as of Nov. 30, 2012.

Licensed active insurers impacted by health care reform

There are 474 health and life insurance companies selling accident and health insurance licensed in North Dakota. There may be other insurers selling health insurance that are licensed as accident/health or property/casualty companies. A list of insurers actively selling health insurance is available on the Insurance Department website. There are seven to nine companies in each category—individual, small group and large group.

Special Funds report

The requested Special Fund balance information is attached.

I'd be happy to answer any questions you have. Thank you.

State Bonding Fund balance report (10/31/12)

ASSETS

Cash	\$ 54,739	
Invested Cash	1,407,450	
Investments	1,715,773	
Accounts Receivable	800,978	
Dividend/Interest Receivable	26,815	
Due From Other Agencies	-	
Total Assets		\$ 4,005,755

LIABILITIES

Accounts Payable	\$ 995	
Accrued Payroll & Leave/Sick	1,845	
Loss Reserve for Claims Payable	20,000	
Due to Other Agencies	-	
Total Liabilities		\$ 22,840

FUND BALANCE

\$ 3,982,915

Petroleum Tank Compensation Fund balance report (10/31/12)

ASSETS

Cash	\$ 289,756	
Invested Cash	3,453,603	
Investments	3,440,248	
Accounts Receivable	22,900	
Dividend/Interest Receivable	57,832	
Due From Other Agencies	-	
Total Assets		\$ 7,264,339

LIABILITIES

Accounts Payable	\$ 2,142	
Accrued Payroll & Leave/Sick	5,471	
Loss Reserve for Claims Payable	1,050,643	
Due to Other Agencies	-	
Total Liabilities		\$ 1,058,256

FUND BALANCE

\$ 6,206,083

Fire and Tornado Fund balance report (10/31/12)

ASSETS

Cash	\$ 1,001,797	
Invested Cash	\$ 2,534,744	
Investments	\$ 23,080,403	
Accounts Receivable	\$ 79,767	
Dividend/Interest Receivable	\$ 129,369	
Prepaid Exp-Insurance	\$ 198,360	
Due From Other Agencies	\$ -	
Total Assets		\$ 27,024,440

LIABILITIES

Accounts Payable	\$ 5,999	
Accrued Expenses	\$ 20,242	
Accrued Payroll & Leave/Sick	\$ 53,831	
Due to Other Agencies	\$ -	
Loss Claims Payable	\$ 2,327,883	
Total Liabilities		\$ 2,407,955

FUND BALANCE

\$ 24,616,485

February 2013

INSURANCE PREMIUM TAX REVENUE ALLOCATIONS

This memorandum provides information regarding current and proposed funding allocations from insurance premium tax revenue collections.

INSURANCE PREMIUM TAX

North Dakota Century Code Section 26.1-03-17 requires the Insurance Commissioner to collect a premium tax on the gross amount of insurance premiums sold within the state at a rate of 2 percent with respect to life insurance policies and 1.75 percent with respect to all other types of policies. Under current law, insurance premium tax collections are allocated to the firefighters death benefit fund, the insurance tax distribution fund, and the general fund.

FIREFIGHTERS DEATH BENEFIT FUND

The firefighters death benefit fund is a special fund in the state treasury created in the 2007-09 biennium and provided for in Section 18-05.1-02. Money in the fund is appropriated on a continuing basis to the Insurance Commissioner for paying death benefits. The Insurance Commissioner may deposit insurance premium tax collections in the fund if death benefits are paid to maintain the fund balance at \$50,000. A firefighters death benefit has been paid once during the 2009-11 biennium. The fund balance remains at \$50,000.

INSURANCE TAX DISTRIBUTION FUND

Under current law, insurance premium tax collections are deposited in the insurance tax distribution fund in an amount equal to legislative appropriations from the fund for the biennium. For the 2011-13 biennium, the Legislative Assembly appropriated \$8,120,000 from the fund for insurance tax payments to fire departments, grants to the North Dakota Firefighter's Association, and for emergency medical services grants. The 2013-15 executive budget includes \$8,920,000 from the fund for these purposes.

Payments to Fire Departments

Section 18-04-05 provides the Insurance Commissioner shall allocate one-half of the biennial legislative appropriation for payments to fire departments in September of each year. Each fire department receives its prorated share of the total distribution based on the proportion of total insurance premiums collected relating to property in a particular fire district to the total premiums for the same type of coverage collected in the entire state. The distribution ratio is based on information submitted by insurance companies from the prior tax year. For the 2011-13 biennium, the Legislative Assembly appropriated \$6.2 million for these payments. The 2013-15

executive budget recommends increasing the amount for payments to fire departments to \$7 million.

North Dakota Firefighter's Association Grants

Provisions relating to grants to the North Dakota Firefighter's Association are included in the appropriation bill for the Insurance Commissioner. For the 2011-13 biennium and in the 2013-15 executive budget, \$670,000 is provided for these grants. In addition to the funding appropriated from the insurance tax distribution fund for these grants, \$170,000 is provided from the fire and tornado fund for North Dakota Firefighter's Association grants. This funding is also included in the Insurance Commissioner's appropriation bill.

Emergency Medical Services Grants

Provisions relating to grants to emergency medical services providers are included in Chapter 23-46. Funding for these grants is included in the State Department of Health budget and is from the insurance tax distribution fund and the general fund. For the 2011-13 biennium and in the 2013-15 executive budget, \$1,250,000 from the insurance tax distribution fund is provided for these grants. For the 2011-13 biennium, funding from the general fund for these grants totaled \$3,940,000, and the 2013-15 executive budget includes \$6,090,000 from the general fund for these grants.

ENGROSSED HOUSE BILL NO. 1145

Provisions of Engrossed House Bill No. 1145 create a new fire insurance tax distribution fund and a new emergency medical services insurance tax distribution fund. The bill provides payments to fire departments and grants to the North Dakota Firefighter's Association be provided pursuant to a continuing appropriation rather than specific legislative appropriations each biennium. The bill provides all insurance premium tax collections from the specific lines of insurance upon which the insurance tax payments to fire departments are based be transferred from the insurance tax distribution fund to the fire insurance tax distribution fund to provide for the payments. This change results in additional funding being available for payments to fire departments and a reduction in the amount estimated to be deposited in the general fund.

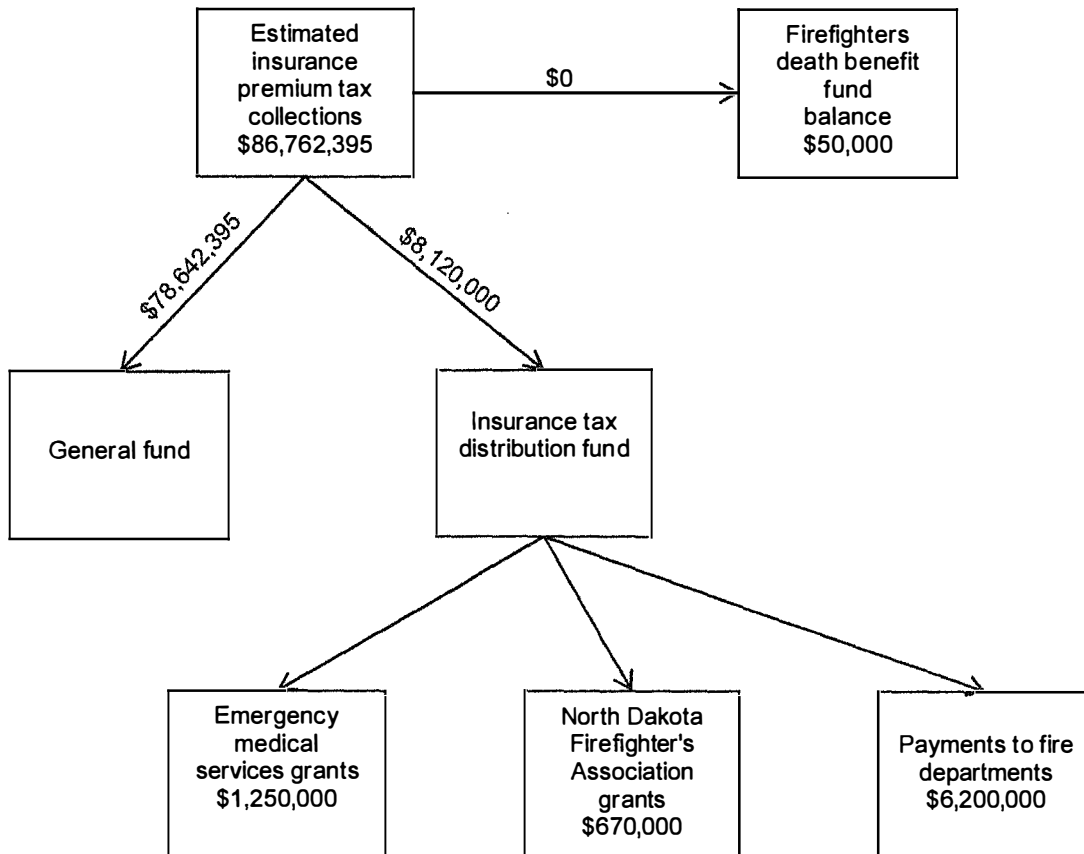
Under Engrossed House Bill No. 1145, the amounts distributed to the fire districts for each year of the 2013-15 biennium are estimated to total:

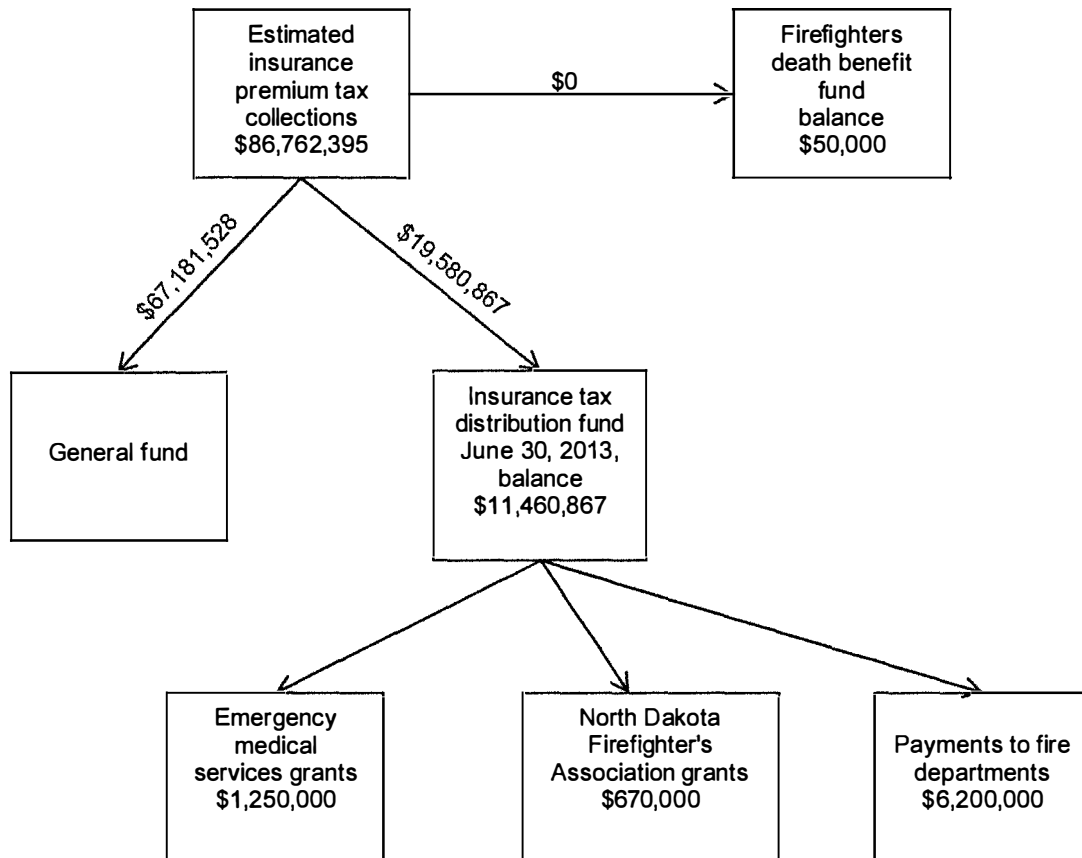
Year	Engrossed House Bill No. 1145 Provisions	Executive Budget	Change
2013	\$7,029,092	\$3,500,000	\$3,529,092
2014	7,507,294	3,500,000	4,007,294
Total	\$14,536,386	\$7,000,000	\$7,536,386

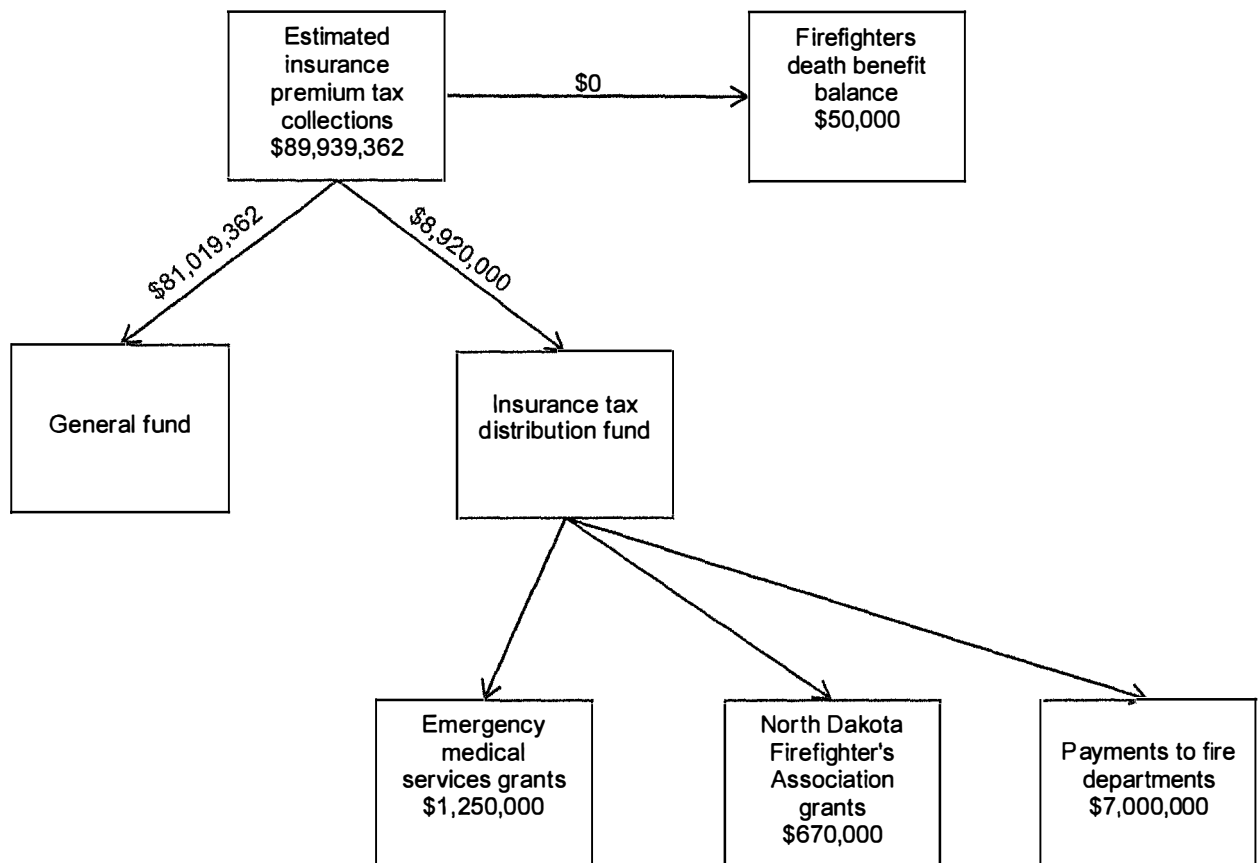
The following flowcharts present the allocation of insurance premium tax collections for the 2011-13 biennium under current law and as changed by

Engrossed House Bill No. 1145 and for the 2013-15 biennium based on the executive recommendation and as changed by Engrossed House Bill No. 1145:

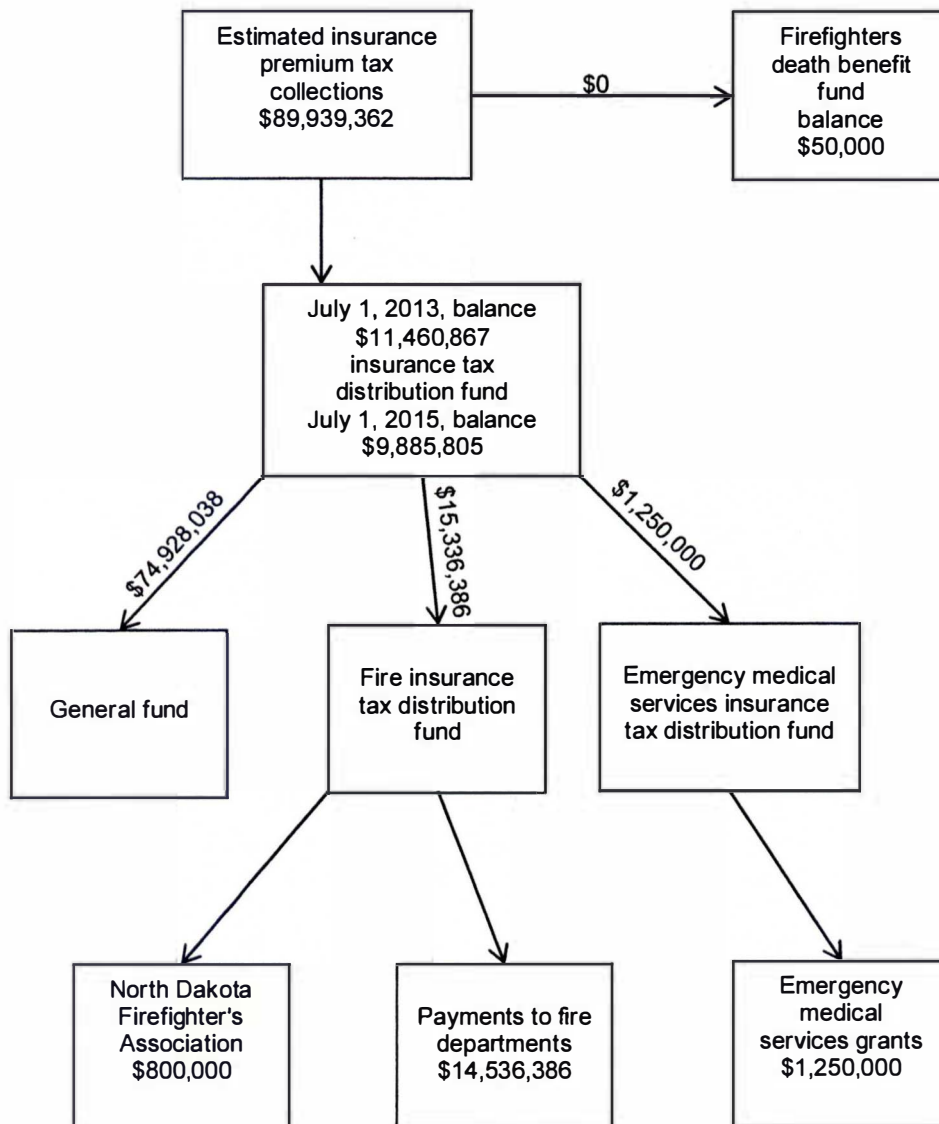
CURRENT LAW - 2011-13 BIENNIUM



ENGROSSED HOUSE BILL NO. 1145 - 2011-13 BIENNIUM

EXECUTIVE BUDGET - 2013-15 BIENNIUM

ENGROSSED HOUSE BILL NO. 1145 - 2013-15 BIENNIUM



H13 1010
February 13, 2015
Attachment 1

HB 1010
Insurance Department Executive Budget

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides an increase in funding from the insurance tax distribution fund for grants to fire districts to provide a total of \$7,000,000		\$800,000	\$800,000
<p>The Governor recommended an increase to the fire district grants by \$800,000 or 13%. The increase amount was determined by OMB starting with the 2003-05 appropriation amount and calculating the inflation amount using the consumer price index. The current fire district grant appropriation amount is \$6,200,000 from the Insurance Tax Distribution Fund. The North Dakota Firefighters Association current appropriation amount is \$670,000 from the Insurance Tax Distribution Fund and \$170,000 from the Fire & Tornado Fund for a total of \$840,000.</p>			
2. Provides funding for state employee salary increases of which \$322,722 relates to performance increases and \$137,266 is for market equity adjustments		\$459,988	\$459,988
<p>HRMS/OMB made the calculations for the compensation package for the 2013-15 biennium. HRMS used the Hay Group compensation system to determine the market equity adjustments of the current employee salaries that are under the midpoint of their ranges. HRMS calculated the performance increase using the Governor's recommended range of 3% - 5% to be given to employees based on their performance rating. The overall average performance increase was 4% with no guarantee each employee will receive a 4% increase.</p>			
3. Removes one-time funding for the American Health Benefit to be used in the 2011-13 biennium for exchange planning		(\$1,000,000)	(\$1,000,000)
<p>The Department received a grant for \$1,000,000 to be used in health insurance Exchange planning. The Department used a portion of the grant to hire a consulting firm to prepare a study on the exchange for the state. The remaining grant balance was transferred to the ND Department of Health in December 2012.</p>			
4. Removes one-time funding appropriated during the 2011-13 biennium for IT equipment		(\$70,000)	(\$70,000)
<p>The Department reviewed their current equipment needs during the preparation of the budget and adjusted the budget accordingly.</p>			
5. Decreases funding relating to operating expenses		(\$690,892)	(\$690,892)
<p>The Department strived to maintain their budget at 100% as the Governor requested and looked at ways to provide a savings to the state. The Department is decreasing their federal funding by \$800,094. The Department experienced cost to continue operations increases in areas such as travel & rent. In order to maintain the 100% budget, the Department asked each of their divisions to review their existing budgets for the 2011-13 biennium and identify cost savings to counteract the cost to continue increases in other areas.</p>			

Other Sections in Bill

Insurance premium tax collections uses - Section 2 designates \$7,000,000 for payments to fire departments and \$670,000 for payments to the North Dakota Firefighters Association.

Insurance premium taxes are collected and are deposited in to the Insurance Tax Distribution Fund until the fund reaches the appropriated amount to be distributed to the fire districts, North Dakota Firefighters Association and emergency medical services. The remaining premium tax collected is deposited in the general fund. The fire districts currently receive \$6,200,000 each biennium. Under the Executive budget this amount increases to \$7,000,000. The North Dakota Firefighters Association currently receives \$670,000 from the Insurance Tax Distribution Fund and an additional \$170,000 from the Fire and Tornado fund for a grand total of \$840,000 with no recommended increase.

Bonding fund - Section 3 designates \$45,199 from the state bonding fund to pay bonding fund administrative expenses.

The State Bonding fund provides fidelity bond coverage to the state of North Dakota and its political subdivisions. The State Bonding Fund is a special fund setup in the state's treasury. By statute, the commissioner may use appropriated funds to cover the costs necessary to operate the fund. For this biennium, the fund is requesting \$45,199 to cover these costs. The fund currently does not charge a premium because it has been able to maintain a healthy fund balance. The current balance is \$3,982,915. The coverage limit for each entity covered is determined by the amount of money or property handled and the opportunity for defalcation and has a maximum limit of \$2,000,000. The fund does collect payments on judgments from the defendant. Investment of the fund is under the supervision of the state investment board.

Fire and tornado fund - Section 4 designates \$1,722,929 from the state fire and tornado fund, including \$170,000 for a grant to the North Dakota Firefighters Association and \$1,552,929 to pay fire and tornado fund administrative expenses.

The Fire and Tornado fund provides affordable building and business personal property insurance coverage to state entities and political subdivisions. The Fire and Tornado fund is a special fund setup in the state's treasury and is funded by the premiums paid for insurance coverage and the fees charged by the boiler inspection program. By statute, the commissioner may use appropriated funds to cover the costs necessary to operate the fund. For this biennium, the fund is requesting \$1,552,929 to cover these costs. The fund is also appropriated \$170,000 to be paid to the North Dakota Firefighter's Association. The fund made a permanent 50% reduction to premiums based on the fund's ability to maintain a healthy balance. The current balance is \$24,616,485. Investment of the fund is under the supervision of the state investment board.

Unsatisfied judgment fund - Section 5 designates \$28,690 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.

The Unsatisfied Judgment fund was created to protect residents of North Dakota against the financial hardships associated with bodily injury caused by irresponsible, uninsured, and judgment proof drivers. The Unsatisfied Judgment fund is a special fund setup in the state's treasury. By statute, the commissioner may use appropriated funds to cover the costs necessary to operate the fund. For this biennium, the fund is requesting \$28,690 to cover these costs. The judgment amounts are repaid to the fund by the driver.

Petroleum release compensation fund - Section 6 designates \$107,598 from the state petroleum release compensation fund to pay petroleum release compensation fund administrative expenses

The Petroleum Release Compensation fund financially assists 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. The current annual fee per tank is \$100. The registration fee is set based on the balance of the fund. The Petroleum Release Compensation fund is a special fund setup in the state's treasury and is funded by annual registration fees paid by the tank owners and operators. By statute, the commissioner may use appropriated funds to cover the costs necessary to operate the fund. For this biennium, the fund is requesting \$107,598 to cover these costs. The current fund balance is \$6,206,083. Investment of the fund is under the supervision of the state investment board.

The Insurance Regulatory fund is a special fund in the state's treasury. The fund receives its revenues from agent licensing and fines, company licensing and fines and examination fees. The Department's operating expenses are funded by the Insurance Regulatory fund. After the close of each fiscal year, the Department transfers the fund balance less \$1,000,000 to the general fund. For this biennium, the fund is requesting \$7,998,168 to cover the Department's operating expenses. Investment of the fund is under the supervision of the state investment board.

FISCAL YEAR	TOTAL PREMIUM TAX COLLECTED (INCLUDES THE FOLLOWING COLUMN)	FIRE, ALLIED LINES, HOMEOWNER'S PERIL, FARMOWNER'S PERIL & COMMERCIAL MULTIPLE PERIL PREMIUM TAX COLLECTED **	APPROPRIATED GRANT TO FIRE DISTRICTS FROM FUND 240	APPROPRIATED GRANT TO NDFA FROM FUND 240	APPROPRIATED GRANT TO NDFA FROM FUND 211 (FIRE & TORNADO)
1997	\$ 20,796,910.00	\$ 2,751,310	\$ 2,600,000	\$ -	\$ -
1998	\$ 19,957,573.00	\$ 3,241,373	\$ 2,600,000	\$ -	\$ -
1999	\$ 20,975,742.00	\$ 3,033,406	\$ 2,600,000	\$ -	\$ -
2000	\$ 21,893,086.00	\$ 3,180,996	\$ 2,600,000	\$ -	\$ -
2001	\$ 22,419,513.30	\$ 2,987,131	\$ 2,600,000	\$ -	\$ -
2002	\$ 25,999,204.00	\$ 3,405,964	\$ 2,600,000	\$ 52,000	\$ -
2003	\$ 28,294,823.00	\$ 3,702,111	\$ 2,600,000	\$ 52,000	\$ -
2004	\$ 30,928,373.00	\$ 4,185,692	\$ 2,600,000	\$ 52,000	\$ -
2005	\$ 30,671,102.00	\$ 4,882,928	\$ 2,600,000	\$ 52,000	\$ -
2006	\$ 29,124,817.00	\$ 4,722,831	\$ 3,100,000	\$ 60,000	\$ -
2007	\$ 30,168,197.00	\$ 5,117,964	\$ 3,100,000	\$ 60,000	\$ -
2008	\$ 37,425,546.00	\$ 5,080,641	\$ 3,100,000	\$ 60,000	\$ 85,000
2009	\$ 34,583,055.00	\$ 5,370,098	\$ 3,100,000	\$ 60,000	\$ 85,000
2010	\$ 35,893,902.00	\$ 5,753,477	\$ 3,100,000	\$ 310,000	\$ 85,000
2011	\$ 36,686,391.00	\$ 6,144,065	\$ 3,100,000	\$ 310,000	\$ 85,000
2012	\$ 42,818,733.00	\$ 6,509,893	\$ 3,100,000	\$ 335,000	\$ 85,000
2013	\$ 16,047,288.00	\$ 6,943,077	\$ 3,100,000	\$ 335,000	\$ 85,000

Note:

** The Fire, Allied Lines, Homeowner's Multiple Peril, Farmowners Multiple Peril & Commercial Multiple Peril lines are from the previous calendar year annual reporting by the companies. For example, the money disbursed in FY13 was based on the premiums collected for calendar year 2011 because the annual tax return was not due until March 2012.

Investments

The Department works with the North Dakota Retirement and Investment Office to update the asset allocations of each fund. The Department has written guidelines for each fund that are tailored to meet each individual fund's needs. The last updates to the Department's investments were made in March 2009 and July 2007. The Department will be reviewing and making any changes needed to each asset allocation in June 2013.

INVESTMENT RETURNS

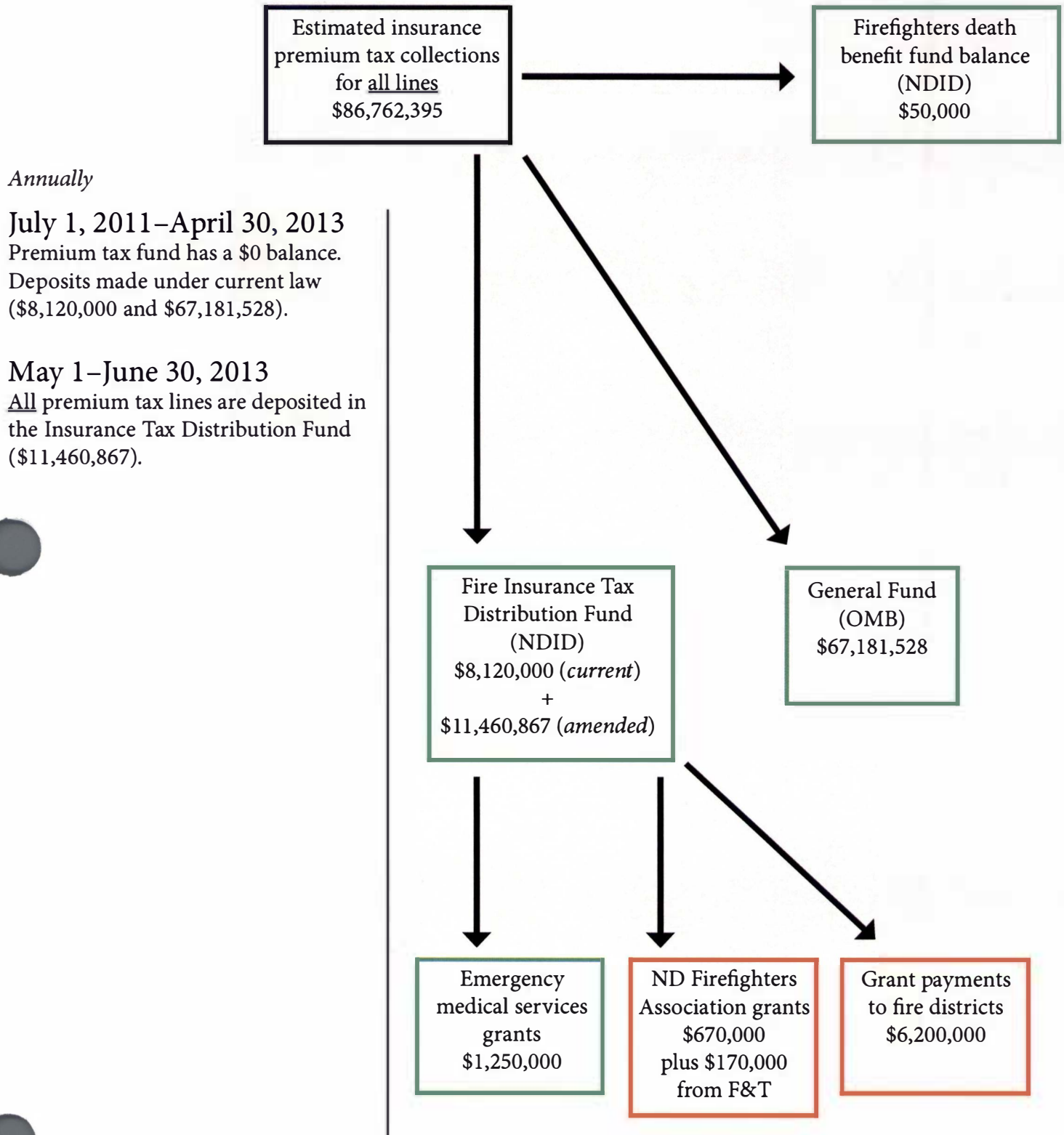
FUND	NET INCOME JULY 1, 2012 - NOVEMBER 30, 2012	NET INCOME JULY 1, 2011 - JUNE 30, 2012	NET INCOME JULY 1, 2010 - JUNE 30, 2011	NET INCOME JULY 1, 2009 - JUNE 30, 2010
STATE BONDING	\$ 100,085	\$ 154,825	\$ 138,197	\$ 213,297
FIRE & TORNADO	\$ 1,402,038	\$ 1,144,429	\$ 3,698,955	\$ 3,469,549
PETROLEUM TANK	\$ 202,216	\$ 315,147	\$ 323,151	\$ 525,273
INS REGULATORY TRUST	\$ 41,142	\$ (9,022)	\$ 260,749	\$ 180,813
NET INCOME/(LOSS)	\$ 1,745,481	\$ 1,605,379	\$ 4,421,052	\$ 4,388,932

FUND	RATE OF RETURN JULY 1, 2012 - NOVEMBER 30, 2012	RATE OF RETURN JULY 1, 2011 - JUNE 30, 2012	RATE OF RETURN JULY 1, 2010 - JUNE 30, 2011	RATE OF RETURN JULY 1, 2009 - JUNE 30, 2010
STATE BONDING	3.60%	5.42%	5.12%	8.63%
FIRE & TORNADO	5.86%	5.17%	14.77%	14.52%
PETROLEUM TANK	3.03%	4.93%	5.07%	7.79%
INS REGULATORY TRUST	4.42%	3.01%	11.79%	10.29%

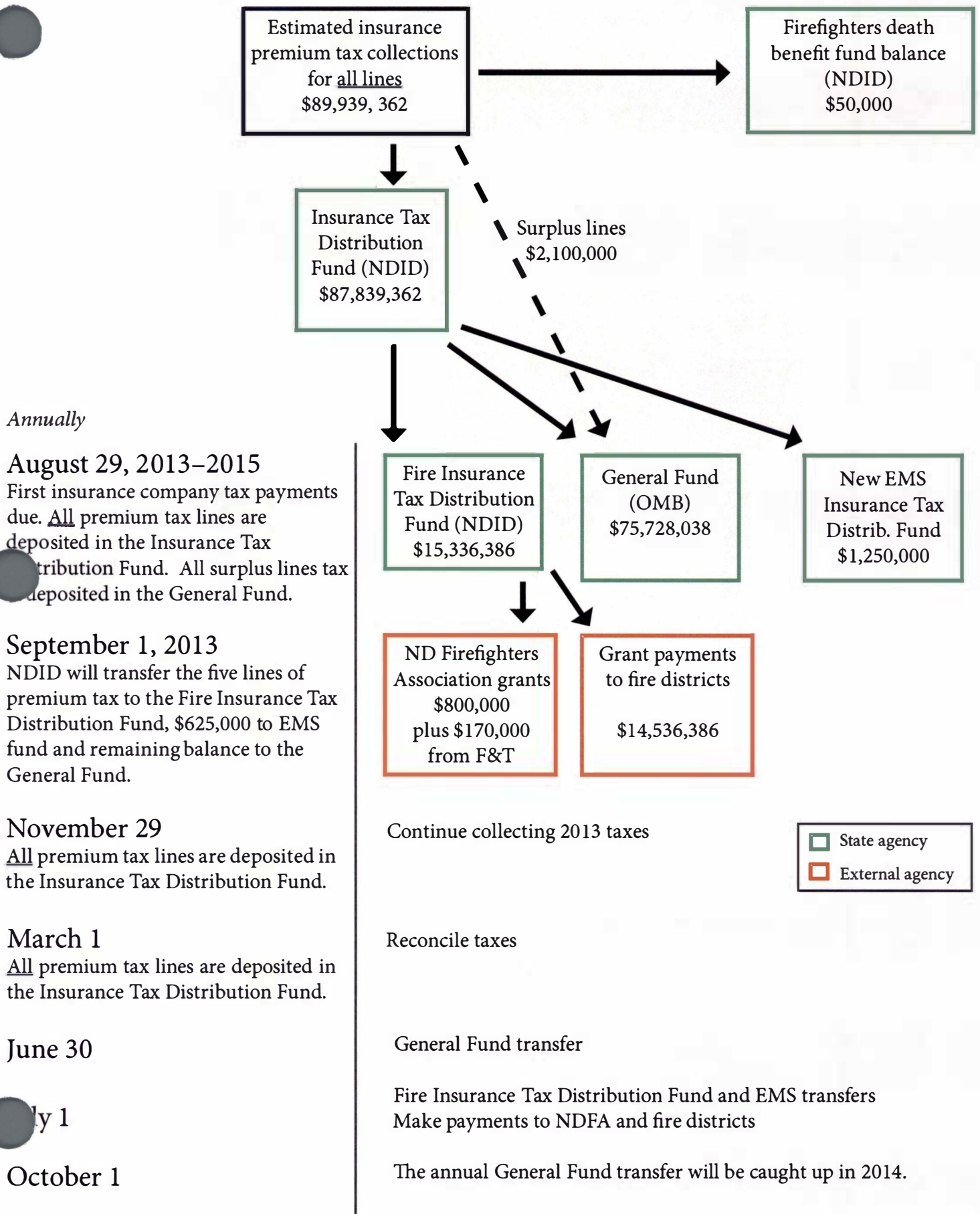
INVESTMENT OBJECTIVES

FUND	CURRENT ASSET ALLOCATION	INVESTMENT OBJECTIVE
STATE BONDING	55.00% FIXED INCOME 45.00% CASH EQUIVALENTS	REFLECT THE LONG-TERM NATURE OF THE FUND & SHORT-TERM LIQUIDITY
FIRE & TORNADO	18.75% LARGE CAP DOMESTIC EQUITY 6.25% SMALL CAP DOMESTIC EQUITY 10.00% INTERNATIONAL EQUITY 55.00% FIXED INCOME 10.00% CASH EQUIVALENTS	REFLECT THE LONG-TERM NATURE OF THE FUND WITH LOW RISK TOLERANCE & SHORT- TERM LIQUIDITY NEEDS
PETROLEUM TANK	50.00% FIXED INCOME 50.00% CASH EQUIVALENTS	AUGMENT PREMIUM INCOME TO PROVIDE FOR CLAIM PAYMENTS & STABILITY OF INSURANCE RESERVES
INS REGULATORY TRUST	15.00% LARGE CAP DOMESTIC EQUITY 5.00% SMALL CAP DOMESTIC EQUITY 10.00% INTERNATIONAL EQUITY 35.00% FIXED INCOME 35.00% CASH EQUIVALENTS	MODERATE RISK TOLERANCE & SHORT- TERM LIQUIDITY

Process under HB 1145 with amendments (2011-2013 biennial numbers)



Process under HB 1145 with amendments (2013-2015 biennial numbers)



Estimates under HB1145 with amendments (June & July transfers)

Biennium	Year of September Payment	Based on Premium Tax Year	Estimated Total of 5 lines Premium Tax	Estimated Total Premium Tax	Estimated Premium Tax deposited in Insurance Tax Dist. Fund *	Estimated Premium Tax to General fund **	Estimated Premium Tax to Fire Insurance Tax Dist.	Premium Tax to EMS fund	Grant Amount Paid to NDFA	Estimated Grant Amount Paid to FD	Appropriated Amount under Current Law	Increased Amount to Fire Districts	Estimated Additional Fire District Grants for Biennium
2011-13	2011	2010	\$ 6,509,893	\$ 42,818,733	\$ 4,060,000	\$ 38,758,733	\$ -		\$ 335,000.00	\$ 3,100,000	\$ 3,100,000	\$ -	\$ -
2011-13	2012	2011	\$ 6,943,077	\$ 43,943,662	\$ 15,520,867	\$ 28,422,795	\$ -		\$ 335,000.00	\$ 3,100,000	\$ 3,100,000	\$ -	\$ -
2013-15	2013	2012	\$ 7,429,092	\$ 44,690,704	\$ 43,640,704	\$ 39,565,184	\$ 7,429,092	\$ 625,000	\$ 400,000	\$ 7,029,092	\$ 3,100,000	\$ 3,929,092	
2013-15	2014	2013	\$ 7,907,294	\$ 45,248,658	\$ 44,198,658	\$ 36,162,854	\$ 7,907,294	\$ 625,000	\$ 400,000	\$ 7,507,294	\$ 3,100,000	\$ 4,407,294	\$ 8,336,386
2015-17	2015	2014	\$ 8,460,804	\$ 44,720,704	\$ 43,670,704	\$ 35,073,028	\$ 8,460,804	\$ 625,000	\$ 400,000	\$ 8,060,804	\$ 3,100,000	\$ 4,960,804	
2015-17	2016	2015	\$ 9,022,676	\$ 45,279,296	\$ 44,229,296	\$ 35,000,033	\$ 9,022,676	\$ 625,000	\$ 400,000	\$ 8,621,676	\$ 3,100,000	\$ 5,522,676	\$ 10,483,480
2017-19	2017	2016	\$ 9,654,263	\$ 46,062,325	\$ 45,012,325	\$ 35,107,263	\$ 9,654,263	\$ 625,000	\$ 400,000	\$ 9,254,263	\$ 3,100,000	\$ 6,154,263	
2017-19	2018	2017	\$ 10,330,061	\$ 46,637,675	\$ 45,587,675	\$ 34,959,509	\$ 10,330,061	\$ 625,000	\$ 400,000	\$ 9,930,061	\$ 3,100,000	\$ 6,830,061	\$ 12,984,324
2019-21	2019	2018	\$ 11,053,166	\$ 47,444,194	\$ 46,394,194	\$ 34,992,307	\$ 11,053,166	\$ 625,000	\$ 400,000	\$ 10,653,166	\$ 3,100,000	\$ 7,553,166	
2019-21	2020	2019	\$ 11,826,887	\$ 48,036,805	\$ 46,986,805	\$ 34,757,036	\$ 11,826,887	\$ 625,000	\$ 400,000	\$ 11,426,887	\$ 3,100,000	\$ 8,326,887	\$ 15,880,053

Notes:

* The premium tax will be deposited in to the Insurance Tax Distribution fund with the EXCEPTION of Surplus Lines premium tax. Surplus Lines premium tax will be deposited directly to the general fund and is estimated at \$1,050,000 each fiscal year.

** The general fund amount includes the estimated \$1,050,000 per year of Surplus Lines premium tax.

***The transfers from the Insurance Tax Distribution fund will be made in June of each year to the general fund and July to the other funds based on the amount available in the fund as of June 30.

North Dakota Insurance Department
Fire Districts
Premium Tax Collections and Grant Payments

Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid in 2011
ABERCROMBIE F/P DIST	\$ 9,071	\$ 8,960	\$ 4,001	\$ 8,540	\$ 4,067
ADAMS F/P DISTRICT	\$ 9,112	\$ 9,001	\$ 4,019	\$ 9,983	\$ 4,754
ALAMO F/P DISTRICT	\$ 10,611	\$ 10,482	\$ 4,680	\$ 11,085	\$ 5,279
ALEXANDER F/P DISTRICT	\$ 12,400	\$ 12,248	\$ 5,469	\$ 12,175	\$ 5,798
ALICE F/P DISTRICT	\$ 4,842	\$ 4,783	\$ 2,135	\$ 5,865	\$ 2,793
ALMONT F/P DISTRICT	\$ 2,852	\$ 2,817	\$ 1,258	\$ 2,390	\$ 1,138
AMBROSE FIRE DEPT	\$ 768	\$ 759	\$ 339	\$ 634	\$ 302
AMIDON F/P DISTRICT	\$ 4,057	\$ 4,007	\$ 1,789	\$ 3,533	\$ 1,682
ANAMOOSE F/P DISTRICT	\$ 10,062	\$ 9,939	\$ 4,438	\$ 8,834	\$ 4,207
ANETA F/P DISTRICT	\$ 8,786	\$ 8,678	\$ 3,875	\$ 9,120	\$ 4,343
ANTLER F/P DISTRICT	\$ 4,122	\$ 4,072	\$ 1,818	\$ 3,579	\$ 1,704
ANTLER FIRE DEPT	\$ 3,794	\$ 3,747	\$ 1,673	\$ 3,144	\$ 1,497
ARGUSVILLE F/P DIST	\$ 7,700	\$ 7,606	\$ 3,396	\$ 6,972	\$ 3,320
ARNEGARD F/P DISTRICT	\$ 4,543	\$ 4,488	\$ 2,004	\$ 4,554	\$ 2,169
ARTHUR F/P DISTRICT	\$ 12,574	\$ 12,420	\$ 5,545	\$ 13,344	\$ 6,354
ASHLEY FIRE DEPT	\$ 19,904	\$ 19,661	\$ 8,778	\$ 5,464	\$ 2,602
ASHLEY RURAL FIRE DEPT	\$ 7,389	\$ 7,298	\$ 3,259	\$ 5,993	\$ 2,854
BARNEY F/P DISTRICT	\$ 13,389	\$ 13,225	\$ 5,905	\$ 11,389	\$ 5,423
BATHGATE FIRE DEPT	\$ 949	\$ 938	\$ 419	\$ 1,372	\$ 653
BEACH FIRE DEPT	\$ 8,468	\$ 8,364	\$ 3,735	\$ 8,740	\$ 4,162
BELCOURT RURAL FIRE DEPT	\$ 11,066	\$ 10,931	\$ 4,881	\$ 9,759	\$ 4,647
BELFIELD FIRE DEPT	\$ 7,347	\$ 7,257	\$ 3,240	\$ 6,452	\$ 3,072
BELMONT F/P DISTRICT	\$ 17,903	\$ 17,684	\$ 7,896	\$ 15,132	\$ 7,206
BELMONT F/P DISTRICT	\$ 75,263	\$ 74,342	\$ 33,193	\$ 106,427	\$ 50,680
BILLINGS COUNTY F/P DIST	\$ 15,815	\$ 15,621	\$ 6,975	\$ 14,344	\$ 6,831
BINFORD F/P DISTRICT	\$ 7,399	\$ 7,309	\$ 3,263	\$ 6,157	\$ 2,932
BISBEE F/P DISTRICT	\$ 7,259	\$ 7,171	\$ 3,202	\$ 5,390	\$ 2,567
BISMARCK F/P DISTRICT	\$ 129,341	\$ 127,758	\$ 57,043	\$ 102,301	\$ 48,716
BISMARCK FIRE DEPT	\$ 506,619	\$ 500,419	\$ 223,431	\$ 464,957	\$ 221,412
BOTTINEAU F/P DISTRICT	\$ 27,481	\$ 27,145	\$ 12,120	\$ 24,344	\$ 11,592
BOTTINEAU FIRE DEPT	\$ 21,563	\$ 21,299	\$ 9,510	\$ 20,777	\$ 9,894
BOWBELLS F/P DISTRICT	\$ 7,270	\$ 7,181	\$ 3,206	\$ 8,118	\$ 3,866
BOWDON FIRE DEPT	\$ 5,794	\$ 5,723	\$ 2,555	\$ 3,940	\$ 1,876
BOWDON RURAL FIRE DEPT	\$ 11,840	\$ 11,695	\$ 5,222	\$ 11,228	\$ 5,347
BOWMAN FIRE DEPT	\$ 18,031	\$ 17,810	\$ 7,952	\$ 15,083	\$ 7,182
BOWMAN RURAL FIRE DEPT	\$ 14,116	\$ 13,944	\$ 6,226	\$ 10,397	\$ 4,951
BRADDOCK F/P DISTRICT	\$ 4,839	\$ 4,779	\$ 2,134	\$ 3,617	\$ 1,722
BROCKET-LAWTON F/P DIST	\$ 7,898	\$ 7,802	\$ 3,483	\$ 6,507	\$ 3,098
BUFFALO F/P DISTRICT	\$ 18,982	\$ 18,750	\$ 8,371	\$ 18,118	\$ 8,628
BURLINGTON FIRE DEPT	\$ 9,181	\$ 9,069	\$ 4,049	\$ 6,646	\$ 3,165
BURLINGTON RURAL FIRE DP	\$ 6,597	\$ 6,517	\$ 2,910	\$ 5,687	\$ 2,708
BUTTE F/P DISTRICT	\$ 6,215	\$ 6,139	\$ 2,741	\$ 6,426	\$ 3,060
BUXTON F/P DISTRICT	\$ 22,169	\$ 21,897	\$ 9,777	\$ 19,238	\$ 9,161
CALVIN F/P DISTRICT	\$ 5,732	\$ 5,662	\$ 2,528	\$ 7,885	\$ 3,755
CANDO F/P DISTRICT	\$ 10,517	\$ 10,388	\$ 4,638	\$ 8,954	\$ 4,264
CANDO FIRE DEPT	\$ 10,712	\$ 10,581	\$ 4,724	\$ 10,835	\$ 5,160
CARPIO F/P DISTRICT	\$ 8,800	\$ 8,693	\$ 3,881	\$ 11,302	\$ 5,382
CARRINGTON FIRE DEPT	\$ 19,433	\$ 19,195	\$ 8,570	\$ 18,393	\$ 8,759
CARRINGTON RURAL FIRE DP	\$ 25,797	\$ 25,482	\$ 11,377	\$ 19,032	\$ 9,063
CASSELTON F/P DISTRICT	\$ 9,746	\$ 9,627	\$ 4,298	\$ 7,758	\$ 3,694
CASSELTON FIRE DEPT	\$ 18,034	\$ 17,813	\$ 7,953	\$ 20,628	\$ 9,823
CASSELTON RURAL FIRE DP	\$ 44,870	\$ 44,321	\$ 19,789	\$ 43,451	\$ 20,691
CATHAY F/P DISTRICT	\$ 6,204	\$ 6,128	\$ 2,736	\$ 4,241	\$ 2,020
CAVALIER FIRE DEPT	\$ 17,338	\$ 17,126	\$ 7,646	\$ 16,123	\$ 7,678

North Dakota Insurance Department
Fire Districts
Premium Tax Collections and Grant Payments

Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid 2011
CAVALIER RURAL FIRE DEPT	\$ 21,716	\$ 21,451	\$ 9,577	\$ 18,872	\$ 8,987
CEDAR VALLEY F/P DIST	\$ 2,787	\$ 2,753	\$ 1,229	\$ 1,844	\$ 878
CENTRAL-BEACH F/P DIST	\$ 3,628	\$ 3,584	\$ 1,600	\$ 3,376	\$ 1,608
CHRISTINE F/P DISTRICT	\$ 8,260	\$ 8,159	\$ 3,643	\$ 7,456	\$ 3,551
CHURCHES FERRY F/P DIST	\$ -	\$ -	\$ -	\$ -	\$ -
CLEVELAND F/P DISTRICT	\$ 17,512	\$ 17,298	\$ 7,723	\$ 16,787	\$ 7,994
CLIFFORD F/P DISTRICT	\$ -	\$ -	\$ -	\$ -	\$ -
COGSWELL F/P DISTRICT	\$ 13,663	\$ 13,496	\$ 6,026	\$ 13,537	\$ 6,446
COLUMBUS FIRE DEPT	\$ 1,409	\$ 1,392	\$ 621	\$ 962	\$ 458
COLUMBUS RURAL FIRE DEPT	\$ 3,101	\$ 3,063	\$ 1,368	\$ 3,180	\$ 1,514
COOPERSTOWN FIRE DEPT	\$ 9,702	\$ 9,583	\$ 4,279	\$ 11,352	\$ 5,406
COOPERSTOWN RURAL FIRE	\$ 11,672	\$ 11,529	\$ 5,148	\$ 9,801	\$ 4,667
COURTENAY F/P DISTRICT	\$ 7,944	\$ 7,847	\$ 3,504	\$ 6,916	\$ 3,293
CROSBY FIRE DEPT	\$ 9,595	\$ 9,478	\$ 4,232	\$ 14,248	\$ 6,785
CROSBY RURAL FIRE DEPT	\$ 4,722	\$ 4,664	\$ 2,083	\$ 6,128	\$ 2,918
CRYSTAL F/P DISTRICT	\$ 6,670	\$ 6,588	\$ 2,942	\$ 6,140	\$ 2,924
DAHLEN F/P DISTRICT	\$ 3,219	\$ 3,180	\$ 1,420	\$ 2,786	\$ 1,327
DAVENPORT F/P DISTRICT	\$ 8,060	\$ 7,961	\$ 3,555	\$ 7,742	\$ 3,687
DAWSON F/P DISTRICT	\$ 5,630	\$ 5,562	\$ 2,483	\$ 4,881	\$ 2,324
DAZEY F/P DISTRICT	\$ 5,026	\$ 4,964	\$ 2,216	\$ 4,139	\$ 1,971
DAZEY FIRE DEPT	\$ 2,212	\$ 2,185	\$ 976	\$ 2,570	\$ 1,224
DEERING F/P DISTRICT	\$ 4,120	\$ 4,069	\$ 1,817	\$ 4,884	\$ 2,326
DES LACS F/P DISTRICT	\$ 6,861	\$ 6,777	\$ 3,026	\$ 5,442	\$ 2,597
DEVILS LAKE FIRE DEPT	\$ 51,139	\$ 50,513	\$ 22,553	\$ 47,495	\$ 22,553
DEVILS LAKE RURAL FIRE	\$ 42,160	\$ 41,644	\$ 18,594	\$ 36,183	\$ 17,594
DICKINSON F/P DISTRICT	\$ 49,937	\$ 49,326	\$ 22,023	\$ 45,365	\$ 21,603
DICKINSON FIRE DEPT	\$ 153,669	\$ 151,788	\$ 67,772	\$ 135,591	\$ 64,568
DONNYBROOK F/P DISTRICT	\$ 5,891	\$ 5,819	\$ 2,598	\$ 8,381	\$ 3,991
DOUGLAS F/P DISTRICT	\$ 3,160	\$ 3,121	\$ 1,394	\$ 2,771	\$ 1,320
DRAKE F/P DISTRICT	\$ 8,230	\$ 8,130	\$ 3,630	\$ 7,557	\$ 3,599
DRAKE FIRE DEPT	\$ 1,591	\$ 1,572	\$ 702	\$ 1,691	\$ 805
DRAYTON FIRE DEPT	\$ 5,948	\$ 5,876	\$ 2,623	\$ 5,709	\$ 2,719
DRAYTON RURAL FIRE DEPT	\$ 10,811	\$ 10,679	\$ 4,768	\$ 10,898	\$ 5,190
DUNSEITH F/P DISTRICT	\$ 6,586	\$ 6,506	\$ 2,905	\$ 5,641	\$ 2,686
DUNSEITH FIRE DEPT	\$ 2,673	\$ 2,640	\$ 1,179	\$ 2,763	\$ 1,316
DWIGHT F/P DISTRICT	\$ 15,592	\$ 15,401	\$ 6,876	\$ 12,424	\$ 5,916
EAST ADAMS F/P DISTRICT	\$ 5,255	\$ 5,191	\$ 2,318	\$ 4,473	\$ 2,130
EDGELEY FIRE DEPT	\$ 9,289	\$ 9,175	\$ 4,097	\$ 9,869	\$ 4,699
EDGELEY RURAL FIRE DEPT	\$ 27,872	\$ 27,531	\$ 12,292	\$ 22,961	\$ 10,934
EDINBURG F/P DISTRICT	\$ 8,238	\$ 8,137	\$ 3,633	\$ 9,672	\$ 4,606
EDMORE FIRE DEPT	\$ 2,494	\$ 2,464	\$ 1,100	\$ 2,309	\$ 1,100
EDMORE RURAL FIRE DEPT	\$ 9,536	\$ 9,419	\$ 4,205	\$ 8,651	\$ 4,120
EDNA F/P DISTRICT	\$ 1,212	\$ 1,197	\$ 535	\$ 1,529	\$ 728
EGELAND F/P DISTRICT	\$ 4,743	\$ 4,685	\$ 2,092	\$ 3,949	\$ 1,881
ELGIN F/P DISTRICT	\$ 16,830	\$ 16,624	\$ 7,422	\$ 15,942	\$ 7,592
ELLENDALE F/P DISTRICT	\$ 30,763	\$ 30,387	\$ 13,567	\$ 25,862	\$ 12,315
EMERADO FIRE DEPT	\$ 5,148	\$ 5,085	\$ 2,271	\$ 5,363	\$ 2,554
EMERADO RURAL FIRE DEPT	\$ 4,979	\$ 4,918	\$ 2,196	\$ 4,450	\$ 2,119
ENDERLIN F/P DISTRICT	\$ 31,820	\$ 31,431	\$ 14,033	\$ 30,046	\$ 14,308
EPPING F/P DISTRICT	\$ 10,009	\$ 9,886	\$ 4,414	\$ 9,219	\$ 4,300
ERIE RURAL FIRE DEPT	\$ 4,109	\$ 4,059	\$ 1,812	\$ 4,822	\$ 2,000
ESMOND F/P DISTRICT	\$ 14,916	\$ 14,734	\$ 6,578	\$ 13,194	\$ 6,400
FAIRDALE F/P DISTRICT	\$ 4,470	\$ 4,416	\$ 1,971	\$ 4,909	\$ 2,338
FAIRMOUNT F/P DISTRICT	\$ 19,301	\$ 19,064	\$ 8,512	\$ 16,429	\$ 7,824
FARGO FIRE DEPT	\$ 669,513	\$ 661,320	\$ 295,272	\$ 646,840	\$ 308,024

North Dakota Insurance Department
Fire Districts
Premium Tax Collections and Grant Payments

Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid in 2011
FERRY TOWNSHIP F/P DIST	\$ 15,014	\$ 14,830	\$ 6,621	\$ 15,599	\$ 7,428
FESSENDEN F/P DISTRICT	\$ 21,618	\$ 21,353	\$ 9,534	\$ 16,664	\$ 7,935
FINGAL F/P DISTRICT	\$ 3,721	\$ 3,675	\$ 1,641	\$ 4,326	\$ 2,060
FINLEY F/P DISTRICT	\$ 20,644	\$ 20,391	\$ 9,104	\$ 18,886	\$ 8,993
FLASHER F/P DISTRICT	\$ 14,027	\$ 13,855	\$ 6,186	\$ 12,035	\$ 5,731
FLAXTON F/P DISTRICT	\$ 1,768	\$ 1,746	\$ 780	\$ 2,298	\$ 1,094
FORBES F/P DISTRICT	\$ 3,183	\$ 3,144	\$ 1,404	\$ 3,077	\$ 1,465
FORDVILLE F/P DISTRICT	\$ 8,792	\$ 8,684	\$ 3,877	\$ 8,436	\$ 4,017
FOREST RIVER FIRE DEPT	\$ 3,649	\$ 3,605	\$ 1,609	\$ 2,639	\$ 1,257
FORMAN F/P DISTRICT	\$ 18,448	\$ 18,222	\$ 8,136	\$ 14,289	\$ 6,804
FORT RANSOM F/P DISTRICT	\$ 5,902	\$ 5,830	\$ 2,603	\$ 5,824	\$ 2,774
FORT YATES F/P DISTRICT	\$ 3,965	\$ 3,916	\$ 1,748	\$ 4,374	\$ 2,083
FORTUNA F/P DISTRICT	\$ 4,216	\$ 4,164	\$ 1,859	\$ 4,855	\$ 2,312
FREDONIA F/P DISTRICT	\$ 3,915	\$ 3,867	\$ 1,727	\$ 2,921	\$ 1,391
FULLERTON F/P DISTRICT	\$ 13,084	\$ 12,924	\$ 5,771	\$ 10,238	\$ 4,875
GACKLE FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
GACKLE RURAL FIRE DEPT	\$ 9,261	\$ 9,148	\$ 4,084	\$ 8,387	\$ 3,994
GALESBURG F/P DISTRICT	\$ 8,230	\$ 8,130	\$ 3,630	\$ 7,916	\$ 3,769
GARRISON F/P DISTRICT	\$ 23,017	\$ 22,735	\$ 10,151	\$ 21,770	\$ 10,367
GARRISON FIRE DEPT	\$ 12,314	\$ 12,164	\$ 5,431	\$ 11,998	\$ 5,713
GILBY F/P DISTRICT	\$ 14,603	\$ 14,424	\$ 6,440	\$ 12,762	\$ 6,077
GLADSTONE F/P DISTRICT	\$ 7,190	\$ 7,102	\$ 3,171	\$ 6,953	\$ 3,311
GLEN ULLIN F/P DISTRICT	\$ 19,681	\$ 19,440	\$ 8,680	\$ 17,326	\$ 8,251
GILBURN F/P DISTRICT	\$ 11,658	\$ 11,515	\$ 5,141	\$ 14,237	\$ 6,780
GLENFIELD F/P DISTRICT	\$ 13,624	\$ 13,457	\$ 6,009	\$ 10,979	\$ 5,228
GOLDEN VALLEY F/P DIST	\$ 3,733	\$ 3,688	\$ 1,647	\$ 3,088	\$ 1,471
GOLVA F/P DISTRICT	\$ 3,594	\$ 3,550	\$ 1,585	\$ 3,147	\$ 1,499
GOODRICH F/P DISTRICT	\$ 10,292	\$ 10,166	\$ 4,539	\$ 6,107	\$ 2,908
GOODRICH FIRE DEPT	\$ -	\$ -	\$ -	\$ 2,255	\$ 1,074
GRAFTON F/P DISTRICT	\$ 29,998	\$ 29,631	\$ 13,230	\$ 27,953	\$ 13,311
GRAFTON FIRE DEPT	\$ 26,115	\$ 25,795	\$ 11,517	\$ 25,828	\$ 12,299
GRAND FORKS FIRE DEPT	\$ 321,157	\$ 317,227	\$ 141,638	\$ 301,963	\$ 143,795
GRANDIN F/P DISTRICT	\$ 20,621	\$ 20,368	\$ 9,094	\$ 22,399	\$ 10,667
GRANVILLE F/P DISTRICT	\$ 9,340	\$ 9,226	\$ 4,119	\$ 7,586	\$ 3,612
GRASSY BUTTE F/P DIST	\$ 2,728	\$ 2,695	\$ 1,203	\$ 2,132	\$ 1,015
GREAT BEND F/P DISTRICT	\$ 6,646	\$ 6,565	\$ 2,931	\$ 6,623	\$ 3,154
GRENORA F/P DISTRICT	\$ 12,327	\$ 12,176	\$ 5,437	\$ 15,780	\$ 7,515
GWINNER F/P DISTRICT	\$ 20,286	\$ 20,038	\$ 8,947	\$ 17,711	\$ 8,434
HAGUE F/P DISTRICT	\$ 4,318	\$ 4,265	\$ 1,904	\$ 3,365	\$ 1,602
HALLIDAY F/P DISTRICT	\$ 11,566	\$ 11,425	\$ 5,101	\$ 9,583	\$ 4,563
HAMPDEN F/P DISTRICT	\$ 2,884	\$ 2,848	\$ 1,272	\$ 2,873	\$ 1,368
HANKINSON F/P DISTRICT	\$ 18,748	\$ 18,518	\$ 8,268	\$ 20,018	\$ 9,533
HANNAFORD RURAL FIRE DP	\$ 9,535	\$ 9,419	\$ 4,205	\$ 9,102	\$ 4,334
HANNAH F/P DISTRICT	\$ 6,105	\$ 6,031	\$ 2,693	\$ 6,341	\$ 3,020
HARVEY F/P DISTRICT	\$ 22,919	\$ 22,639	\$ 10,108	\$ 18,336	\$ 8,732
HARVEY FIRE DEPT	\$ 14,764	\$ 14,584	\$ 6,511	\$ 16,000	\$ 7,619
HARWOOD F/P & RESCUE	\$ 9,648	\$ 9,530	\$ 4,255	\$ 9,264	\$ 4,412
HASTINGS FIRE DEPT	\$ 261	\$ 258	\$ 115	\$ 53	\$ 25
HATTON FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
HATTON RURAL FIRE DEPT	\$ 20,386	\$ 20,137	\$ 8,991	\$ 20,941	\$ 9,972
HANA F/P DISTRICT	\$ 4,020	\$ 3,971	\$ 1,773	\$ 5,715	\$ 2,721
HAZELTON F/P DISTRICT	\$ 16,582	\$ 16,379	\$ 7,313	\$ 11,300	\$ 5,381
HAZEN F/P DISTRICT	\$ 12,931	\$ 12,772	\$ 5,703	\$ 10,731	\$ 5,110
HAZEN FIRE DEPT	\$ 17,196	\$ 16,985	\$ 7,584	\$ 15,457	\$ 7,360
HEBRON F/P DISTRICT	\$ 16,374	\$ 16,174	\$ 7,221	\$ 11,778	\$ 5,609

North Dakota Insurance Department
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Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid 2011
HEBRON FIRE DEPT	\$ -	\$ -	\$ -	\$ -	
HENSEL FIRE DEPT	\$ -	\$ -	\$ -	\$ -	
HETTINGER F/P DISTRICT	\$ 29,745	\$ 29,381	\$ 13,118	\$ 26,568	\$ 12,652
HILLSBORO FIRE & RESCUE	\$ 37,597	\$ 37,137	\$ 16,581	\$ 27,770	\$ 13,224
HOOPLE F/P DISTRICT	\$ 8,908	\$ 8,799	\$ 3,929	\$ 7,324	\$ 3,488
HOOPLE FIRE DEPT	\$ 3,880	\$ 3,833	\$ 1,711	\$ 2,640	\$ 1,257
HOPE F/P DISTRICT	\$ 28,083	\$ 27,739	\$ 12,385	\$ 32,266	\$ 15,365
HORACE F/P DISTRICT	\$ 36,832	\$ 36,382	\$ 16,244	\$ 33,165	\$ 15,793
HORSE CREEK F/P DISTRICT	\$ 1,180	\$ 1,165	\$ 520	\$ 1,143	\$ 544
HUNTER F/P DISTRICT	\$ 10,177	\$ 10,052	\$ 4,488	\$ 10,518	\$ 5,009
INKSTER F/P DISTRICT	\$ 6,403	\$ 6,325	\$ 2,824	\$ 5,729	\$ 2,728
JAMESTOWN F/P DISTRICT	\$ 79,443	\$ 78,471	\$ 35,036	\$ 68,355	\$ 32,550
JAMESTOWN FIRE DEPT	\$ 93,230	\$ 92,089	\$ 41,117	\$ 94,017	\$ 44,771
JUD F/P DISTRICT	\$ 11,348	\$ 11,209	\$ 5,005	\$ 10,968	\$ 5,223
KARLSRUHE F/P DISTRICT	\$ 7,570	\$ 7,478	\$ 3,339	\$ 5,291	\$ 2,520
KARLSRUHE FIRE DEPT	\$ -	\$ -	\$ -	\$ 31	\$ 15
KATHRYN F/P DISTRICT	\$ 3,936	\$ 3,888	\$ 1,736	\$ 3,235	\$ 1,540
KENMARE FIRE DEPT	\$ 11,065	\$ 10,930	\$ 4,880	\$ 10,204	\$ 4,859
KENMARE RURAL FIRE DEPT	\$ 15,250	\$ 15,063	\$ 6,726	\$ 20,731	\$ 9,872
KENSAL F/P DISTRICT	\$ 10,119	\$ 9,995	\$ 4,463	\$ 7,471	\$ 3,558
KINDRED FIRE DEPT	\$ -	\$ -	\$ -	\$ 961	\$ 458
KINDRED RURAL FIRE DEPT	\$ 18,635	\$ 18,407	\$ 8,218	\$ 15,734	\$ 7,493
KRAMER F/P DISTRICT	\$ 3,564	\$ 3,520	\$ 1,572	\$ 3,906	\$ 1,860
KRAMER FIRE DEPT	\$ 698	\$ 689	\$ 308	\$ 581	
KULM FIRE DEPT	\$ -	\$ -	\$ -	\$ 232	
KULM RURAL FIRE DEPT	\$ 9,400	\$ 9,285	\$ 4,146	\$ 8,189	\$ 3,899
LAKOTA F/P DISTRICT	\$ 13,752	\$ 13,584	\$ 6,065	\$ 14,153	\$ 6,740
LAMOURE FIRE DEPT	\$ 5,779	\$ 5,709	\$ 2,549	\$ 4,717	\$ 2,246
LAMOURE RURAL FIRE DEPT	\$ 36,122	\$ 35,680	\$ 15,931	\$ 42,947	\$ 20,451
LANGDON F/P DISTRICT	\$ 27,533	\$ 27,196	\$ 12,143	\$ 25,408	\$ 12,099
LANGDON FIRE DEPT	\$ 18,316	\$ 18,092	\$ 8,078	\$ 21,256	\$ 10,122
LANKIN F/P DISTRICT	\$ 6,530	\$ 6,450	\$ 2,880	\$ 7,050	\$ 3,357
LANKIN FIRE DEPT	\$ 870	\$ 860	\$ 384	\$ 838	\$ 399
LANSFORD F/P DISTRICT	\$ 9,162	\$ 9,050	\$ 4,041	\$ 10,949	\$ 5,214
LARIMORE FIRE DEPT	\$ 8,692	\$ 8,585	\$ 3,833	\$ 8,111	\$ 3,862
LARIMORE RURAL FIRE DEPT	\$ 18,550	\$ 18,323	\$ 8,181	\$ 17,003	\$ 8,097
LEEDS F/P DISTRICT	\$ 30,622	\$ 30,247	\$ 13,505	\$ 27,445	\$ 13,069
LEHR FIRE DEPT	\$ 859	\$ 848	\$ 379	\$ 743	\$ 354
LEHR RURAL FIRE DEPT	\$ 3,948	\$ 3,900	\$ 1,741	\$ 2,558	\$ 1,218
LEONARD F/P DISTRICT	\$ 13,180	\$ 13,019	\$ 5,813	\$ 12,344	\$ 5,878
LIDGERWOOD F/P DISTRICT	\$ 22,598	\$ 22,321	\$ 9,966	\$ 19,872	\$ 9,463
LIGNITE F/P DISTRICT	\$ 3,781	\$ 3,734	\$ 1,667	\$ 4,145	\$ 1,974
LINTON F/P DISTRICT	\$ 22,953	\$ 22,672	\$ 10,123	\$ 19,249	\$ 9,166
LISBON F/P DISTRICT	\$ 29,181	\$ 28,824	\$ 12,870	\$ 25,657	\$ 12,218
LISBON FIRE DEPT	\$ 18,422	\$ 18,196	\$ 8,125	\$ 19,795	\$ 9,426
LITCHVILLE FIRE DEPT	\$ 1,850	\$ 1,827	\$ 816	\$ 2,048	\$ 975
LITCHVILLE RURAL FIRE DP	\$ 10,225	\$ 10,100	\$ 4,510	\$ 10,739	\$ 5,114
MADDOCK F/P DISTRICT	\$ 19,092	\$ 18,859	\$ 8,420	\$ 17,041	\$ 8,115
MANDAN F/P DISTRICT	\$ 53,294	\$ 52,642	\$ 23,504	\$ 41,203	\$ 19,621
MANDAN FIRE DEPT	\$ 132,384	\$ 130,764	\$ 58,385	\$ 124,607	\$ 59,320
MANTADOR F/P DISTRICT	\$ 6,440	\$ 6,361	\$ 2,840	\$ 6,589	\$ 3
MAPLETON FIRE DEPT	\$ 8,218	\$ 8,118	\$ 3,625	\$ 7,327	\$ 3,4
MARION FIRE DEPT	\$ 2,856	\$ 2,821	\$ 1,260	\$ 2,735	\$ 1,302
MARION RURAL FIRE DEPT	\$ 16,524	\$ 16,322	\$ 7,288	\$ 15,437	\$ 7,351
MARMARTH RURAL FIRE DIST	\$ 3,559	\$ 3,516	\$ 1,570	\$ 4,072	\$ 1,939

North Dakota Insurance Department
Fire Districts
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MAX F/P DISTRICT	\$ 14,052	\$ 13,880	\$ 6,197	\$ 14,944	\$ 7,116
MAXBASS F/P DISTRICT	\$ 3,556	\$ 3,512	\$ 1,568	\$ 3,811	\$ 1,815
MAYVILLE FIRE DEPT	\$ 27,941	\$ 27,599	\$ 12,323	\$ 24,618	\$ 11,723
MCCLUSKY F/P DISTRICT	\$ 11,094	\$ 10,958	\$ 4,893	\$ 9,654	\$ 4,597
MCCLUSKY FIRE DEPT	\$ -	\$ -	\$ -	\$ 514	\$ 245
MCHENRY RURAL FIRE DEPT	\$ 9,511	\$ 9,394	\$ 4,194	\$ 9,637	\$ 4,589
MCKENZIE COUNTY F/P DIST	\$ 15,818	\$ 15,625	\$ 6,976	\$ 15,048	\$ 7,166
MCVILLE F/P DISTRICT	\$ 8,185	\$ 8,085	\$ 3,610	\$ 7,251	\$ 3,453
MEDINA F/P DISTRICT	\$ 8,418	\$ 8,315	\$ 3,713	\$ 8,469	\$ 4,033
MEDORA FIRE DEPT	\$ 5,354	\$ 5,288	\$ 2,361	\$ 4,456	\$ 2,122
MERCER F/P DISTRICT	\$ 5,271	\$ 5,206	\$ 2,324	\$ 5,977	\$ 2,846
MERRICOURT F/P DISTRICT	\$ -	\$ -	\$ -	\$ 529	\$ 252
MICHIGAN F/P DISTRICT	\$ 9,399	\$ 9,284	\$ 4,145	\$ 9,180	\$ 4,371
MILNOR F/P DISTRICT	\$ 22,702	\$ 22,424	\$ 10,012	\$ 18,487	\$ 8,803
MILTON F/P DISTRICT	\$ 4,826	\$ 4,767	\$ 2,128	\$ 5,630	\$ 2,681
MINNEWAUKAN F/P DISTRICT	\$ 6,706	\$ 6,624	\$ 2,958	\$ 5,386	\$ 2,565
MINNEWAUKAN FIRE DEPT	\$ 2,403	\$ 2,374	\$ 1,060	\$ 1,641	\$ 781
MINOT F/P DISTRICT	\$ 66,579	\$ 65,764	\$ 29,363	\$ 54,749	\$ 26,071
MINOT FIRE DEPT	\$ 267,940	\$ 264,661	\$ 118,168	\$ 254,282	\$ 121,089
MINTO F/P DISTRICT	\$ 20,844	\$ 20,589	\$ 9,193	\$ 19,217	\$ 9,151
MOHALL F/P DISTRICT	\$ 5,901	\$ 5,829	\$ 2,602	\$ 8,790	\$ 4,186
MOHALL FIRE DEPT	\$ 5,720	\$ 5,650	\$ 2,523	\$ 5,126	\$ 2,441
MORETON F/P DISTRICT	\$ 7,150	\$ 7,062	\$ 3,153	\$ 7,588	\$ 3,613
MORETON FIRE DEPT	\$ 1,906	\$ 1,883	\$ 841	\$ 2,317	\$ 1,103
MOUNT F/P DISTRICT	\$ 34,479	\$ 34,057	\$ 15,206	\$ 27,840	\$ 13,257
MOUNTAIN F/P DISTRICT	\$ 3,250	\$ 3,210	\$ 1,433	\$ 3,101	\$ 1,477
MUNICH F/P DISTRICT	\$ 16,837	\$ 16,631	\$ 7,426	\$ 15,164	\$ 7,221
MYLO F/P DISTRICT	\$ 3,704	\$ 3,659	\$ 1,634	\$ 3,678	\$ 1,751
NAPOLEON F/P DISTRICT	\$ 26,175	\$ 25,854	\$ 11,544	\$ 17,183	\$ 8,183
NECHE F/P DISTRICT	\$ 7,557	\$ 7,464	\$ 3,333	\$ 7,369	\$ 3,509
NEKOMA F/P DISTRICT	\$ 6,666	\$ 6,584	\$ 2,940	\$ 5,809	\$ 2,766
NEW ENGLAND F/P DISTRICT	\$ 16,300	\$ 16,100	\$ 7,189	\$ 15,363	\$ 7,316
NEW ENGLAND FIRE DEPT	\$ 5,609	\$ 5,540	\$ 2,474	\$ 4,712	\$ 2,244
NEW LEIPZIG F/P DISTRICT	\$ 10,268	\$ 10,142	\$ 4,528	\$ 7,626	\$ 3,631
NEW ROCKFORD FIRE DEPT	\$ 9,912	\$ 9,791	\$ 4,371	\$ 9,554	\$ 4,549
NEW ROCKFORD RURAL FIRE	\$ 17,749	\$ 17,532	\$ 7,828	\$ 14,235	\$ 6,779
NEW SALEM F/P DISTRICT	\$ 28,374	\$ 28,027	\$ 12,514	\$ 22,648	\$ 10,785
NEW TOWN F/P DISTRICT	\$ 18,645	\$ 18,417	\$ 8,223	\$ 17,982	\$ 8,563
NEW TOWN FIRE DEPT	\$ 9,015	\$ 8,904	\$ 3,976	\$ 6,362	\$ 3,030
NEWBURG F/P DISTRICT	\$ 7,557	\$ 7,465	\$ 3,333	\$ 8,086	\$ 3,850
NIAGARA F/P DISTRICT	\$ 5,267	\$ 5,203	\$ 2,323	\$ 4,867	\$ 2,318
NOME F/P DISTRICT	\$ 3,364	\$ 3,323	\$ 1,484	\$ 3,812	\$ 1,815
NOONAN FIRE DEPT	\$ 978	\$ 966	\$ 431	\$ 600	\$ 286
NOONAN RURAL FIRE DEPT	\$ 2,795	\$ 2,760	\$ 1,232	\$ 4,057	\$ 1,932
NORTHWOOD F/P DISTRICT	\$ 23,045	\$ 22,763	\$ 10,163	\$ 21,272	\$ 10,130
NORTHWOOD FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
OAKES F/P DISTRICT	\$ 50,719	\$ 50,098	\$ 22,368	\$ 45,400	\$ 21,619
OBERON FIRE DEPT	\$ 1,200	\$ 1,185	\$ 529	\$ 1,393	\$ 663
OBERON RURAL FIRE DEPT	\$ 4,159	\$ 4,108	\$ 1,834	\$ 3,119	\$ 1,485
OSVER COUNTY F/P DIST	\$ 26,517	\$ 26,193	\$ 11,695	\$ 24,364	\$ 11,602
OSKA FIRE DEPT	\$ 1,458	\$ 1,441	\$ 643	\$ 1,427	\$ 679
OSNABROCK F/P DISTRICT	\$ 9,039	\$ 8,928	\$ 3,986	\$ 9,701	\$ 4,620
OSNABROCK FIRE DEPT	\$ 2,016	\$ 1,991	\$ 889	\$ 2,017	\$ 961
PAGE F/P DISTRICT	\$ 24,376	\$ 24,077	\$ 10,750	\$ 28,311	\$ 13,482
PARK RIVER F/P DISTRICT	\$ 7,562	\$ 7,470	\$ 3,335	\$ 7,281	\$ 3,467

North Dakota Insurance Department
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Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid 2011
PARK RIVER FIRE DEPT	\$ 10,462	\$ 10,334	\$ 4,614	\$ 9,899	\$ 4,714
PARSHALL F/P DISTRICT	\$ 19,634	\$ 19,394	\$ 8,659	\$ 17,219	\$ 8,200
PEKIN F/P DISTRICT	\$ 3,299	\$ 3,259	\$ 1,455	\$ 3,070	\$ 1,462
PEMBINA RURAL FIRE DEPT	\$ 8,502	\$ 8,398	\$ 3,750	\$ 7,784	\$ 3,707
PETERSBURG F/P DISTRICT	\$ 6,101	\$ 6,026	\$ 2,691	\$ 5,023	\$ 2,392
PETTIBONE FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
PETTIBONE RURAL FIRE DP	\$ 5,542	\$ 5,474	\$ 2,444	\$ 4,516	\$ 2,150
PICK CITY FIRE DEPT	\$ 2,388	\$ 2,358	\$ 1,053	\$ 2,297	\$ 1,094
PINGREE F/P DISTRICT	\$ 4,850	\$ 4,790	\$ 2,139	\$ 3,354	\$ 1,597
PISEK F/P DISTRICT	\$ 3,013	\$ 2,976	\$ 1,329	\$ 3,133	\$ 1,492
PLAZA F/P DISTRICT	\$ 14,372	\$ 14,196	\$ 6,338	\$ 10,906	\$ 5,193
PORTAL F/P DISTRICT	\$ 1,791	\$ 1,769	\$ 790	\$ 2,740	\$ 1,305
PORTLAND F/P DISTRICT	\$ 25,848	\$ 25,532	\$ 11,400	\$ 23,081	\$ 10,991
POWERS LAKE F/P DISTRICT	\$ 9,263	\$ 9,149	\$ 4,085	\$ 8,731	\$ 4,158
RAY F/P DISTRICT	\$ 14,955	\$ 14,772	\$ 6,596	\$ 15,117	\$ 7,198
REEDER F/P DISTRICT	\$ 28,848	\$ 28,495	\$ 12,723	\$ 21,239	\$ 10,114
REGENT F/P DISTRICT	\$ 17,851	\$ 17,633	\$ 7,873	\$ 17,210	\$ 8,195
REYNOLDS F/P DISTRICT	\$ 14,176	\$ 14,002	\$ 6,252	\$ 12,180	\$ 5,800
RHAME F/P DISTRICT	\$ 10,357	\$ 10,230	\$ 4,567	\$ 9,105	\$ 4,336
RICHARDTON F/P DISTRICT	\$ 13,715	\$ 13,547	\$ 6,049	\$ 12,658	\$ 6,028
RICHARDTON FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
RIVERDALE FIRE DEPT	\$ 4,508	\$ 4,453	\$ 1,988	\$ 4,230	\$ 2,014
ROBINSON RURAL FIRE DEPT	\$ 3,983	\$ 3,934	\$ 1,756	\$ 2,942	\$ 1,401
ROCK LAKE F/P DISTRICT	\$ 10,840	\$ 10,707	\$ 4,781	\$ 11,902	\$ 5
ROGERS FIRE DEPT	\$ 1,967	\$ 1,943	\$ 868	\$ 1,690	\$ -
ROLETTE F/P DISTRICT	\$ 12,188	\$ 12,039	\$ 5,375	\$ 9,689	\$ 4,614
ROLETTE FIRE DEPT	\$ 3,263	\$ 3,223	\$ 1,439	\$ 3,569	\$ 1,699
ROLLA F/P DISTRICT	\$ 8,953	\$ 8,844	\$ 3,949	\$ 10,015	\$ 4,769
ROLLA FIRE DEPT	\$ 10,835	\$ 10,702	\$ 4,778	\$ 9,118	\$ 4,342
RUGBY F/P DISTRICT	\$ 21,491	\$ 21,228	\$ 9,478	\$ 21,029	\$ 10,014
RUGBY FIRE DEPT	\$ 23,789	\$ 23,498	\$ 10,491	\$ 17,297	\$ 8,237
RUTLAND-CAYUGA F/P DIST	\$ 12,730	\$ 12,574	\$ 5,614	\$ 12,009	\$ 5,719
RYDER-MAKOTI F/P DIST	\$ 11,579	\$ 11,438	\$ 5,107	\$ 11,876	\$ 5,656
SANBORN F/P DISTRICT	\$ 6,594	\$ 6,513	\$ 2,908	\$ 6,289	\$ 2,995
SANBORN FIRE DEPT	\$ 1,861	\$ 1,838	\$ 821	\$ 1,779	\$ 847
SARLES F/P DISTRICT	\$ 5,737	\$ 5,667	\$ 2,530	\$ 6,955	\$ 3,312
SAWYER F/P DISTRICT	\$ 12,479	\$ 12,327	\$ 5,504	\$ 11,104	\$ 5,288
SCRANTON F/P DISTRICT	\$ 19,974	\$ 19,730	\$ 8,809	\$ 17,258	\$ 8,218
SELFRIIDGE F/P DISTRICT	\$ 8,689	\$ 8,583	\$ 3,832	\$ 5,932	\$ 2,825
SENTINEL BUTTE F/P DIST	\$ 1,808	\$ 1,785	\$ 797	\$ 1,599	\$ 762
SHARON FIRE DEPT	\$ 2,106	\$ 2,080	\$ 929	\$ 1,794	\$ 854
SHERWOOD F/P DISTRICT	\$ 7,310	\$ 7,221	\$ 3,224	\$ 9,576	\$ 4,560
SHEYENNE FIRE DEPT	\$ 2,776	\$ 2,742	\$ 1,224	\$ 2,517	\$ 1,199
SHEYENNE RURAL FIRE DEPT	\$ 8,250	\$ 8,149	\$ 3,639	\$ 6,915	\$ 3,293
SIBLEY FIRE DEPT	\$ 759	\$ 750	\$ 335	\$ 852	\$ 406
SIOUX-YELLOWSTONE F/P DISTRICT	\$ 2,848	\$ 2,813	\$ 1,256	\$ 2,806	\$ 1,336
SOLENE F/P DISTRICT	\$ 4,031	\$ 3,982	\$ 1,778	\$ 2,076	\$ 989
SOURIS F/P DISTRICT	\$ 7,926	\$ 7,829	\$ 3,496	\$ 7,845	\$ 3,736
SOUTH HEART F/P DISTRICT	\$ 14,875	\$ 14,693	\$ 6,560	\$ 16,315	\$ 7,769
SOUTHWEST F/P DISTRICT	\$ 922	\$ 911	\$ 407	\$ 375	\$ 170
ST JOHN F/P DISTRICT	\$ 5,911	\$ 5,839	\$ 2,607	\$ 6,298	\$ 2
ST THOMAS F/P DISTRICT	\$ 13,584	\$ 13,418	\$ 5,991	\$ 13,922	\$ 6,111
STANLEY F/P DISTRICT	\$ 20,570	\$ 20,318	\$ 9,072	\$ 16,822	\$ 8,011
STANLEY FIRE DEPT	\$ 11,268	\$ 11,130	\$ 4,969	\$ 10,243	\$ 4,878
STANTON F/P DISTRICT	\$ 15,045	\$ 14,861	\$ 6,635	\$ 12,056	\$ 5,741

North Dakota Insurance Department
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STANTON FIRE DEPT	\$ 2,310	\$ 2,282	\$ 1,019	\$ 11,501	\$ 5,477
STARKWEATHER F/P DIST	\$ 9,045	\$ 8,935	\$ 3,989	\$ 8,889	\$ 4,233
STEELE F/P DISTRICT	\$ 16,926	\$ 16,719	\$ 7,465	\$ 14,648	\$ 6,976
STEELE FIRE DEPT	\$ -	\$ -	\$ -	\$ 605	\$ 288
STERLING F/P DISTRICT	\$ 10,516	\$ 10,388	\$ 4,638	\$ 8,089	\$ 3,852
STRASBURG F/P DISTRICT	\$ 11,170	\$ 11,033	\$ 4,926	\$ 8,343	\$ 3,973
STREETER F/P DISTRICT	\$ 8,472	\$ 8,368	\$ 3,736	\$ 6,481	\$ 3,086
SURREY F/P DISTRICT	\$ 8,704	\$ 8,598	\$ 3,839	\$ 7,819	\$ 3,723
SYKESTON F/P DISTRICT	\$ 11,327	\$ 11,189	\$ 4,996	\$ 7,355	\$ 3,502
TAPPEN FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
TAPPEN RURAL FIRE DEPT	\$ 9,444	\$ 9,329	\$ 4,165	\$ 7,866	\$ 3,746
TAYLOR F/P DISTRICT	\$ 7,301	\$ 7,212	\$ 3,220	\$ 7,538	\$ 3,590
THOMPSON F/P DISTRICT	\$ 31,371	\$ 30,987	\$ 13,835	\$ 29,224	\$ 13,917
TIOGA FIRE DEPT	\$ 10,306	\$ 10,179	\$ 4,545	\$ 10,845	\$ 5,164
TIOGA RURAL FIRE DEPT	\$ 11,078	\$ 10,943	\$ 4,886	\$ 10,349	\$ 4,928
TOLLEY FIRE DEPT	\$ 2,603	\$ 2,571	\$ 1,148	\$ 1,305	\$ 621
TOLNA F/P DISTRICT	\$ 9,323	\$ 9,209	\$ 4,112	\$ 10,654	\$ 5,073
TOWER CITY F/P DISTRICT	\$ 13,314	\$ 13,151	\$ 5,872	\$ 12,430	\$ 5,919
TOWNER F/P DISTRICT	\$ 7,597	\$ 7,504	\$ 3,350	\$ 7,974	\$ 3,797
TOWNER FIRE DEPT	\$ 3,955	\$ 3,907	\$ 1,744	\$ 4,693	\$ 2,235
TRENTON F/P DISTRICT	\$ 1,837	\$ 1,814	\$ 810	\$ 1,490	\$ 710
TURTLE LAKE F/P DISTRICT	\$ 13,672	\$ 13,505	\$ 6,030	\$ 12,106	\$ 5,765
TURTLE F/P DISTRICT	\$ 4,375	\$ 4,322	\$ 1,930	\$ 3,953	\$ 1,882
ERWOOD F/P DISTRICT	\$ 18,967	\$ 18,735	\$ 8,365	\$ 32,385	\$ 15,422
HAM F/P DISTRICT	\$ 5,566	\$ 5,498	\$ 2,455	\$ 5,539	\$ 2,638
VALLEY CITY FIRE DEPT	\$ 40,874	\$ 40,373	\$ 18,026	\$ 42,671	\$ 20,320
VALLEY CITY RURAL FIRE	\$ 32,695	\$ 32,295	\$ 14,419	\$ 24,719	\$ 11,771
VELVA F/P DISTRICT	\$ 11,951	\$ 11,804	\$ 5,271	\$ 11,939	\$ 5,685
VELVA FIRE DEPT	\$ 10,075	\$ 9,952	\$ 4,443	\$ 7,471	\$ 3,558
VERONA FIRE DEPT	\$ 898	\$ 887	\$ 396	\$ 1,614	\$ 769
VERONA RURAL FIRE DEPT	\$ 10,961	\$ 10,827	\$ 4,834	\$ 11,149	\$ 5,309
WAHPETON FIRE DEPT	\$ 56,968	\$ 56,271	\$ 25,124	\$ 45,391	\$ 21,615
WALCOTT-COLFAX F/P DIST	\$ 26,852	\$ 26,523	\$ 11,842	\$ 24,185	\$ 11,517
WALES FIRE DEPT	\$ 1,762	\$ 1,740	\$ 777	\$ 687	\$ 327
WALHALLA F/P DISTRICT	\$ 13,252	\$ 13,090	\$ 5,845	\$ 12,807	\$ 6,099
WALHALLA FIRE DEPT	\$ 8,936	\$ 8,827	\$ 3,941	\$ 8,045	\$ 3,831
WARWICK F/P DISTRICT	\$ 2,785	\$ 2,751	\$ 1,228	\$ 2,389	\$ 1,138
WASHBURN F/P DISTRICT	\$ 30,734	\$ 30,358	\$ 13,554	\$ 9,455	\$ 4,502
WASHBURN FIRE DEPT	\$ 9,196	\$ 9,083	\$ 4,055	\$ 9,578	\$ 4,561
WATFORD CITY FIRE DEPT	\$ 24,294	\$ 23,997	\$ 10,714	\$ 16,484	\$ 7,850
WEST DUNN F/P DISTRICT	\$ 25,268	\$ 24,959	\$ 11,144	\$ 20,251	\$ 9,643
WEST FARGO FIRE DEPT	\$ 144,508	\$ 142,739	\$ 63,731	\$ 152,965	\$ 72,842
WEST FARGO RURAL FIRE DP	\$ 52,985	\$ 52,337	\$ 23,368	\$ 30,382	\$ 14,468
WESTHOPE F/P DISTRICT	\$ 9,843	\$ 9,723	\$ 4,341	\$ 12,174	\$ 5,797
WILDROSE F/P DISTRICT	\$ 5,287	\$ 5,223	\$ 2,332	\$ 6,456	\$ 3,074
WILLISTON F/P DISTRICT	\$ 36,725	\$ 36,276	\$ 16,197	\$ 29,024	\$ 13,821
WILLISTON FIRE DEPT	\$ 106,591	\$ 105,287	\$ 47,009	\$ 102,538	\$ 48,828
WILLOW CITY F/P DISTRICT	\$ 13,039	\$ 12,880	\$ 5,751	\$ 12,020	\$ 5,724
WILLOW CITY FIRE DEPT	\$ -	\$ -	\$ -	\$ -	\$ -
'TON F/P DISTRICT	\$ 28,187	\$ 27,842	\$ 12,431	\$ 23,610	\$ 11,243
ABLEDON F/P DISTRICT	\$ 12,148	\$ 11,999	\$ 5,357	\$ 10,826	\$ 5,155
...ING F/P DISTRICT	\$ 6,939	\$ 6,854	\$ 3,060	\$ 5,837	\$ 2,779
WISHEK F/P DISTRICT	\$ 18,350	\$ 18,125	\$ 8,093	\$ 16,292	\$ 7,758
WOLFORD F/P DISTRICT	\$ 5,637	\$ 5,568	\$ 2,486	\$ 4,945	\$ 2,355
WOODWORTH FIRE DEPT	\$ 2,321	\$ 2,293	\$ 1,024	\$ 1,802	\$ 858

North Dakota Insurance Department
Fire Districts
Premium Tax Collections and Grant Payments

Row Labels	Estimated 2012 Grant Paid in 2013 under HB1145	2011 5 Lines of Premium Tax Collected	2011 Grant Paid in 2012	2010 5 Lines of Premium Tax Collected	2010 Grant Paid 2011
WOODWORTH RURAL FIRE DP	\$ 5,486	\$ 5,419	\$ 2,420	\$ 4,212	\$ 2,006
WYNDMERE F/P DISTRICT	\$ 21,812	\$ 21,545	\$ 9,620	\$ 20,476	\$ 9,750
ZAP F/P DISTRICT	\$ 4,093	\$ 4,043	\$ 1,805	\$ 3,744	\$ 1,783
ZEELAND F/P DISTRICT	\$ 9,261	\$ 9,148	\$ 4,084	\$ 6,437	\$ 3,065
Grand Total	\$ 7,029,092	\$ 6,943,077	\$ 3,100,000	\$ 6,509,893	\$ 3,100,000

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, replace line 12 with:

"Salaries and wages	\$6,859,830	\$1,024,320	\$7,884,150
Accrued leave payments	0	163,182	163,182"

Page 1, replace line 18 with:

"Total special funds	\$19,044,080	(\$298,740)	\$18,745,340"
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Page 2, line 18, replace "ninety-six" with "ninety-five"

Page 2, line 18, replace "seven" with "eight"

Page 2, line 19, replace "ninety-three" with "sixty-three"

Page 2, line 19, replace "one hundred" with "ninety-eight"

Page 2, line 20, replace "six" with "seven"

Page 2, line 20, replace "sixty-five" with "thirty-nine"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,260,726	(\$376,576)	\$7,884,150
Operating expenses	2,858,008		2,858,008
Grants	7,840,000		7,840,000
Accrued leave payments		163,182	163,182
Total all funds	\$18,958,734	(\$213,394)	\$18,745,340
Less estimated income	18,958,734	(213,394)	18,745,340
General fund	\$0	\$0	\$0
FTE	49.50	0.00	49.50

Department No. 401 - Insurance Department - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Total House Changes
Salaries and wages	\$37,503	(\$250,897)	(\$163,182)	(\$376,576)
Operating expenses				
Grants				
Accrued leave payments			163,182	163,182
Total all funds	\$37,503	(\$250,897)	\$0	(\$213,394)
Less estimated income	37,503	(250,897)	0	(213,394)
General fund	\$0	\$0	\$0	\$0
	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Section 7 is changed to reduce the Insurance Commissioner's annual salary increase from 4 percent to 3 percent.

Presented by: Rebecca Ternes
 Deputy Commissioner
 North Dakota Insurance Department

Before: Senate Appropriations Committee
 Sen. Ray Holmberg, Chairman

Date: March 15, 2013

ND insurance industry and regulation—At a glance

The North Dakota Insurance Department is a special-funded agency that generated \$53.7 million in revenue in 2012. The Department contributed \$35,736,397 in premium tax revenue to the state's general fund last year.

	2011	2012
The insurance industry		
Total premium written	\$4,941,246,953	n/a
Net premium tax collected (general fund dollars)	\$34,813,193	\$35,736,397
Claims, losses and benefits paid to consumers	\$4,263,096,958	n/a
Regulation and consumer protection		
Consumer relief from complaints and hotline contacts	\$1,255,655.61	\$1,126,575.76
Enforcement fines from agents and companies	\$1,000	\$1,257,061
State Health Insurance Counseling (SHIC) program		
Number of North Dakotans assisted	12,270	11,372
Savings for North Dakota citizens	\$3,006,150	\$2,739,387
Centers for Medicare and Medicaid grants	\$267,703	\$264,733
Prescription Connection program		
Number of North Dakotans assisted	393	358
Savings for North Dakota citizens	\$605,062	\$450,774
Benefiting North Dakota taxpayers		
Insurance regulatory trust fund; turnback to the general fund	\$2,979,660	\$3,546,995

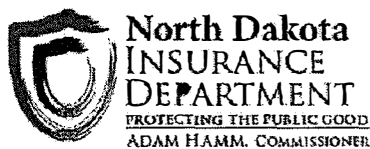
The Department's 2012 revenue was 15 percent higher than the previous year. There were several contributing factors to the increase.

- Premium tax revenue has increased due to the state's growth. More policies are being written and more premiums are being paid, which means more tax revenue is collected.
- The number of licensed agents in the state has grown, which generates more licensing fees.
- Petroleum tank fee totals have increased due to the Department's more stringent program to collect past due petroleum tank fund dues.

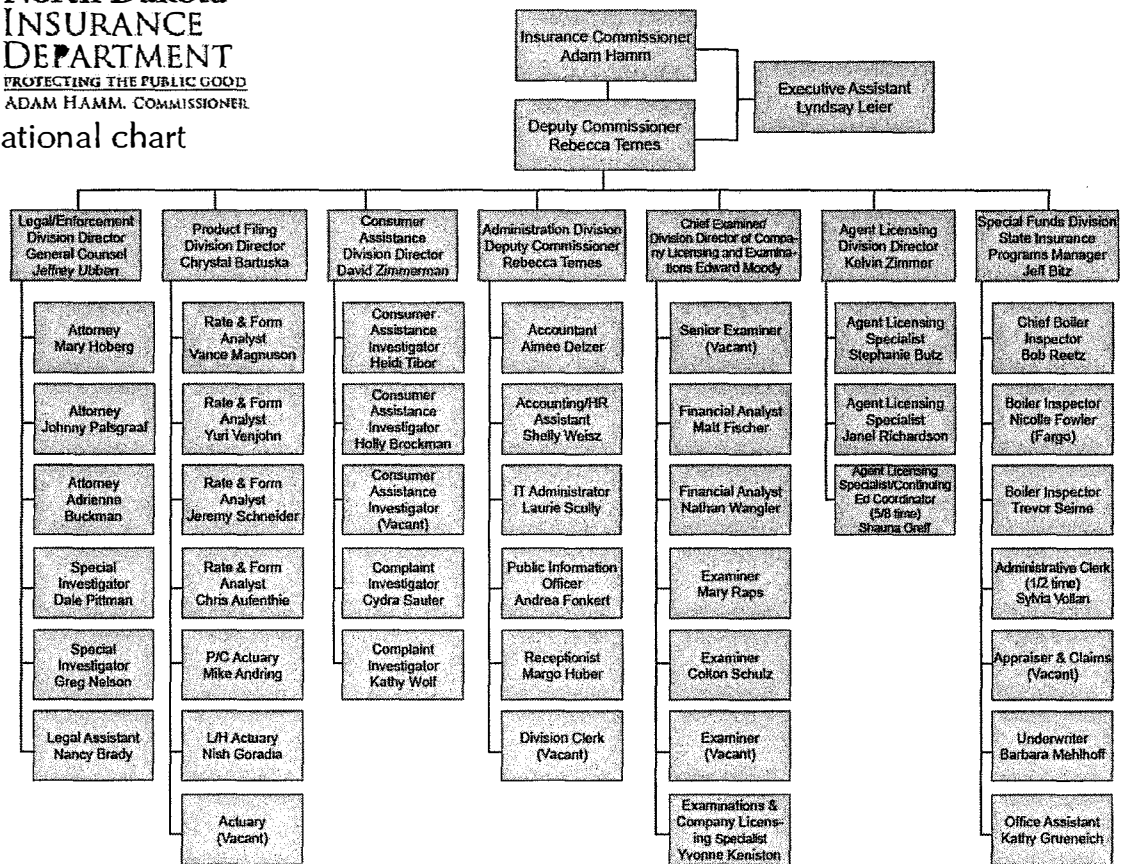
- \$953,315 was collected through five multi-state life insurance company settlements regarding practices using the Death Master File to identify beneficiaries.

From 2010 to 2011, written insurance premiums in the state increased by nearly \$750 million.

Year	Written premiums
2011	\$4,941,246,953
2010	\$4,191,934,714
2009	\$4,044,836,633
2008	\$4,325,613,863
2007	\$3,669,017,601
2006	\$3,325,364,809



Organizational chart



Division overviews

The Insurance Department completed its reorganization in 2011 by forming the Product Filing Division and moving complaints and hotline responsibilities to the Consumer Assistance Division.

Administration Division

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

Agent Licensing Division

The Agent Licensing Division is responsible for the licensing of more than 50,000 individual insurance producers doing business in North Dakota. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements.

Licensed agents	2005	2011	2012
Resident producers	6,204	5,824	5,653
Non-resident producers	29,690	43,989	46,480
Total	35,894	49,813	52,133

Licensed business entities	2005	2011	2012
Resident	671	812	811
Non-resident	2,665	4,179	4,294
Total	3,336	4,991	5,105

Legal Division

The primary functions of the Legal Division are to provide legal counsel to the Department; investigate fraud; litigate administrative actions; and, research and prepare proposed bills and administrative rules. The commissioner signed 21 orders involving agents in 2011 and 34 orders involving agents in 2012.

The fraud unit received 93 insurance fraud referrals in 2012 and ended the year with 151 cases still under investigation. Losses due to fraud in 2012 totaled \$710,104.

Examinations and Company Licensing Division

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.

As of Dec. 31, 2012, there were a total of 2,267 insurance entities licensed to do business in North Dakota and among them, 38 domiciled companies.

- Three financial exams were completed on domiciled companies July 1, 2011–June 30, 2012.
- Two financial exams completed July 1–Dec. 29, 2012.
- Five examinations are in progress.

Product Filing Division

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

The Department expects to receive a large number of health insurance filings in the spring of 2013 as companies bring their policies into compliance with Patient Protection and Affordable Care Act (PPACA) requirements.

	Filings received
2008	5,929
2011	5,594
2012	5,655

Consumer Assistance Division

The Consumer Assistance Division houses the Prescription Connection and State Health Insurance Counseling (SHIC) programs, as well as complaints and hotline duties.

The SHIC program provides free, confidential health insurance counseling to Medicare beneficiaries, their families or other representatives. The program held seven Medicare Part D enrollment events and cosponsored 24 Part D events across the state in 2012.

The Prescription Connection program helps low income North Dakotans find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs. Program staff assists consumers with every aspect of the application process and connect 99 percent of all applicants to a program.

Special Funds Division

This division includes the following programs that are self-funded and do not require an appropriation from either the State General Fund or the Insurance Regulatory Trust Fund.

Fund	2012
State Bonding Fund	
Bondholders	2,978
Combined insured value	\$681,512,932
Fire and Tornado Fund	
Policyholders	1,131
	9,438 buildings
	4,787 outdoor structures
Combined insured value	\$10.9 billion

Fund	2012
Petroleum Tank Release Compensation Fund	
Tank owners	1,688
Tanks	5,645
Boiler and Pressure Vessel Inspection Programs	
Boilers inspected by Department	4,621
Boilers inspected by private insurance carriers	5,191
Total boilers in ND	9,812

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. To date this biennium, one judgment totaling \$48,028 has been paid.

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 recent years, property values have increased due to the increases in construction cost, both labor and material, and the explosive growth in new construction statewide. The Fund recommended policyholders budget for a minimum five percent increase for each policy year of the 2013-2015 biennium.

Fire and Tornado Fund premiums and claims					
Fiscal year	Policyholders	Rate change	Premiums collected	# claims	Claim payments
2008	1,085	35% premium credit	\$3.85 million	111 (12/7/08)	\$1,085,373 (12/7/08)
2009	1,088	No change	\$6.44 million	251	\$2.67 million
2010	1,087	50% premium credit	\$3.22 million	381 (12/23/10)	\$2.91 million
2011	1,090	50% premium credit	\$3.47 million	272	\$4.35 million
2012	1,131	Permanent 50% premium reduction	\$3.77 million	220	\$2.87 million

Petroleum Tank Release Compensation Fund

The North Dakota Petroleum Tank Release Compensation Fund financially assists 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. The annual fee per tank is \$100.

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. During 2010-2012, no payments were made from the fund.

Boiler and Pressure Vessel Inspection Programs

The Boiler and Pressure Vessel Inspection Programs provide initial and periodic inspections of boilers. Nominal fees ranging from \$40-\$90 per boiler are collected to fund the inspection activity. The boiler certification fee, collected every three years, is \$60. The number of active boilers today is 9,812. Of that total, the Department inspects 4,621; the remaining boilers are inspected by authorized agencies. The majority of these new active boilers are in western North Dakota related to new construction.

	Boilers
2000	8,401
2008	8,951
2012	9,812

	Oil rig boilers
2000	23
2008	103
2012	299

Special Funds balance report *As of Oct. 31, 2012*

Fund	Reserve balance	Minimum requirement	Variance fav (unfav)	Loss claims payable
State Bonding Fund	\$3,982,915	\$2,000,000	\$1,982,915	\$20,000
Fire and Tornado Fund	\$24,616,485	\$12,000,000	\$12,616,485	\$2,327,883
Petroleum Tank Release Comp Fund	\$6,206,083	\$6,000,000	\$206,083	\$1,050,643
Unsatisfied Judgment	\$196,003	\$150,000	\$46,003	\$0

Note: Reserve balance = cash + money market deposit accounts + investments

Department appropriation

House Bill No. 1010

Appropriation

- Total executive budget recommendation—\$18,958,734
- The Department requested \$17,530,329*
- The North Dakota House of Representatives approved \$10,905,340

	Department request*	Executive budget recommendation	House version
Salaries and wages	\$7,632,321	\$8,260,726	\$7,884,150
Accrued leave payments			\$163,182
Operating	\$2,858,008	\$2,858,008	\$2,858,008
IT/Sware over \$5,000	0	0	0
Grants to fire association	\$840,000	\$840,000	0
Grants to fire districts	\$6,200,000	\$7,000,000	0
Total budget	\$17,530,329	\$18,958,734	\$10,905,340

*The Department's original request did not include legislative salary increases or fringe benefit increases. The Governor's recommendation did include these increases. Note: Passage of HB 1145 removed fire district grants from the Department's appropriation budget.

Base budget changes for 2013-2015

The Department's operating expenditure request represents a decrease of \$690,892 compared to the 2011-2013 biennium. This is a net result of the Insurance Department's federal funding decrease, cost to continue operations, an increase in expenses that are not within the Department's control and cost savings implemented in various areas within the Department. The Department has also combined the federal Affordable Care Act with the operating line because they are all part of the everyday operations of the agency.

The overall impact of the federal funding on the agency's operating expenditures:

- The 2010 Rate Review Grant amount was reduced by \$758,636
- The State Health Insurance Counseling Grant was reduced by \$41,458
- The 2010 Health Insurance Exchange Planning Grant was eliminated (\$768,022)

Key changes in operating expenditures outside of the federal funding are identified in the following and are netted between the operating and federal Affordable Care Act lines:

- Travel increase of \$37,064: Staff will travel more to western North Dakota. State fleet, per diem, airline and hotel costs have increased.
- IT software decrease of \$36,500: The Department purchased upgrades to some of their software programs in the 2011-13 biennium and do not anticipate the need for additional

upgrades in the 2013-15 biennium.

- Printing decrease of \$43,334: The Department reviewed their processes of sending out information to their customers. The Department began making items available electronically instead of sending out printed mailers to their customers.
- Postage decrease of \$16,125: The decrease in printing within the Department also affected the amount of postage the Department uses to mail out the information to their customers.
- Insurance decrease of \$10,805: The information supplied by Risk Management shows a 52% decrease in premium for 2013-15.
- Rentals/leases—building/land increase of \$8,631: The Department will see an increase in their capitol office rent of 9% and a slight increase in their two off-site office spaces.
- IT-data processing increase of \$87,526: ITD senior developer costs for existing software application enhancements and designing a web based application for surplus lines
- Professional development increase of \$13,323: The new positions within the Department all require certain levels of professional designation, which the Department reimburses for.

Increase grants to fire districts

The executive budget provided an increase of \$800,000, or about 13%, for grants to fire districts from the insurance tax distribution fund. The North Dakota House of Representatives removed all money associated with the fire district grants and funds for the Firefighters Association. Funding is now included in HB 1145.

Executive compensation package adjustment

This executive budget change provides funding for recommended 2013-15 compensation adjustments as suggested by the Hay Group study and ND Human Resources Management Services (HRMS).

The North Dakota House of Representatives decreased the legislative pay package.

Full-time employees

The Department has 49.5 FTEs, up from 45.5 in 2011. Four FTEs were added during the November 2011 special session in response to the increased demands the Patient Protection and Affordable Care Act has put on the Department. The four new positions included a company examiner, a rate and form filing analyst, a financial analyst and a life/health actuary. No new FTEs are being requested for the 2013-2015 biennium.

Special Funds allocation

The requested appropriation provides for allocation of expenses for administration of each of the following funds:

Section	Fund	Appropriated admin expense
2	State Bonding Fund	\$45,199
3	Fire and Tornado Fund	\$1,722,929
4	Unsatisfied Judgment Fund	\$28,690
5	Petroleum Tank Release Comp Fund	\$107,598

Commissioner's salary

Section 6 raises the Commissioner's salary. The House version amended the Executive recommendation.

Summary of major achievements and goals

1. Health care reform tracking

Achievements

- Participated weekly in numerous conference calls
- Participated in numerous interim IBL and budget committee meetings
- Held 11 statewide stakeholder meetings to discuss the Exchange
- Hired a consultant to analyze North Dakota's Exchange options
- Commissioner Hamm was elected President-Elect of the National Association of Insurance Commissioners, giving North Dakota an active role in health care reform discussions at the national level
- In November 2012, the Department transferred the remainder of the \$1 million federal Exchange planning grant to the North Dakota Department of Human Services. The Department was granted permission to spend the grant funds beginning July 1, 2011.

2013-2015 focus

- Continue to participate in weekly conference calls and meetings
- Cross train rate and filing analysts to keep up with increased health insurance filings

2. Continued progress toward fully electronic (paperless) systems in insurance regulation

Achievements

- Implemented SBS external review tracking system
- Data from surplus lines affidavits is now being recorded electronically

2013-2015 focus

- Participate in electronic email address changes and address changes for business entities when implemented by National Insurance Producer Registry

- Continue to work with SERFF to modify the system to meet PPACA requirements
- Continue to work on scanning Fire and Tornado building appraisals into FileNET
- Continue to work with SBS to develop enhancements
- Develop surplus lines system allowing insurance producers to submit affidavits online

3. Enhance outreach programs and consumer education

Achievements

- In 2011 and 2012, the Prescription Connection program helped approximately 750 people across North Dakota obtain more affordable or free prescriptions. Savings to these low-income applicants amounted to \$1.1 million in prescription drug costs that would otherwise be unaffordable.

2013-2015 focus

- Increase Prescription Connection program awareness and participation
- Increase program outreach to Native American residents

4. Respond in a timely fashion to inquiries and requests

Achievements

- During 2011 and 2012, staff handled 14,728 inquiry and complaint calls from North Dakotans needing help resolving insurance-related matters and obtained more than \$724,000 in relief on behalf of consumers.

2013-2015 focus

- Process new company applications for licensure within 60 days
- Respond to inquiries within 24 hours
- Respond to complaints within time frame appropriate for each division

5. Improve enforcement and solvency regulation

Achievements

- The Legal Division added an additional special investigator to its fraud unit in 2011, increasing its ability to follow up on reports of fraudulent activity
- Improved collections for State Bonding Fund and Petroleum Tank Release Compensation Fund

2013-2015 focus

- Strengthen company practices relating to auditor independence, corporate governance and internal control over financial reporting
- Increase insurance fraud referrals to appropriate prosecutors and continue developing working relationships with local, state and federal law enforcement agencies

Fire District Payments

- The insurance premium tax is collected quarterly and deposited into the State General Fund. The legislature appropriates a portion of the insurance premium tax revenue collected from all companies licensed to do business in North Dakota to be allocated to qualified fire districts in the state of North Dakota.
- The following chart provides a sampling of district payments for 2012.

Sampling of fire district annual premiums and payments	2011 premium	% of total premiums	2012 payments
Bismarck F/P District	\$7,300,481	1.84008%	\$57,042.59
Bismarck Fire Department	\$28,595,399	7.20746%	\$223,431.24
Bowman Fire Department	\$1,017,729	0.25652%	\$7,952.06
Bowman Rural Fire Department	\$796,782	0.20083%	\$6,225.69
Casselton Fire Department	\$1,017,884	0.2565%	\$7,953.28
Casselton Rural Fire Department	\$2,532,609	0.6383%	\$19,788.64
Fargo Fire Department	\$37,789,735	9.52489%	\$295,271.53
Grand Forks Fire Department	\$18,127,272	4.56897%	\$141,638.13
Jamestown Fire Protection District	\$4,484,036	1.1301%	\$35,036.19
Jamestown Fire Department	\$5,262,221	1.3263%	\$41,116.56
Lansford F/P District	\$517,116	0.1303%	\$4,040.51
Lehr Fire Department	\$48,476	0.0122%	\$378.77
Lehr Rural Fire Department	\$222,836	0.0561%	\$1,741.14
Minot F/P District	\$3,757,946	0.94719%	\$29,362.85
Minot Fire Department	\$15,123,491	3.81187%	\$118,167.97
Ryder-Makoti F/P District	\$653,572	0.1647%	\$5,106.71
Valley City Fire Department	\$2,307,055	0.5814%	\$18,026.26
Valley City Rural Fire	\$1,845,401	0.4651%	\$14,419.11
Total (all districts)	\$396,747,255		\$3,100,000

Formula: (Each fire district premiums/statewide premiums) x \$3,100,000

Renee Loh

HB 1010

3-15-13

2

House Bill: 1010

Good morning, Chairman Holmberg and members of the Senate Appropriations Committee. Thank you for your time this morning and for your continued support of the North Dakota firefighters.

Please let me introduce myself; Renee Loh, Executive Director of the North Dakota Firefighter's Association. The North Dakota Firefighter's Association was organized June 4, 1884 and incorporated February 3, 1891 to promote the safety and welfare of the North Dakota firefighters through uniform and established national training standards.

The North Dakota Firefighter's Association assists the firefighters with the increasing pressures and demands that the fire departments need to respond to for more technical services such as Big Rig Extrication, structural collapse, trench rescue and hazardous materials incidents by providing the appropriate nationally recognized training classes. The firefighters are the first line of defense in emergency scenes and many lack feelings of safety and security because the risks and dangers the firefighters face on a daily basis are greater than ever before and exist for all fire departments regardless if they are volunteers or career firefighters.

At the request of the Governor, House Bill 1010 under SECTION 2; INSURANCE PREMIUM TAX DISTRIBUTION FUND PAYMENTS – USES. Section 1 of this act includes payments to the fire departments and \$670,000 is for the purpose of making two-equal payments to the North Dakota Firefighter's Association, for the biennium beginning July 1, 2013, and ending June 20, 2015. This amount was taken from House Bill 1010 and moved over to House Bill 1145.

SECTION 4. FIRE AND TORNADO FUND. Section 1 of this Act includes \$1,722,929 from the State Fire and Tornado Fund, including \$170,000 for a grant to the North Dakota Firefighter's Association and \$1,552,929 to pay Fire and Tornado fund administrative expenses for the biennium beginning July 1, 2013, and ending June 30, 2015. This grant funding has been removed from the North Dakota Firefighter's Association appropriation.

The funding for the North Dakota Firefighter's Association from the Fire and Tornado Fund has been in place for many decades. The North Dakota Fire and Tornado Fund's purpose as a funding source was that the Fire and Tornado Fund insures state owned buildings as well as public school buildings. Due to the fact that fund is a state fund; it does not pay insurance premium tax to the state to be distributed back to the fire districts and departments.

The Legislature appropriated these funds for the North Dakota Firefighter's Association to provide training to the fire departments and districts to help insure that they are prepared to protect the governmental insured properties.

Renee Loh
HB 1010
3-15-13

#3

The North Dakota Firefighter's Association stands before you today to respectfully ask that this grant funding be restored with PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, after line 14, insert:

"Grants	\$170,000	0	\$170,000"
---------	-----------	---	------------

Page 1, line 22, overstrike "\$1,553,929" and insert immediately thereafter "\$1,722,929"

Page 1, line 23, after "fund" insert ", including \$170,000 for a grant to the North Dakota firefighters association and \$1,552,929"

Renumber accordingly

HOUSE BILL NO. 1010

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the insurance
2 commissioner; to provide for making payments of insurance premiums tax collections to fire
3 departments; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code,
4 relating to the commissioner's salary.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated from special funds derived from federal funds and other
8 income, to the insurance commissioner for the purpose of defraying the expenses of that
9 agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$6,859,830	\$1,400,896	\$8,260,726
13 Operating expenses	3,431,900	(573,892)	2,858,008
14 Capital assets	70,000	(70,000)	0
15 Grants	7,040,000	800,000	7,840,000
16 American health benefit	1,000,000	(1,000,000)	0
17 Federal Affordable Care Act	<u>642,350</u>	<u>(642,350)</u>	<u>0</u>
18 Total special funds	\$19,044,080	(\$85,346)	\$18,958,734
19 Full-time equivalent positions	49.50	0.00	49.50

20 SECTION 2. INSURANCE PREMIUM TAX DISTRIBUTION FUND PAYMENTS - USES.

21 Section 1 of this Act includes \$7,670,000 from the insurance premium tax distribution fund, of
22 which \$7,000,000 is for the purpose of making payments to fire departments and \$670,000 is
23 for the purpose of making two equal payments to the North Dakota firefighters association, for
24 the biennium beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 3. BONDING FUND.** Section 1 of this Act includes \$45,199 from the state
2 bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1,
3 2013, and ending June 30, 2015.

4 **SECTION 4. FIRE AND TORNADO FUND.** Section 1 of this Act includes \$1,722,929 from
5 the state fire and tornado fund, including \$170,000 for a grant to the North Dakota firefighters
6 association and \$1,552,929 to pay fire and tornado fund administrative expenses, for the
7 biennium beginning July 1, 2013, and ending June 30, 2015.

8 **SECTION 5. UNSATISFIED JUDGMENT FUND.** Section 1 of this Act includes \$28,690
9 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative
10 expenses for the biennium beginning July 1, 2013, and ending June 30, 2015.

11 **SECTION 6. PETROLEUM RELEASE COMPENSATION FUND.** Section 1 of this Act
12 includes \$107,598 from the petroleum release compensation fund to pay petroleum release
13 compensation fund administrative expenses for the biennium beginning July 1, 2013, and
14 ending June 30, 2015.

15 **SECTION 7. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **26.1-01-09. Salary of commissioner.**

18 The annual salary of the commissioner is ~~ninety-ninety-six~~ thousand ~~three~~ seven hundred
19 ~~sixty-ninety-three~~ dollars through June 30, ~~2012~~ 2014, and ~~ninety-three~~ one hundred thousand
20 ~~seventy-one~~ six hundred sixty-five dollars thereafter.

#4

First Responder Hazardous Materials Awareness - 2 hrs

This course is designed to teach the first responder how to safely and effectively manage a hazardous materials release using first due response until the arrival of additional specialized units.

This course is required for Firefighter I State Certification.



First Responder Hazardous Materials Operations - 8 hrs

After completing this course, students will be able to describe and practice basic strategies to safeguard their health and safety when their work involves potential exposure to hazardous materials. Students will gain the knowledge and skills needed to: Recognize and identify the clues that determine the presence of Hazmat/WMD; Research and evaluate exposure information; Make decisions and execute First responder actions.

PREREQUISITES: Hazardous Materials Awareness Training

This course supersedes Hazardous Materials Awareness level and can be used for Firefighter I State Certification.

Cost: These classes are funded from a grant through the Department of Emergency Services and is offered free of charge to members of the NDFA.

Courage to Be Safe so Everyone Goes Home - 4 hrs



Firefighters must have the courage to face a multitude of risks in order to save lives and protect their communities. Their courage allows them to willingly risk their own lives so that others can be saved. A different type of courage is required to stay safe in potentially dangerous situations, avoiding needless risks and tragic consequences.

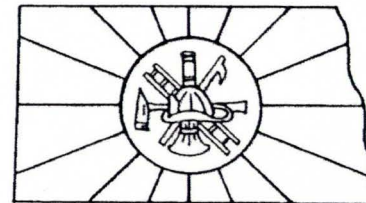
This provocative and moving presentation is designed to change the culture of accepting the loss of firefighters as a normal occurrence. Building on the untold story of LODD survivors, it reveals how family members must live with the consequences of a firefighter death and provides a focus on the need for firefighters and officers to change fundamental attitudes and behaviors in order to prevent line of duty deaths. The central theme promotes the courage to do the right thing in order to protect yourself and other firefighters and ensure that "Everyone Goes Home" at the end of the day.

Cost: This class is funded from a grant through Workforce Safety and Insurance and is offered free of charge to members of the NDFA.

North Dakota Firefighter's Association

PO Box 6127
6909 Aurora Loop
Bismarck, ND 58506

Phone: 701-222-2799
Fax: 701-222-2899
Website: ndfa.net



North Dakota Firefighter's Association

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Vehicle Extrication - 12 hrs / 8 hrs

12 hours (Initial), 8 hours (Re-Certification)

Vehicle extrication is the process of removing a vehicle from around a person who has been involved in a motor vehicle accident, when conventional means of exit are impossible or inadvisable. A delicate approach is needed to minimize injury to the victim during the extrication. This operation is typically accomplished by using chocks and bracing for stabilization and hydraulic tools, including the Jaws of Life. Standards and regulations can be found in NFPA 1670 and 1006.

As the State Recognized Training Authority, NDFA has worked closely with the ND Department of Health, Division of Emergency Services and Trauma, in maintaining the standard of training offered to all fire and ambulance services performing extrication services. NDFA manages the extrication program by setting standards, providing instructors for classes, and keeping records of all individuals who have received training and certification.

NOTE: Through several generous donations NDFA can now offer Auto Extrication Initial and Refresher classes free of charge to member departments. Please contact NDFA for further information.



Fire Department Emergency Vehicle Operations Course (EVOC) - 8 hrs

A course designed to enhance safe vehicle operation by stressing theory and principles of defensive driving in both emergency and non-emergency situations. North Dakota Motor Vehicle laws pertinent to the operation of emergency vehicles is included in the course. This class is not designed to teach the student to drive, but rather to explain how emergency driving differs from non-emergency driving. It is strongly recommended that the student has adequate driving experience, in the vehicle classification listed, before this course. The course requires 8 hours of instruction (100% attendance required for certification), 4 hours classroom and 4 hours consisting of practical exercises. An EVOC certificate will be awarded to each student successfully completing the course.

Utilizing the Vigil Vanguard Training System instructors can also provide individual, objective evaluations with video feedback.

Students must have a valid driver's license in order to participate in the practical exercises. Students must be 18 years of age (minimum) to receive certification.

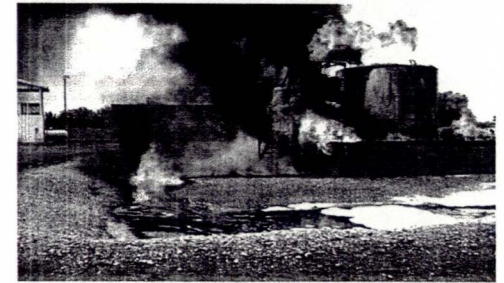
Hosting department, utilizing available city or county connections, should arrange a minimum of 60, 12" - 18" traffic cones.

Due to the size of fire apparatus and required maneuvers, a minimum space of 500' x 200' will need to be reserved by the hosting department. If this area is unavailable a lesser area can be used with the coordination of the course instructor.

Cost: This class is funded from a grant through the ND Insurance Reserve Fund and is offered free of charge to members of the NDFA.



Responding to Oil Field Emergencies - 4 hrs / 8 hrs



4 hours (Classroom only), 8 hours (with hands-on)

Often it is the front-line first response that is vital to preventing loss of life and containing property and environmental damage. The first responders to oil and gas incidents are usually local emergency response units, including rural and volunteer firefighters. They are responsible for mitigating fires and other hazardous situations, ensuring safety of personnel and property, and communicating effectively with necessary parties. In most cases, these people are highly competent in conventional firefighting and emergency response practices, but may have no formal training or experience with the unique challenges and hazards posed by oil field incidents. For example, they may not know which procedures would prove most effective, how to contain the incident, and how to minimize personal danger. Similarly, they may know neither the types of hazardous chemicals or equipment to anticipate on site nor how to manage them safely. And most often, they would not know which parties to notify or how to contact them. This class helps emergency responders develop the knowledge and skills necessary to safely and effectively manage a typical oil field emergency.

The hands-on portion of this class provides students the opportunity to experience live fire training using fixed, live fire props at the Dickinson Fire Department training site as well as a mobile training prop which will allow this class to be taught at your own department. Will need full PPE to include SCBA.

Cost: This class is funded from a grant through the Department of Emergency Services and is offered free of charge to members of the NDFA.



*North Dakota Firefighter's
Association*

Organized June 4, 1884
Incorporated January 20, 1901

Renee Loh
HB 1010
3-15-13

#5

**STATE EMERGENCY RESPONSE COMMISSION (SERC)
March 13, 2013**

To date the North Dakota Firefighter's Association has the following Hazardous Material training requests for FY 2013:

- ❖ Jamestown Fire Department; Haz Mat Ops
- ❖ Mohall Fire Department; Haz Mat Ops
- ❖ Watford City Fire Department; Haz Mat Awareness
- ❖ Pembina Fire Department; Haz Mat Ops
- ❖ Valley City Fire Department; Haz Mat Ops Refresher
- ❖ Mandan Fire Department; Haz Mat Ops
- ❖ Kindred Fire Department; Haz Mat Ops
- ❖ Edgeley Fire Department; Haz Mat Ops
- ❖ West Fargo Fire Department; Haz Mat Ops
- ❖ Wahpeton Fire Department; Haz Mat Ops
- ❖ Leonard Fire Department; Haz Mat Ops Refresher
- ❖ New England Fire Department; Haz Mat Awareness
- ❖ Wyndmere Fire Department; Haz Mat Awareness
- ❖ West Fargo Fire Department; Haz Mat Ops Refresher
- ❖ Jamestown Fire Department; Haz Mat Ops Refresher

Flammable Fuels Class:

- ❖ Velva Fire Department
- ❖ Mohall Fire Department
- ❖ Kenmare Fire Department
- ❖ Sherwood/Tolly Fire Departments
- ❖ Carrington Fire Department

Upcoming scheduled classes:

- Wahpeton Fire Department
- Beulah/Hazen/Zap Fire Departments
- Cooperstown Fire Department

HAZARDOUS MATERIALS FREQUENTLY ASKED QUESTIONS; materials and information were sent to NDFA by DES as a fact sheet to assist the fire departments with protocols and guidelines to follow for Hazardous Materials incidents. This information has been emailed to every fire department in North Dakota and has been incorporated into the North Dakota Fire Chief's Magazine or the North Dakota Firefighter's Journal. In the State Fire School packets; each firefighter received this information. The Chiefs of the North Dakota fire departments that attended the Chief's Meeting on March 1, 2013 also received this important information.

Pertinent areas of concerns:

- ✓ Lack of communication
- ✓ Wrong assumptions concerning who was the Incident Commander
- ✓ Unfamiliarity of the capabilities and responsibilities of the Haz Mat Teams
- ✓ Lack of clarity regarding jurisdictional authority on state and federal highways

*This information will assist the fire service moving forward.

2012 STATE TRAINING REPORT:

Over 4,600 firefighters were trained in the 255 classes that were presented in 2012 throughout the state of North Dakota. A letter was sent out in January, 2013 to all of the Emergency Managers in North Dakota along with the Training Services Brochure that explains all of the grant classes that are offered through the North Dakota Firefighter's Association.

STATE FIRE SCHOOL:

State Fire School was held from February 28 through March 3, 2013 at the North Dakota Fairgrounds in Minot. There were 42 classes scheduled and the classes provided a wide range of Entry Level, Intermediate Level and Advanced Level Classes. There were 811 firefighters that pre-registered for State Fire School with many walk-ins registering after the first day of class. The office staff is working on compiling the final numbers from the attendance rosters.

NDFA was pleased that the following classes were well attended:

- Boil Over Simulator: 66 participants
- Live Burn Simulator: 114
- Oil Field Emergencies Response: 57
- Haz Mat Ops 8 hour class: 29

Extrication:

There have been numerous fire departments throughout the state that have participated in extrication classes. To date there have been 67 attendees from New England, Harvey, Fessenden, Minot, Northwood, Portland, Steele, Northwood, Napoleon, Tuttle, and Tappen. There are many requests for upcoming classes.

Video:

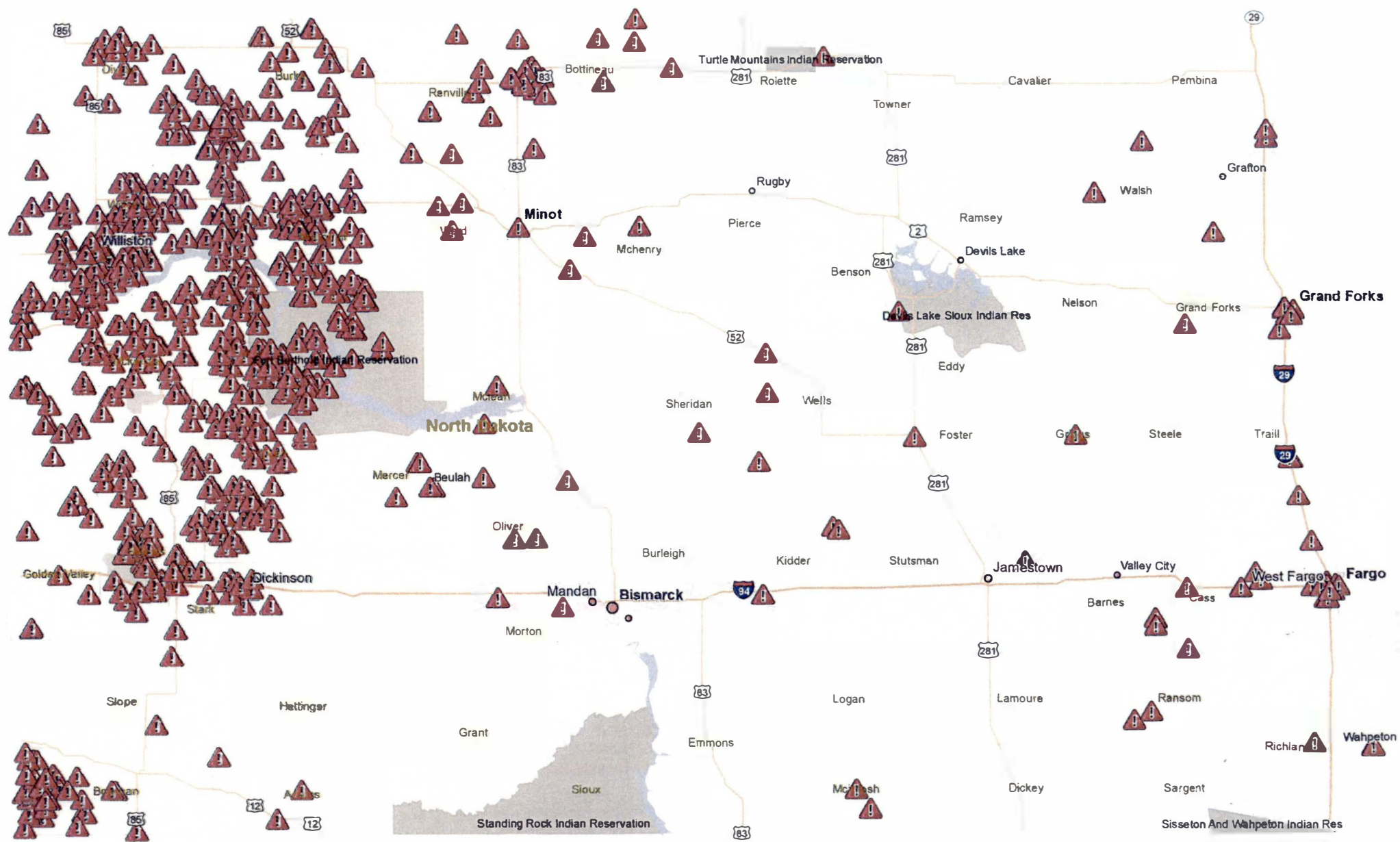
Courage to Be Safe video is completed and will be utilized by the National Fallen Firefighters as reference material. The content of the video relates to the fire dynamics of 2012 and focuses on wildland fires. This video will be shown by Brooks Martin at the Annual Fire Service Survivors Conference in Phoenix, Arizona; April 14-17, 2013.

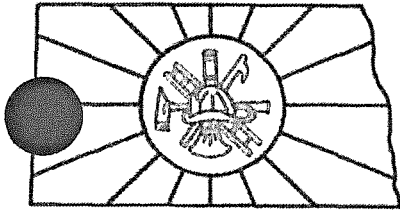
The video topics are leadership, Incident Command, and not becoming a Line of Duty Death statistic. Production has been started for the next *Courage to Be Safe* video. This video will relate to health and physical conditioning that plays a large part of firefighter survival. Physical conditioning give the firefighter attack teams the best chance for success and the best chance to survive when something goes wrong. Firefighters know that training plays a vital role in firefighter survival.

2013 Western Wildland U.S. Forest Grant:

An additional \$300,000 grant is providing funding for the Native American Outreach Fire Safety and Wildfire Prevention Campaign for American Indian youth between the ages of 12-18 that will be called; REZPECT THE FLAME. NDFA and the NDFS will be working with and assisting the tribal and educational leaders on the reservations with training on fire incidents and how to handle the fire hazards effectively. The most notable information received from the Focus Group Report relates that the focus group participants feel very nervous, fearful, angry and sad when describing fire. Most of the participants had experienced house fires, vehicle fires, kids playing with fire, apartments on fire, and field fires.

Many had a sibling that had started a fire playing with matches and in one case; started the bed on fire, had seen someone accidentally starting a fire, watched kids starting a fire on purpose, had witnessed leaving the stove on, leaving candles burning, cigarettes, arson, and hoped that they would live near a fire department so firefighters could come and save them. In some cases when they asked who they admired the most, the answer was "no one" "I don't know anyone" and "nobody." So our goal is to reach out to the fire service in these areas, go to the different schools and show the completed materials on Good Health TV locations in their areas.





North Dakota Firefighter's Association Annual Training Report

Rob Knuth
HB 1010

3-15-13

6

Class Title	Number of Students
"Two Fires - Two Separate Outcomes" & "The Command Sequence"	85
ABC's of SCBA's - 4hrs	63
Air Management for Firefighter Survival	16
Assistance to Firefighter Grant Program (AFG)	16
Auto Extrication	513
Auto Extrication - Health Department	70
Automobile Extrication	53
Automobile Extrication Re-Certification	386
Basic Ventilation	43
Beyond Helmets & Hoses, Strategy & Tactics of Leading a Volunteer or Combination Fire/Rescue Organization	17
Building Construction/Fire behavior/Firefighter Safety	65
Car Fire Attack	40
Cars, Buses and Trucks Or Grinder Wrecks	103
Class A Structural Burn Building	18
Courage To Be Safe So Everyone Goes Home	426
Crew Resource Management	1
Crew Resource Management (CRM)	52
Emergency Response to Military Vehciles, Aircraft, and Facilities	28
Essentials of Firefighting: Basic Skills - 8hrs	100
EVOG (FD)	52

Class Title**Number of Students**

EVOC (FD) - Classroom only

2

Farm Equipment Extrication - 4hrs

1

Farm Vehicle Extrication(NFPA 1670)

22

FD Emergency Vehicle Operations Course (EVOC)

78

Fire Department Inspections

20

Fire Ground Communications

31

Fire Operations in the Wildland/Oil & Gas Interface

40

Fire Prevention on a Shoestring

9

Fire Streams and Fire Control

54

Firefighter Myths

130

Firefighter Survival

22

Grain Bin Extrication (attended)

11

Grain Bin Extrication (Completed)

23

Haz Mat Awareness

163

Haz Mat operations - Classroom

19

Haz Mat Operations Level

48

Haz Mat Operations Level Refresher Hands-on

49

Hazardous Materials Operations Level Refresher Hands-on

84

HazMat - Refresher Hands-on Practical

33

HazMat Operations: Train-the-Trainer

29

Hazmat Ops - Basic Metering

15

Highway Response Safety

100

Incident Safety Officer - 4hrs

31

Class Title	Number of Students
Incident Safety Officer -16 hrs	17
Introduction to Rope Rescue	48
Junior Firefighter Program Management	9
Leadership I	12
Leadership II: Strategies for Personal Success	9
Leadership III: Strategies for Supervisory Success	7
Leadership, Accountability, Culture and Knowledge (LACK) Training	78
Live Fire Propane Emergencies	27
LPG Fire Training	23
NFIRS	12
PICO (Preparing for Initial Company Operations)	16
Primary Search; Back to the Basics	48
Primary Search; Intermediate Level	49
Pump Operations & Maintenance	48
Pump Operator/Engineer	30
Railroad Safety for First Responders	25
Rapid Intervention Team (RIT) Trailer	12
Redefining Firefighter Safety	1
Rehabilitation and Medical Monitoring	40
Rescue from Storage Grain Bins (NFPA 1670)	24
Responding to Oilfield Emergencies	60
Responding to Wind Turbine Emergencies	24
RIT (rapid intervention teams)/Live Fire Training	10

Class Title**Number of Students**

RT-130 Annual Fireline Safety Refresher Training

26

Rules of Engagement

42

Rural Tactics and Water Supply

7

S130/S190 Introduction to Wildland Fire Behavior and Firefighter Training

17

Safe Motor Grader Fire Suppression

18

Spray Plane Crashes and Extrication/Grain Bin Rescue

44

Stretching and Advancing the Initial Attack Line

33

Structural Burn Simulation Trailer - Advanced

4

Structural Burn Simulation Trailer - Basic

55

Structural Burn Simulation Trailer - Intermediate

45

Ten Fire Ground Mistakes With Tim Zehnder

81

The Doctrine of Combat Fire Engagement & Five Star Command 2012

40

Transportation Community Awareness & Emergency Response (TRANSCAER)

275

Vent-Enter-Search

31

Wide Area Search

27

Wildland Fire Essentials-4

37

Wildland Fire Suppression Tactics

39

Total number of Classes Presented **255****Total number of Students reached** **4611**

rob@ndfa.net,

, julie@ndfa.net

7

Jan 11, 2013

Where: Comfort Suites - Bismarck, ND
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Rob Knuth
HB 1010
3-15-13

Where: Raddison Hotel, Bismarck, ND
Calendar: NDFA Training Events Calendar
Created by: Rob@NDFA.net

Sat Jan 12, 2013

Where: Raddison Hotel, Bismarck, ND
Calendar: NDFA Training Events Calendar
Created by: Rob@NDFA.net

Where: Mandan Fire Department - 110 Collins Avenue
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sun Jan 13, 2013

Where: Raddison Hotel, Bismarck, ND
Calendar: NDFA Training Events Calendar
Created by: Rob@NDFA.net

Where: Mandan Fire Department - 110 Collins Avenue
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Mon Jan 14, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Tue Jan 15, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Wed Jan 16, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

 u Jan 17, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Jan 18, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Jan 19, 2013

Where: Fargo - 4630 15th Avenue N
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Where: Edgely Fire Station
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

 **Where:** Dakota Theater - N Main Street Crosby, ND
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Tue Jan 22, 2013

Where: Kindred City Shop -951 Elm Street
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Feb 2, 2013

Where: Senior Citizen Center - Ray, ND Starting at 8am
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Mon Feb 4, 2013

Where: Northwood Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Feb 9, 2013

 **Where:** Velva, ND Starting at 8am
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

 u Feb 28, 2013

Where: Minot - All seasons
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Mar 1, 2013

Where: Minot - All seasons
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Mar 2, 2013

Where: Minot - All seasons
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sun Mar 3, 2013

Where: Minot - All seasons
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

 e Mar 5, 2013

Where: Wyndmere Community Center
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Thu Mar 7, 2013

Where: Kenmare Fire Department - 617 Central Avenue N Kenmare
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Mar 9, 2013

Where: Fairmount Fire Department- 102 N 1st Street
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Mon Mar 11, 2013

 Where: Grafton Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

d Mar 13, 2013

Where: SE Region Career & Technology Center, Oakes ND
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Mar 16, 2013

All day Auto Extrication - Walcott/Colfax
Calendar: Julie Geltel

Where: Dickinson Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Mar 22, 2013

All day Auto Extrication- Ellendale
Where: Ellendale
Calendar: Julie Geltel

Sat Mar 23, 2013

All day Auto Extrication- Ellendale
Where: Ellendale
Calendar: Julie Geltel

All day HazMat Awareness - Anamoose
Calendar: Julie Geltel

Where: Mayville Fire Department - 213 2nd Avenue NE
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sun Mar 24, 2013

Where: Mayville Fire Department - 213 2nd Avenue NE
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Wed Mar 27, 2013

Where: Valley City Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Mar 29, 2013

Where: Jamestown Rural
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

t Mar 30, 2013

Where: Jamestown Rural
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Apr 6, 2013

Where: Hazen Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Where: Comfort Suites - Bismarck, ND
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Tue Apr 9, 2013

All day Auto Extrication - Larimore
Calendar: Julie Geltel

Where: Wahpeton Cargill Plant
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Apr 13, 2013

Where: Mayville Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Where: Minot Rural Fire Department
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Where: Beulah Civic Center - 120 7th Street NE
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Wed Apr 17, 2013

Where: Beulah Fire Hall
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sun Apr 21, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

 n Apr 22, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Tue Apr 23, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Wed Apr 24, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Thu Apr 25, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Apr 26, 2013

 Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Apr 27, 2013

Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat May 11, 2013

All day Auto Extrication - Cooperstown
Calendar: Julie Geltel

Where: New Salem
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Where: Edgeley Armory - 17 6th Street
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

 **Where:** Cooperstown Fire Department - 611 9th Street NE
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

rob@ndfa.net,

, julie@ndfa.net

un May 12, 2013

Where: Edgeley Armory - 17 6th Street
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Thu Jun 6, 2013

Where: West Fargo
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Fri Jun 7, 2013

Where: West Fargo
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

Sat Jun 8, 2013

Where: West Fargo
Calendar: NDFA Training Events Calendar
Created by: julie@ndfa.net

February 2013

INSURANCE PREMIUM TAX REVENUE ALLOCATIONS*Subcom 3-22-13 #1 HB 1010*

This memorandum provides information regarding current and proposed funding allocations from insurance premium tax revenue collections.

INSURANCE PREMIUM TAX

North Dakota Century Code Section 26.1-03-17 requires the Insurance Commissioner to collect a premium tax on the gross amount of insurance premiums sold within the state at a rate of 2 percent with respect to life insurance policies and 1.75 percent with respect to all other types of policies. Under current law, insurance premium tax collections are allocated to the firefighters death benefit fund, the insurance tax distribution fund, and the general fund.

FIREFIGHTERS DEATH BENEFIT FUND

The firefighters death benefit fund is a special fund in the state treasury created in the 2007-09 biennium and provided for in Section 18-05.1-02. Money in the fund is appropriated on a continuing basis to the Insurance Commissioner for paying death benefits. The Insurance Commissioner may deposit insurance premium tax collections in the fund if death benefits are paid to maintain the fund balance at \$50,000. A firefighters death benefit has been paid once during the 2009-11 biennium. The fund balance remains at \$50,000.

INSURANCE TAX DISTRIBUTION FUND

Under current law, insurance premium tax collections are deposited in the insurance tax distribution fund in an amount equal to legislative appropriations from the fund for the biennium. For the 2011-13 biennium, the Legislative Assembly appropriated \$8,120,000 from the fund for insurance tax payments to fire departments, grants to the North Dakota Firefighter's Association, and for emergency medical services grants. The 2013-15 executive budget includes \$8,920,000 from the fund for these purposes.

Payments to Fire Departments

Section 18-04-05 provides the Insurance Commissioner shall allocate one-half of the biennial legislative appropriation for payments to fire departments in September of each year. Each fire department receives its prorated share of the total distribution based on the proportion of total insurance premiums collected relating to property in a particular fire district to the total premiums for the same type of coverage collected in the entire state. The distribution ratio is based on information submitted by insurance companies from the prior tax year. For the 2011-13 biennium, the Legislative Assembly appropriated \$6.2 million for these payments. The 2013-15

executive budget recommends increasing the amount for payments to fire departments to \$7 million.

North Dakota Firefighter's Association Grants

Provisions relating to grants to the North Dakota Firefighter's Association are included in the appropriation bill for the Insurance Commissioner. For the 2011-13 biennium and in the 2013-15 executive budget, \$670,000 is provided for these grants. In addition to the funding appropriated from the insurance tax distribution fund for these grants, \$170,000 is provided from the fire and tornado fund for North Dakota Firefighter's Association grants. This funding is also included in the Insurance Commissioner's appropriation bill.

Emergency Medical Services Grants

Provisions relating to grants to emergency medical services providers are included in Chapter 23-46. Funding for these grants is included in the State Department of Health budget and is from the insurance tax distribution fund and the general fund. For the 2011-13 biennium and in the 2013-15 executive budget, \$1,250,000 from the insurance tax distribution fund is provided for these grants. For the 2011-13 biennium, funding from the general fund for these grants totaled \$3,940,000, and the 2013-15 executive budget includes \$6,090,000 from the general fund for these grants.

ENGROSSED HOUSE BILL NO. 1145

Provisions of Engrossed House Bill No. 1145 create a new fire insurance tax distribution fund and a new emergency medical services insurance tax distribution fund. The bill provides payments to fire departments and grants to the North Dakota Firefighter's Association be provided pursuant to a continuing appropriation rather than specific legislative appropriations each biennium. The bill provides all insurance premium tax collections from the specific lines of insurance upon which the insurance tax payments to fire departments are based be transferred from the insurance tax distribution fund to the fire insurance tax distribution fund to provide for the payments. This change results in additional funding being available for payments to fire departments and a reduction in the amount estimated to be deposited in the general fund.

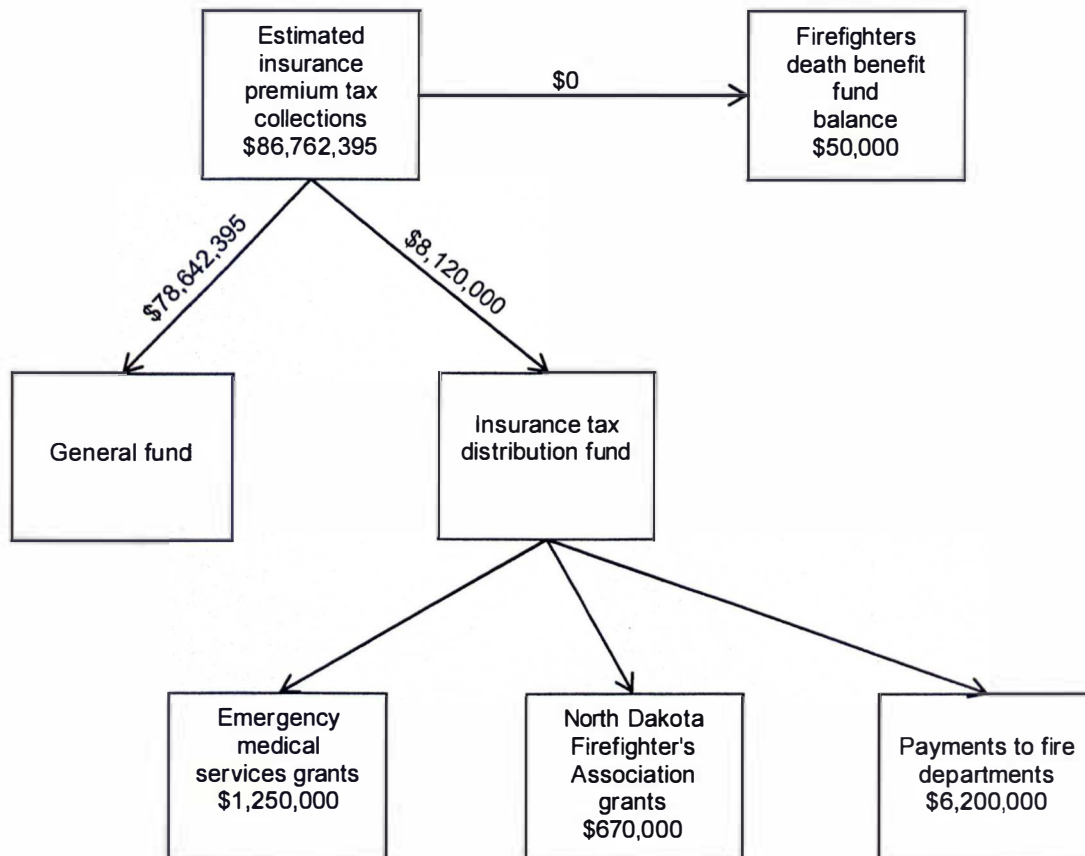
Under Engrossed House Bill No. 1145, the amounts distributed to the fire districts for each year of the 2013-15 biennium are estimated to total:

Year	Engrossed House Bill No. 1145 Provisions	Executive Budget	Change
2013	\$7,029,092	\$3,500,000	\$3,529,092
2014	7,507,294	3,500,000	4,007,294
Total	\$14,536,386	\$7,000,000	\$7,536,386

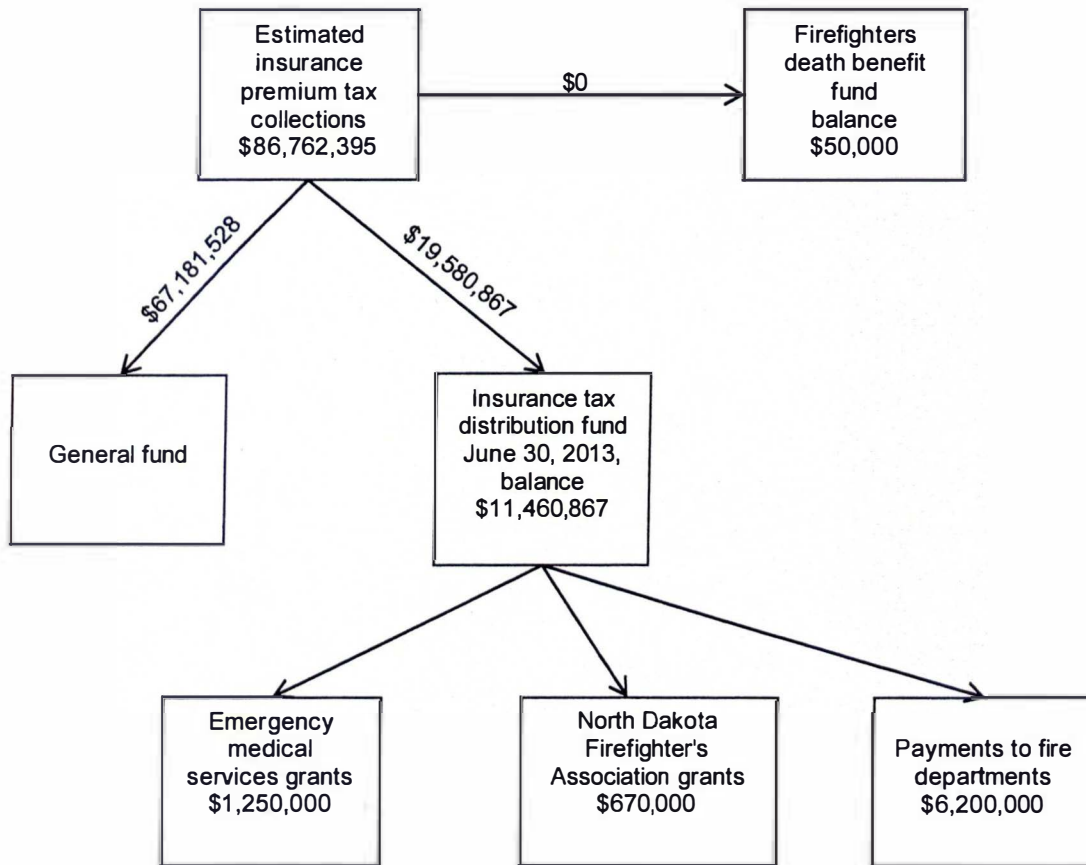
The following flowcharts present the allocation of insurance premium tax collections for the 2011-13 biennium under current law and as changed by

Engrossed House Bill No. 1145 and for the 2013-15 biennium based on the executive recommendation and as changed by Engrossed House Bill No. 1145:

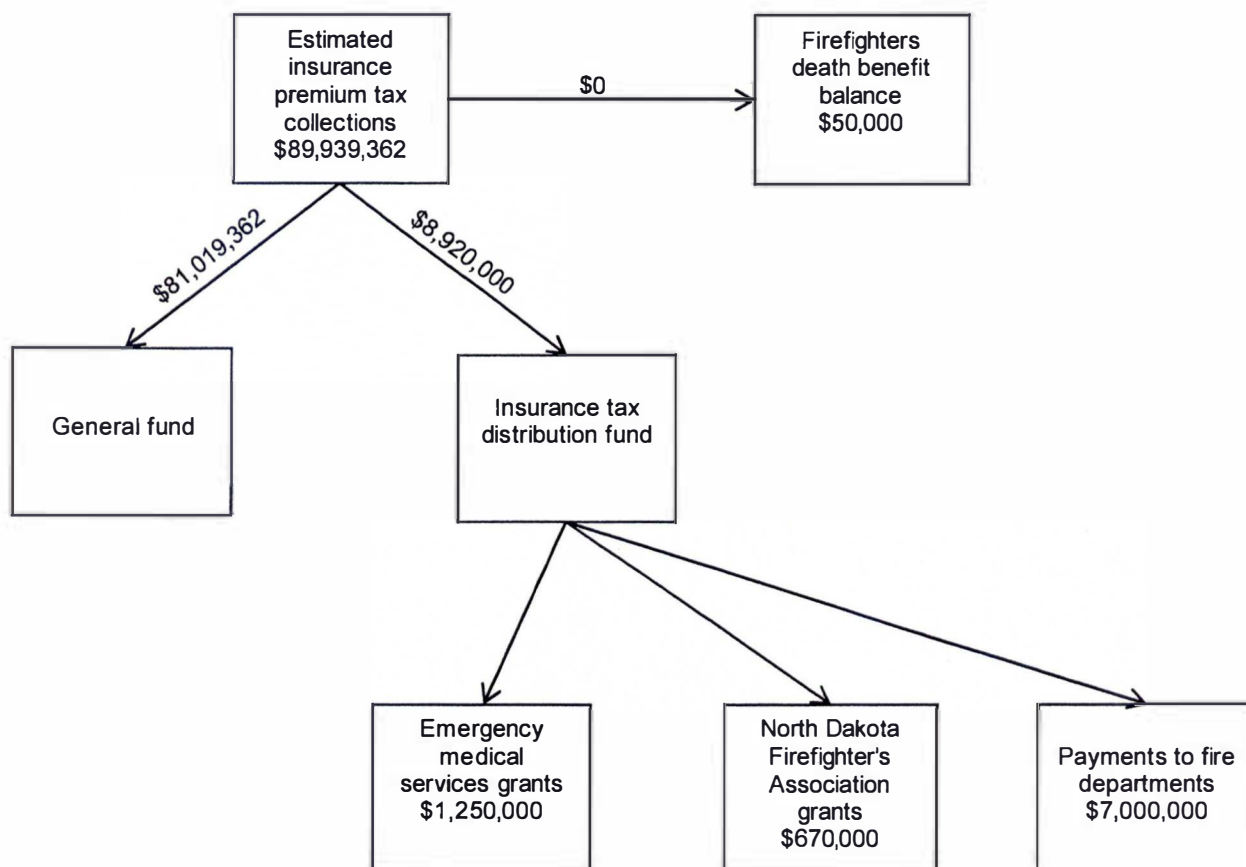
CURRENT LAW - 2011-13 BIENNIUM



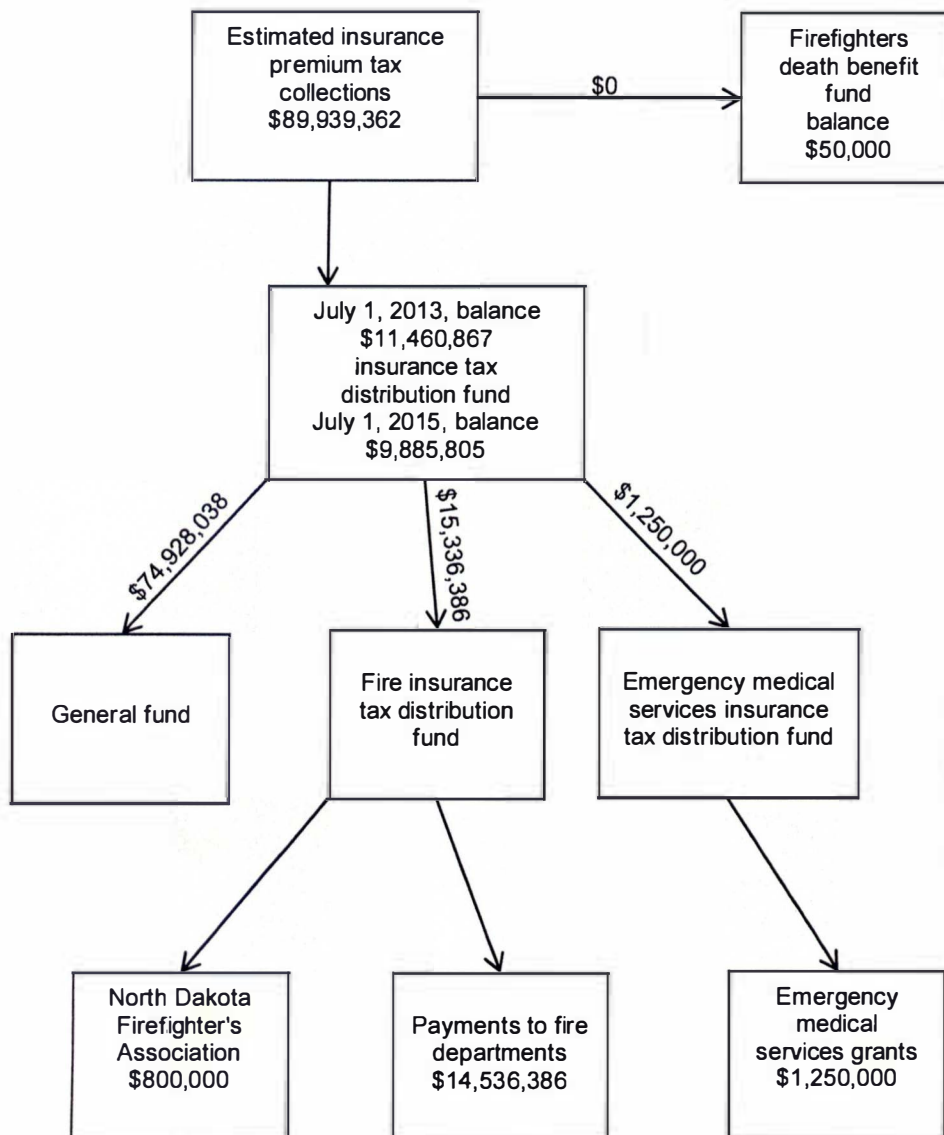
ENGROSSED HOUSE BILL NO. 1145 - 2011-13 BIENNIUM



EXECUTIVE BUDGET - 2013-15 BIENNIUM



ENGROSSED HOUSE BILL NO. 1145 - 2013-15 BIENNIUM



March 2013

INSURANCE PREMIUM TAX REVENUE ALLOCATIONS

4-4-13
HB 1010
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This memorandum provides information regarding current and proposed funding allocations from insurance premium tax revenue collections.

INSURANCE PREMIUM TAX

North Dakota Century Code Section 26.1-03-17 requires the Insurance Commissioner to collect a premium tax on the gross amount of insurance premiums sold within the state at a rate of 2 percent with respect to life insurance policies and 1.75 percent with respect to all other types of policies. Under current law, insurance premium tax collections are allocated to the firefighters death benefit fund, the insurance tax distribution fund, and the general fund.

FIREFIGHTERS DEATH BENEFIT FUND

The firefighters death benefit fund is a special fund in the state treasury created in the 2007-09 biennium and provided for in Section 18-05.1-02. Money in the fund is appropriated on a continuing basis to the Insurance Commissioner for paying death benefits. The Insurance Commissioner may deposit insurance premium tax collections in the fund if death benefits are paid to maintain the fund balance at \$50,000. A firefighters death benefit has been paid once during the 2009-11 biennium. The fund balance remains at \$50,000.

INSURANCE TAX DISTRIBUTION FUND

Under current law, insurance premium tax collections are deposited in the insurance tax distribution fund in an amount equal to legislative appropriations from the fund for the biennium. For the 2011-13 biennium, the Legislative Assembly appropriated \$8,120,000 from the fund for insurance tax payments to fire departments, grants to the North Dakota Firefighter's Association, and for emergency medical services grants. The 2013-15 executive budget includes \$8,920,000 from the fund for these purposes.

Payments to Fire Departments

Section 18-04-05 provides the Insurance Commissioner shall allocate one-half of the biennial legislative appropriation for payments to fire departments in September of each year. Each fire department receives its prorated share of the total distribution based on the proportion of total insurance premiums collected relating to property in a particular fire district to the total premiums for the same type of coverage collected in the entire state. The distribution ratio is based on information submitted by insurance companies from the prior tax year. For the 2011-13 biennium, the Legislative Assembly appropriated \$6.2 million for these payments. The 2013-15

executive budget recommends increasing the amount for payments to fire departments to \$7 million.

North Dakota Firefighter's Association Grants

Provisions relating to grants to the North Dakota Firefighter's Association are included in the appropriation bill for the Insurance Commissioner. For the 2011-13 biennium and in the 2013-15 executive budget, \$670,000 is provided for these grants. In addition to the funding appropriated from the insurance tax distribution fund for these grants, in the 2011-13 biennium and in the 2013-15 executive budget recommendation, \$170,000 is provided from the fire and tornado fund for North Dakota Firefighter's Association grants.

Emergency Medical Services Grants

Provisions relating to grants to emergency medical services providers are included in Chapter 23-46. Funding for these grants is included in the State Department of Health budget and is from the insurance tax distribution fund and the general fund. For the 2011-13 biennium and in the 2013-15 executive budget recommendation, \$1,250,000 from the insurance tax distribution fund is provided for these grants. For the 2011-13 biennium, funding from the general fund for these grants totaled \$3,940,000, and the 2013-15 executive budget recommendation includes \$6,090,000 from the general fund for these grants.

REENGROSSED HOUSE BILL NO. 1145

The table below compares appropriations under Reengrossed House Bill No. 1145 for payments to the fire districts to the 2011-13 biennium and the 2013-15 executive budget recommendation.

Year	2011-13 Biennium	Reengrossed House Bill No. 1145 Provisions	2013-15 Executive Budget
First year	\$3,100,000	\$7,029,092	\$3,500,000
Second year	3,100,000	7,507,294	3,500,000
Total	\$6,200,000	\$14,536,386	\$7,000,000

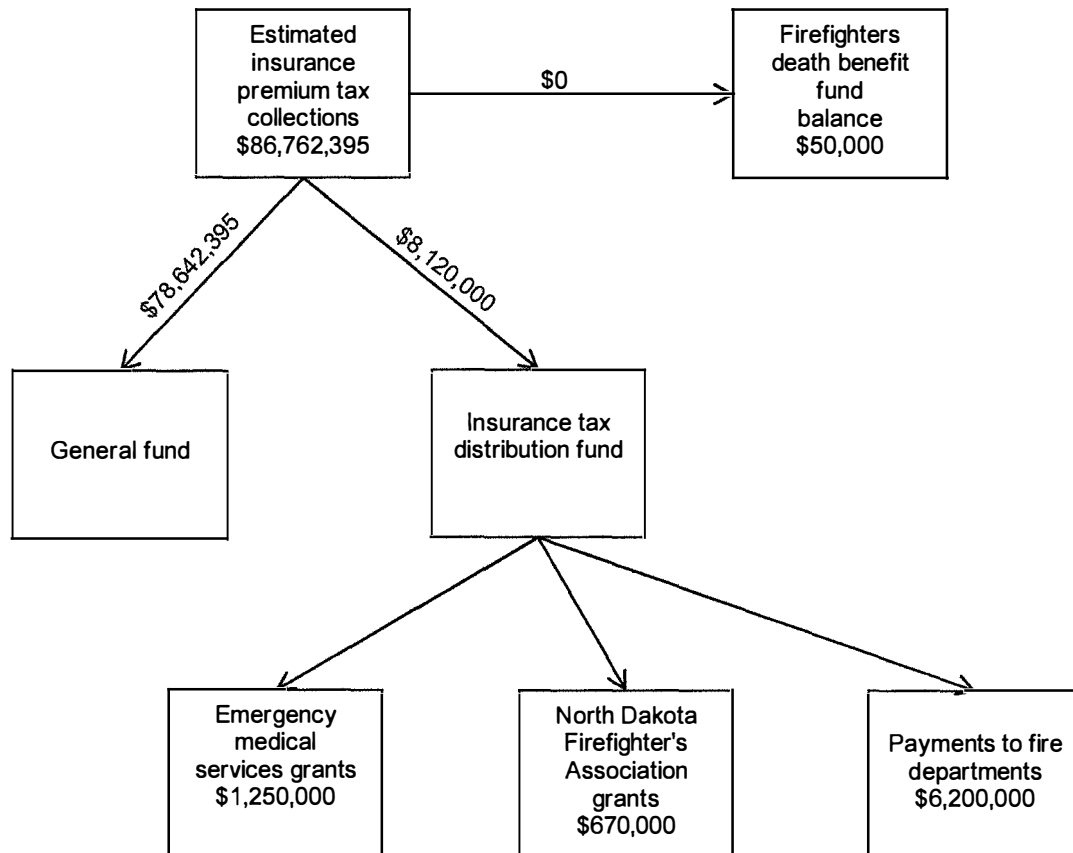
The table below compares funding for grants to the North Dakota Firefighter's Association for the 2011-13 biennium, the 2013-15 executive budget recommendation, and Reengrossed House Bill No. 1145.

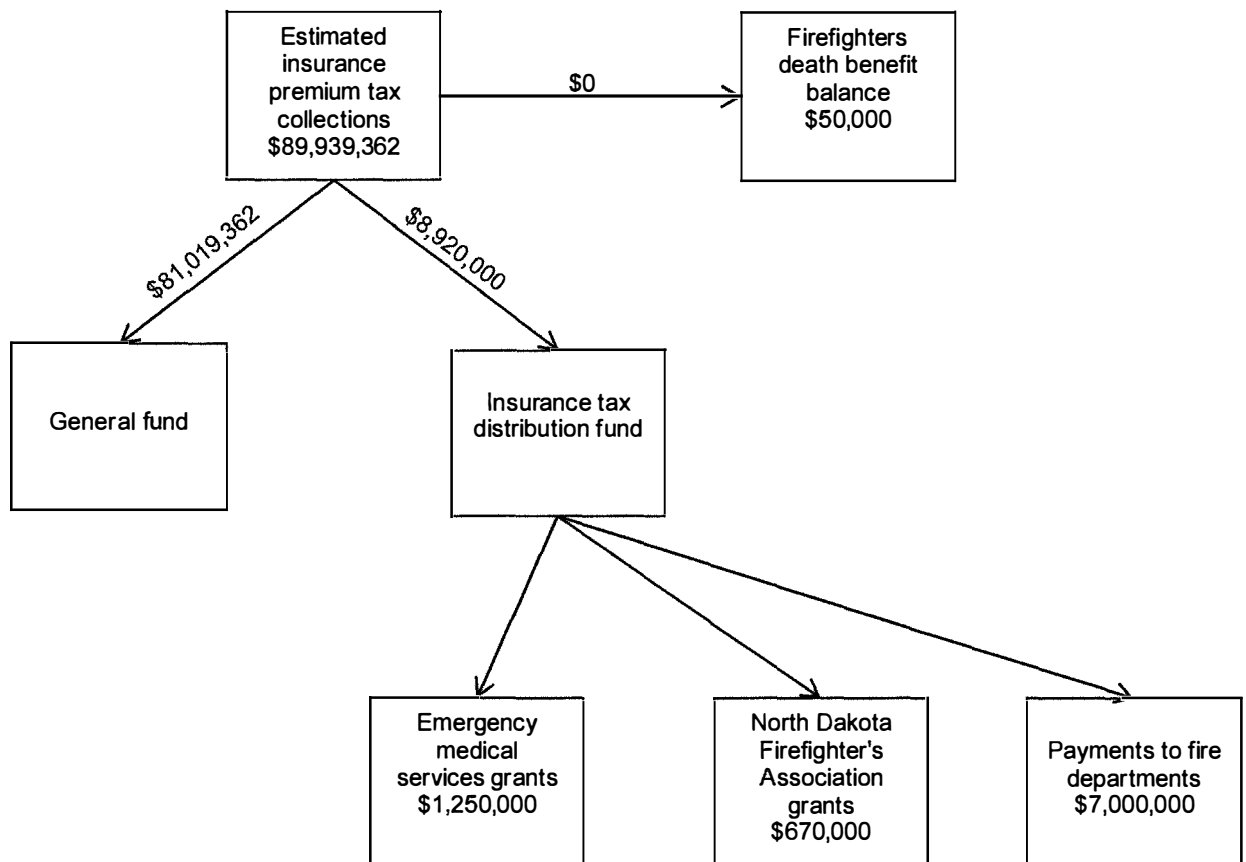
Funding Source	2011-13 Biennium	2013-15 Executive Budget Recommendation	Reengrossed House Bill No. 1145
Insurance tax distribution fund	\$670,000	\$670,000	\$800,000
Fire and tornado fund	170,000	170,000	0
Total	\$840,000	\$840,000	\$800,000

The following flowcharts present the allocation of insurance premium tax collections for the 2011-13 biennium and for the 2013-15 biennium based on the

executive budget recommendation and under provisions of Reengrossed House Bill No. 1145:

CURRENT LAW - 2011-13 BIENNIUM



EXECUTIVE BUDGET - 2013-15 BIENNIUM

REENGROSSED HOUSE BILL NO. 1145 - 2013-15 BIENNIUM