

ANALYSIS OF THE STATE FIRE AND TORNADO FUND FOR THE 2003-05 BIENNIUM

Beginning balance - July 1, 2003		\$16,263,796
Add estimated revenues		
Premium collections	\$7,500,000	
Investment income	4,000,000	
Boiler inspection fees	300,000	
Loss claims and insurance recoveries	1,000,000	
Anhydrous ammonia storage facility inspection fund (2003 SB 2010)	<u>175,000</u>	
Total estimated revenues		<u>\$12,975,000</u>
Total available		\$29,238,796
Less estimated expenditures		
Loss claims payments	\$6,500,000	
Insurance Department administration and anhydrous ammonia tank inspection costs (2003 SB 2010)	988,576	
State Fire Marshal program (2003 SB 2003)	300,000	
Firefighters Association grants (2003 SB 2015)	126,000	
Claims-related payments	<u>3,700,000</u>	
Total estimated expenditures		<u>\$11,614,576</u>
Estimated ending balance - June 30, 2005		<u><u>\$17,624,220</u></u>

NOTE: The estimated June 30, 2005, balance made at the end of the 2003 legislative session was \$12,563,373. The increase in the estimated balance of \$5,060,847 is primarily due to the actual July 1, 2003, balance of \$16,263,796 being \$1,820,847 more than the July 1, 2003, balance estimated at the close of the 2003 legislative session of \$14,442,949, and the 2003-05 revised estimated revenues of \$12,975,000 being \$1,920,000 more than the previous estimate of \$11,055,000. The 2003-05 biennium estimated revenues are more than previously estimated due to an increase in investment income.

The state fire and tornado fund originated in 1919. The fund is maintained to insure the various political subdivisions and state industries against loss to public buildings and permanent fixtures. North Dakota Century Code Section 26.1-22-14 requires that if the fire and tornado fund balance is less than \$12 million, the Insurance Commissioner must increase assessments on policies.