

**Insurance Commissioner, including Insurance Tax Payments to Fire Departments**  
**Budget No. 401**  
**House Bill Nos. 1010 and 1087**

	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 legislative appropriations</b>	<b>38.00</b>	<b>\$0</b>	<b>\$31,474,180</b>	<b>\$31,474,180</b>
2021-23 base budget	41.00	0	28,534,703	28,534,703
Legislative increase (decrease) to base budget	(3.00)	\$0	\$2,939,477	\$2,939,477

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**  
**Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes			\$95,794	\$95,794
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022			182,675	182,675
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month			1,907	1,907
Added funding for salary equity increases			252,807	252,807
Added funding for a new insurance adjuster FTE position	1.00		115,276	115,276
Removed FTE positions - See <b>FTE Changes</b> section below	(4.00)		(786,636)	(786,636)
Added funding for a supervising examiner position			64,460	64,460
Adjusted funding for operations			(63,172)	(63,172)
Added funding for Microsoft Office 365 license expenses			3,856	3,856
Increased funding for fire district payments to provide a total of \$19,588,470			1,598,965	1,598,965
Increased funding for the North Dakota Firefighter's Association to provide a total of \$1,140,070			311,545	311,545
Added <b>one-time funding</b> for an office remodel.			100,000	100,000
Added <b>one-time funding</b> from federal funds for the state flexibility to stabilize the market grant			662,000	662,000
Added <b>one-time funding</b> from the strategic investment and improvements fund for a study of coal and fossil fuel insurance coverage			200,000	200,000

Added <b>one-time funding</b> from Reinsurance Association of North Dakota funds for a study of the establishment of an invisible reinsurance pool for the combination of the individual health insurance market with the small group health insurance market (House Bill No. 1087)	200,000	200,000
Total	(3.00)	\$0
	\$2,939,477	\$2,939,477

### FTE Changes

The Legislative Assembly authorized 38 FTE positions for the Insurance Commissioner for the 2021-23 biennium, a decrease of 3 FTE positions from the 2019-21 biennium authorized level of 41 FTE positions. The Legislative Assembly added 1 FTE insurance adjuster position and removed the following FTE positions:

- 1 FTE producer licensing division director;
- 1 FTE senior insurance form rate analyst;
- 1 FTE insurance company financial analyst; and
- 1 FTE office assistant.

### One-Time Funding

The Legislative Assembly appropriated \$1,162,000 of one-time funding to the Insurance Commissioner for the 2021-23 biennium, for the following:

	Other Funds
Office remodel	\$100,000
State flexibility to stabilize the market grant program (federal funds)	662,000
Coal and fossil fuel industry insurance study (strategic investment and improvements fund)	200,000
Invisible reinsurance pool study (Reinsurance Association of North Dakota funds)	200,000
<b>Total one-time funding</b>	<b>\$1,162,000</b>

### Other Sections in House Bill No. 1010

**Insurance tax distribution fund** - Section 3 designates \$19,588,470 for payments to fire departments, an increase of \$1,598,965 from the 2019-21 biennium appropriation of \$17,989,505, and \$1,140,070 for payments to the North Dakota Firefighter's Association, an increase of \$311,545 from the 2019-21 biennium appropriation of \$828,525.

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

**Coal and fossil fuel insurance study** - Section 5 designates \$200,000 from the strategic investment and improvements fund to study the availability, cost, and risks associated with insurance coverage in the lignite coal industry.

**Insurance Commissioner's salary** - Section 6 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 1.5 percent the 1<sup>st</sup> year and 2.0 percent the 2<sup>nd</sup> year as follows:

Annual salary authorized by the Legislative Assembly in 2019:

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

Annual salary authorized by the Legislative Assembly in 2021:

July 1, 2021	\$112,241
July 1, 2022	\$114,486

**Health carrier examinations** - Section 7 creates a new section to North Dakota Century Code Chapter 26.1-36 relating to comprehensive examinations of health carriers with a market share of 25 percent or more of health benefit plan covered lives in the state.

**Medication optimization study** - Section 8 provides for a Legislative Management study of medication optimization.

**Fire-related insurance lines study** - Section 9 provides for a Legislative Management study of insurance premium tax generated from fire-related insurance lines.

#### **Related Legislation**

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

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

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

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