

**Insurance Commissioner
Budget No. 401
Senate Bill No. 2010**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	41.00	\$0	\$28,734,703	\$28,734,703
2019-21 base budget	46.00	0	25,793,430	25,793,430
Legislative increase (decrease) to base budget	(5.00)	\$0	\$2,941,273	\$2,941,273

**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.			\$165,007	\$165,007
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.			233,693	233,693
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.			182,946	182,946
Added 1 FTE consumer assistance outreach coordinator position.	1.00		179,711	179,711
Added 1 FTE high-risk pool and health care reform coordinator.	1.00		202,791	202,791
Authorized the Insurance Commissioner to contract for the administration of the state fire and tornado fund and the state bonding fund with the North Dakota Insurance Reserve Fund.	(3.00)		(610,352)	(610,352)
Transferred the boiler inspection program to the Department of Environmental Quality.	(4.00)		(753,365)	(753,365)
Reduced funding for operating expenses, including travel, information technology, and professional services.			(637,255)	(637,255)
Added funding for Microsoft Office 365 licensing expenses.			24,153	24,153
Increased funding for fire district payments.			3,753,944	3,753,944
Added one-time funding for an analysis of health insurance premium trends.			200,000	200,000
Total	(5.00)	\$0	\$2,941,273	\$2,941,273

FTE Changes

The 2019-21 biennium appropriation includes funding for 41 FTE positions, a decrease of 5 FTE positions from the 2017-19 biennium authorized level of 46 FTE positions. The Legislative Assembly removed 3 FTE positions related to the transfer of administration of the state fire and tornado fund and the state bonding fund to the North Dakota Insurance Reserve Fund and 4 FTE positions related to the transfer of the boiler inspection program to the Department of Environmental Quality, and added 1 FTE consumer assistance outreach coordinator and 1 FTE high-risk pool and health care reform coordinator.

One-Time Funding

In Section 2 of Senate Bill No. 2010 the Legislative Assembly identified \$200,000 of one-time funding for an analysis of health insurance premium trends.

Other Sections in Senate Bill No. 2010

Insurance tax distribution fund - Section 3 appropriates \$17,989,505 for payments to fire departments, an increase of \$3,750,000 from the 2017-19 biennium appropriation of \$14,235,561, and \$828,525 for payments to the North Dakota Firefighter's Association, the same amount appropriated for the 2017-19 biennium.

Unsatisfied judgment fund - Section 4 designates \$29,703 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.

Fees - Section 5 amends North Dakota Century Code Section 26.1-01-07 relating to fees chargeable by the Insurance Commissioner to adjust fees charged to county mutual insurance companies and benevolent societies.

Insurance Commissioner's salary - Section 6 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 2 percent the 1st year of the biennium and 2.5 percent the 2nd year as follows:

Annual salary authorized by the Legislative Assembly in 2017:

July 1, 2017	\$105,770
July 1, 2018	\$105,770

Annual salary authorized by the Legislative Assembly in 2019:

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

Insurance rebates - Sections 7, 8, and 14 provide statutory changes relating to rebates associated with obtaining an insurance quote.

Fund administration - Sections 9 through 13 provide statutory changes necessary to allow the Insurance Commissioner to contract with the North Dakota Insurance Reserve Fund for administration of the state fire and tornado fund and the state bonding fund. The sections also provide continuing appropriation authority from the state fire and tornado fund and the state bonding fund to pay administration expenses.

Health care analysis - Section 15 provides for the Insurance Department to conduct a detailed analysis of health care in the state to assist the Legislative Management with its interim study of health insurance premium trends pursuant to House Bill No. 1106.

Legislative intent - Fire department payments - Section 16 provides legislative intent that fire departments utilize increased distributions from the insurance tax distribution fund to improve their Insurance Service Office ratings.

Pre-existing conditions - Section 17 provides for a Legislative Management study of health insurance coverage for pre-existing conditions.

Legislative Management study - Volunteer firefighter pensions - Section 18 provides for a Legislative Management study of the feasibility and desirability of establishing a pension for volunteer firefighters.

Related Legislation

House Bill No. 1024 - Transfers the boiler inspection program from the Insurance Commissioner to the Department of Environmental Quality.

House Bill No. 1028 - Provides for a Public Employees Retirement System self-insurance plan for health benefits coverage under the Insurance Commissioner.

House Bill No. 1106 - Provides for an invisible reinsurance pool for the individual health insurance market. This bill also provides for a Legislative Management study of health insurance premium rates.

House Bill No. 1219 - Provides for the Insurance Commissioner to license public adjusters and establishes an initial application fee of \$100 and an annual renewal fee of \$25.