

**Insurance Commissioner, including Insurance Tax Payments to Fire Departments
Budget No. 401
House Bill Nos. 1010, 1050**

	FTE Positions	General Fund	Other Funds	Total
2005-07 executive budget (bills as introduced)	46.50	\$0	\$12,497,926	\$12,497,926
2005-07 legislative appropriations	46.50		13,679,655¹	13,679,655¹
Legislative increase (decrease) to executive budget	0.00	\$0	\$1,181,729	\$1,181,729
Legislative increase (decrease) to 2003-05 appropriations	1.00	(\$100,000)	\$1,926,244	\$1,826,244

¹This amount includes the appropriation of \$6,420,000 from the insurance premium tax collections, of which \$6.2 million is for insurance tax payments to fire departments, \$120,000 is for two equal payments to the North Dakota Firefighter's Association, and \$100,000 is for a grant to the North Dakota Association of Oil and Gas Producing Counties for the establishment of a Williston Basin oilfield fire training facility at Dickinson.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Insurance Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1050.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for state employee salary increases			\$21,719	\$21,719
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$559.15 to \$553.95 per month per policy			(5,990)	(5,990)
Provided funding for implementing methamphetamine security measures, including the purchase and distribution of locking devices			50,000	50,000
Increased funding from insurance premium tax collections for making payments to fire departments from \$5.2 million as provided for in the 2003-05 biennium to \$6.2 million			1,000,000	1,000,000
Increased funding from insurance premium tax collections for making two equal payments to the North Dakota Firefighter's Association from \$104,000 as provided for in the 2003-05 biennium to \$120,000			16,000	16,000
Provided funding from insurance premium tax collections for a grant to the North Dakota Association of Oil and Gas Producing Counties for the establishment of a Williston Basin oilfield fire training facility at Dickinson			100,000	100,000
Total	0.00	\$0	\$1,181,729	\$1,181,729

FTE Changes

The 2005-07 biennium appropriation includes funding for 46.5 FTE positions, an increase of 1 FTE from the 2003-05 biennium authorized level of 45.5 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 administrative officer position.

Administrative Costs of Special Funds

The Legislative Assembly did not change the executive recommendation for administrative costs allocated to the bonding fund, fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The following schedule provides information regarding the administrative costs allocated to each special fund. The increases from the 2003-05 biennium will result in a decrease of \$215,000 of Insurance Department administrative costs being provided from the insurance regulatory trust fund.

	2003-05 Biennium	2005-07 Biennium	Increase (Decrease)
Bonding fund	\$35,000	\$35,000	\$0
Fire and tornado fund	\$813,576	\$988,576	\$175,000
Unsatisfied judgment fund	\$35,000	\$35,000	\$0
Petroleum tank release compensation fund	\$80,000	\$120,000	\$40,000

Other Sections in Bill

Anhydrous tank inspections - Section 9 provides that \$150,000 is available from the anhydrous ammonia storage facility inspection fund to pay for anhydrous tank inspections done by the Insurance Commissioner. This represents a decrease of funding available from the anhydrous ammonia storage facility inspection fund of \$25,000 from the amount made available during the 2003-05 biennium of \$175,000.

Critical methamphetamine-use zone addition - Section 10 requires the Insurance Commissioner to designate Walsh, Cavalier, and Pembina Counties as a critical methamphetamine-use zone subject to North Dakota Century Code Section 19-20.2-11 and rules adopted pursuant to that section. The Legislative Assembly provided funding of \$50,000 from the insurance regulatory trust fund to implement security measures established by the Insurance Commissioner, including the purchase and distribution of locking devices, in Walsh, Cavalier, and Pembina Counties.

Legislative Council study - Section 11 provides that the Legislative Council consider studying the desirability of proposing a comprehensive health care and health insurance study to be performed during the 2007-08 interim. The 2005-06 interim study must include consideration of whether there is a need for a comprehensive, long-range study of the state's current and future health care needs in order to address issues such as the aging population of the state, the phenomenon of health care cost-shifting to the private sector, the trend of uncompensated health care services, shortages in the number of health care professionals, duplication of technology and facilities, and any other factors that might affect the health care system in North Dakota in the year 2020.

Legislative Council study - Section 12 requires the Legislative Council to study the appropriate minimum standard of loss ratio for accident and health insurers and whether that loss ratio is more appropriately set by statute or by rule.

Related Legislation

Insurance Commissioner's annual salary - House Bill No. 1015 provides statutory changes relating to the Insurance Commissioner's annual salary. The Insurance Commissioner's salary is increased from \$68,018 to \$70,739 on July 1, 2005, and to \$73,568 on July 1, 2006.

Insurance tax payments to fire departments - House Bill No. 1111 changes the date the insurance tax payments to fire departments are distributed, from September first of each year to October first of each year.