

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

|  | FTE Positions | General Fund | Other Funds         | Total               |
|--|---------------|--------------|---------------------|---------------------|
| <b>2017-19 legislative appropriations</b>      | <b>46.00</b>  | <b>\$0</b>   | <b>\$25,793,430</b> | <b>\$25,793,430</b> |
| 2017-19 base budget                            | 49.50         | 0            | 28,026,346          | 28,026,346          |
| Legislative increase (decrease) to base budget | (3.50)        | \$0          | (\$2,232,916)       | (\$2,232,916)       |

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The Legislative Assembly did not include funding for employee salary increases.

**Changes to Base Budget**

|   | FTE Positions | General Fund | Other Funds          | Total                |
|---|---------------|--------------|----------------------|----------------------|
| The legislative action:   |               |              |                      |                      |
| Added funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.         |               |              | \$240,791            | \$240,791            |
| Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.   |               |              | 124,767              | 124,767              |
| Removed 3.5 FTE positions.  | (3.50)        |              | (724,488)            | (724,488)            |
| Removed funding for retention bonuses.  |               |              | (9,600)              | (9,600)              |
| Reduced funding for operating expenses.   |               |              | (357,265)            | (357,265)            |
| Reduced the grant to the North Dakota Firefighter's Association to provide total ongoing funding of \$828,525 from the insurance tax distribution fund. |               |              | (61,475)             | (61,475)             |
| Reduced grants to fire departments to provide total ongoing funding of \$14,235,561 from the insurance tax distribution fund.                           |               |              | (1,445,646)          | (1,445,646)          |
| <b>Total</b>  | <b>(3.50)</b> | <b>\$0</b>   | <b>(\$2,232,916)</b> | <b>(\$2,232,916)</b> |

**FTE Changes**

The 2017-19 biennium appropriation includes funding for 46 FTE positions, a decrease of 3.5 FTE positions from the 2015-17 biennium authorized level of 49.5 FTE positions. The Legislative Assembly removed 1 FTE senior examiner position, 1 FTE licensing specialist position, 0.5 FTE office assistant position, and 1 FTE nonclassified position.

**Administrative Costs of Special Funds**

Sections 5, 6, 7, and 8 provide for administrative costs allocated to the bonding fund, state fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The schedule below provides information regarding the administrative costs allocated to each special fund:

|                                     | <b>2015-17 Biennium<br/>Legislative Appropriation</b> | <b>2017-19 Biennium<br/>Legislative Appropriation</b> | <b>Increase<br/>(Decrease)</b> |
|-------------------------------------|---|---|--------------------------------|
| Bonding fund                        | \$50,813  | \$52,004  | \$1,191                        |
| State fire and tornado fund         | \$1,660,748   | \$1,797,218   | \$136,470                      |
| Unsatisfied judgment fund           | \$29,062  | \$29,703  | \$641                          |
| Petroleum release compensation fund | \$116,881   | \$119,472   | \$2,591                        |

**Other Sections in House Bill No. 1010**

**Health insurance increase** - Section 2 identifies the amount of funding included in the bill for the increase in employee health insurance premiums.

**Insurance tax distribution fund** - Section 4 provides an appropriation of \$15,064,086 from the insurance tax distribution fund and designates \$14,235,561 for payments to fire departments and \$828,525 for payments to the North Dakota Firefighter's Association.

**Transfer** - Section 9 provides for a transfer of any funding carried over pursuant to Section 7 of Chapter 50 of the 2015 Session Laws, from the insurance tax distribution fund to the general fund. The amount transferred is anticipated to total \$475,000.

**Payments to fire departments** - Section 10 amends North Dakota Century Code Section 18-04-05 to remove the requirement that the legislative appropriation from the insurance tax distribution fund total 100 percent of estimated revenue from select insurance lines.

**Related Legislation**

**House Bill No. 1100** - Relates to confidentiality for risk-based capital reports.

**House Bill No. 1101** - Relates to reporting of premiums and losses for the state fire and tornado fund.

**House Bill No. 1112** - Relates to the Insurance Commissioner's authority to deny licensure to applicants deemed unqualified or dishonest.

**Senate Bill No. 2052** - Relates to mandated insurance coverage of telehealth services.

**Senate Bill No. 2103** - Relates to fees charged by the Insurance Commissioner.

**Senate Bill No. 2105** - Relates to exemption of certain licensed insurance producer or insurance consultant information from public records law.