**Fire Marshal’s Office Key Points**

1. For decades, the State Fire Marshal’s (SFM) office was under the Insurance Commissioner but was moved in the late ‘60’s to the Attorney General’s office.
2. Primary roles of both the Fire Marshal’s office and the Insurance Department include protecting North Dakotans from risks.
3. Placing the Fire Marshal’s office within the Insurance Department will give the offices more resources and advantages to North Dakotans:
   1. When arson occurs, it is oftentimes perpetrated by those seeking insurance payouts. The Insurance Department Fraud Investigation Division and the Fire Marshal can work more closely together under this structure.
   2. With a more streamlined structure, the Fire Marshal’s office, the North Dakota Firefighters’ Association (NDFA), and the Insurance Department could offer more education and training, as well as funding, to local fire departments to improve ISO ratings resulting in the possible reduction of property insurance premiums.
   3. Insurance and fire safety education can be combined for more effective public awareness and education campaigns.
4. Currently the Insurance Department is estimated to turn back $12.1 million during the 21-23 biennium and $12.5 million during the 23-25 biennium to the general fund.
   1. The restructuring of the Fire Marshal under the Insurance Department is estimated to cost the Insurance Regulatory Trust Fund $4 million for the 23-25 biennium.
   2. Under this restructuring, the NDFA will report to the North Dakota Fire Marshal. Further, the NDFA will receive a flat appropriated rate from the Insurance Regulatory Trust Fund or be specially funded.
   3. Instead of turning back an estimated $12.5 million to the general fund, an estimated $7.4 million would be turned back to the general fund.
5. The restructuring of the NDFA under the Fire Marshal and having a set appropriation not divided between the Fire Districts and the NDFA allows a continuing appropriation from the Insurance Tax Distribution Fund directly to the Fire Districts.
   1. On average, the NDFA has been receiving 5.1% from the appropriated funds disbursed between the fire districts and the NDFA.
   2. The structure would allow 100% of the funds collected on behalf of the fire districts to flow directly to the fire districts.
6. Nine other states have the Fire Marshal office in with their Insurance Departments.
7. Some additional advantages:
   1. Fire investigation is more than just criminal apprehension. Accidental fires caused by recalled or defective products, misuse, or poor installation can greatly affect insurance claims. The Insurance Department is committed to ensuring all fires are investigated to the level necessary and identifying and educating the public on how to avoid losses within their home or business.
   2. NDIRF manages State insured properties in cooperation with the Insurance Department. Bringing the State Fire Marshal under the Insurance Department would allow more direct routes of communication, education, and follow-up to remove fire code violations that are liabilities for the State.
   3. $250k billing to the Fire and Tornado fund from the Fire Marshal’s Office could be eliminated because we would be billing our own agency.
      1. This eliminated expenditure should result in a lower premium to our political subdivisions who are required to have a policy from the North Dakota Insurance Reserve Fund (NDIRF) per law.
   4. The Insurance Department already conducts multiple programs with and through the State Fire Marshals Division.