

FISCAL NOTE

Requested by Legislative Council

12/26/2000

Bill/Resolution No.: SB 2157

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues					
Expenditures					
Appropriations					

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

NORTH DAKOTA WORKERS COMPENSATION 2001 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Policyholder Services Bill

BILL NO: SB 2157

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation creates a single penalty section by combining the penalty provisions of existing sections; creates a new section that identifies the procedure for issuing decisions and requesting appeal from those decisions; identifies when an employer who defaults on premium will be declared uninsured; identifies when a certificate of coverage may be revoked; and identifies when an employer has an obligation to pay premium on an extraterritorial coverage contract.

FISCAL IMPACT: We did not attempt to derive an estimate of the likely impact of the proposed changes on rate and reserve levels because we do not have access to an appropriate base of historical experience to use in deriving the estimates. However, we understand that most of the proposed changes can be viewed as “housekeeping adjustments” designed to improve NDWC’s overall operating efficiency. At the same time, we recognize that clarification as to when an employer may be declared uninsured will likely enhance NDWC’s premium collection efforts. Thus, some administrative cost savings may emerge over time.

DATE: December 27, 2000

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: ND Workers Compensation
Date 12/27/2000
Prepared: