

FISCAL NOTE
Requested by Legislative Council
02/06/2009

Amendment to: SB 2426

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation will act to increase Additional Benefits Payable (ABPs).

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE
2009 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed SB 2426

BILL DESCRIPTION: Additional Benefit Payable (ABP) Benefits

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, 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 will act to increase Additional Benefits Payable (ABPs). Under the proposed legislation, Tabular benefit amounts will increase by 10 percentage points. For example, an ABP associated with a disability of three years will increase from 5% to 15% of the weekly benefit amount – a 200% increase of the benefit itself.

Information provided by WSI indicates that aggregate ABP benefit levels will increase by 50% to 100%. We do not have detailed data that will easily permit quantification of the dollar impact of the proposed change. However, available information suggests that annual costs will increase by a material amount – in excess of \$1 million. Quantification of the impact of the proposed change is difficult because WSI does not segregate ABP reserves on claims not yet eligible for the benefit. Instead, such future costs are booked as part of the time loss / indemnity case reserve.

DATE: February 13, 2009

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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