

**FISCAL NOTE**  
Requested by Legislative Council  
02/09/2011

Amendment to: HB 1440

**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.*

|                | 2009-2011 Biennium |             | 2011-2013 Biennium |             | 2013-2015 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.*

| 2009-2011 Biennium |        |                  | 2011-2013 Biennium |        |                  | 2013-2015 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 extends additional benefit payable (ABP) benefits for the lifetime of the injured worker versus the corresponding pre-retirement disability duration; increases the ABP benefit rates; and modifies the base rate for purposes of calculating the ABP.

**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  
2011 LEGISLATION  
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: Engrossed HB 1440

BILL DESCRIPTION: Additional Benefit Payable

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation extends additional benefit payable (ABP) benefits, a post-retirement benefit available at time of retirement eligibility for post-1995 claims, for the lifetime of the injured worker versus the corresponding pre-retirement disability duration; increases the ABP benefit rates between 100% and 300% depending on the duration of the pre-retirement disability period; and modifies the base rate for purposes of calculating the ABP.

Reserve Level Impact: The proposed legislation can be expected to increase discounted reserve levels for existing claims by approximately \$23 million. To the extent additional claims emerge the cost estimates would be higher.

Rate Level Impact: The proposal will serve to increase the costs associated with future claims. Currently, it is estimated that 30 Permanent Total Disability claims which ultimately convert into ABP claims will arise out of each injury year. Based on this assumption, the proposal will serve to increase statewide premium rate levels by 1.0%, or by approximately \$1.5 million per year.

DATE: February 9, 2011

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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