

FISCAL NOTE
HOUSE BILL NO. 1279
LC# 23.0029.02000
01/18/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

see attached

4 - Fiscal Impact Sections Detail

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.

see attached

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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WORKFORCE SAFETY & INSURANCE
2023 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: HB 1279

BILL DESCRIPTION: Presumption Clause—Minimum Service Requirements for Law Enforcement Officers and Firefighters and Medical Examination Requirements

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its consulting actuaries, The Burkhalter Group, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation eliminates the five-year continuous service requirement required for law enforcement and paid firefighter personnel for eligibility for conditions covered under the presumption clause and adjusts requirements related to periodic medical examinations.

FISCAL IMPACT: Elimination of the five-year continuous service requirement will broaden the number of claims that fall under the presumption statute. To what extent is unclear as we don't have access to an appropriate base of historical experience to use in deriving the estimates. As a result of the expanded coverage, and to the extent additional losses emerge, we would anticipate rates for the law enforcement and paid firefighter classifications to increase from the levels that would otherwise be required.

Based on our understanding of presumption claims we can provide the following:

- Presumption claims apply to only the law enforcement and paid firefighter rate classes.
- Conditions include hypertension, heart attack, lung and respiratory disease as well as occupational cancer for just the paid firefighter class.
- Elimination of the 5-year minimum service requirement provision within the statute will serve to increase the number of presumption related claims. To what extent is unclear, as we do not have the historical experience to make that determination.
- WSI averages approximately 10 presumption claims/year.
- Highest cost presumption claim was \$11.5 million. Excluding that large claim from the averages, average cost for presumption claims has been \$227,340 for time-loss presumption claims and \$29,670 for medical only presumption claims.
- For the law enforcement and paid firefighter classes, average costs for presumption claims are significantly higher than non-presumption claims, 6.8x higher for time-loss claims and 18.8x higher for medical only claims.
- Average costs for presumption claims are significantly higher than claims from all other rate classes, 3.8x higher for time-loss claims and 21.5x higher for medical only claims.

DATE: January 16, 2023