

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: 2173 Amendment to: \_\_\_\_\_

Requested by: Legislative Council Date of Receipt: 1-4-83

Please estimate the fiscal impact of the above measure for:

State general or special funds       Counties       Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

SB 2173 would have a projected fiscal impact on the Workmen's Compensation Fund for the 1983-1985 biennium of \$4,428,000, a 13.5% increase in incurred losses.

Anticipated incurred losses for the 1983-1985 biennium are \$32,456,000 before any adjustments are made to awards for permanent partial impairment, weekly compensation for death benefits, or burial expenses. The effect of each increase is summarized below:

Permanent Partial Impairments	\$ 535,200	1.6%
Weekly Comp. Death Benefits	3,844,800	11.8
Funderal Benefits	48,000	0.1
	<u>\$4,428,000</u>	<u>13.5%</u>

These projections are accounting estimates based on recent incurred loss experience to the fund. The consulting actuary has estimated that considering present incurred loss trends and other actuarial factors, the increase may only amount to a 12% increase in incurred losses. (See attached sheet)

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Margaret Bushee  
Typed Name Margaret Bushee, Chairman

Date prepared: 1-17-83

Department Workmen's Compensation Bureau

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In the following space note the fiscal effect in dollars of this measure:

Narrative: CONTINUED:

Under the present rate structure, the Workmen's Compensation Commission does not anticipate that these increases will necessitate an increase in rates. Prior to fiscal year 1982 the Commission was advised by the actuary, James R. Hagans of the Watson-Hill Company that a rate reduction could be instituted based on incurred losses and reserves. Instead of implementing the maximum possible reduction, an average reduction of 13% was instituted. This fund management decision by the Commission was made considering that some of North Dakota's current workmen's compensation benefits appeared to be inadequate, and that it would be necessary to ask the 1983 legislative assembly to increase certain benefits. The increases requested in SB2173 are consistent with that prior management decision, and are not expected to require a rate increase.

No other fiscal impact is anticipated to the state general fund, to state special funds, or to North Dakota cities or counties.

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
<\$2,214,000>	-0-	<\$2,214,000>	-0-	<\$4,428,000>	-0-

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
NONE		NONE		NONE	

If additional space is needed, attach a supplemental sheet.

Signed Margaret Bushee

Typed Name Margaret Bushee, Chairman

Date prepared: 1-17-83

Department Workmen's Compensation Bureau