

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2085 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-21-94

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

See Attached

2. State fiscal effect in dollar amounts:

<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>	
<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>

Revenues:

Expenditures:

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1993-95 biennium: \_\_\_\_\_

b. For the 1995-97 biennium: \_\_\_\_\_

c. For the 1997-99 biennium: \_\_\_\_\_

4. County and City fiscal effect in dollar amounts:

<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</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  \_\_\_\_\_

Typed Name Randy Hoffman

Date Prepared: 1-16-95

Department Workers Compensation Bureau

Phone Number 328-3856

**ND WORKERS COMPENSATION BUREAU**  
**1995 LEGISLATION**  
**SUMMARY OF ACTUARIAL INFORMATION**

**BILL DESCRIPTION:**      Presumption Clause

**BILL NO.** SB 2085

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

It is projected that the actuarial impact associated with the repeal of the presumption clause will result in no change in the current loss reserve of the Fund. The proposed change will have a material impact on future rate levels for specific classes under which the presumption clause is currently applied.

Based on review of claims experience, it is anticipated that discounted loss costs would decrease by more than \$350,000 per year should the change be adopted. The savings would be allocated to the following classifications: Rate Class 7720 - Law Enforcement; Rate Class 9415 - Cities; Rate Class 9420 - Counties. These classes, in total, generate collected annual premiums of approximately \$5 million. An average rate reduction of approximately 6% can be anticipated for the affected classes. Policyholders with other classifications would not realize any savings from this change.

The attached table below provides statistical information on the claims exposure in this area.

**DATE:** 1-16-95

**ND WORKERS COMPENSATION BUREAU  
INFORMATION ON CLAIMS FILED UNDER THE PRESUMPTION CLAUSE**

**Review Period**

January 1, 1980 thru December 31, 1994

**Selection Criteria**

Claims possibly subject to the definition of "fairly traceable to the employment" as defined by NDCC 65-02-02 (18).

EMPLOYER	SELECTED CLAIMS		Denied Absent 65-02-02 (18)		Accepted Absent 65-02-02 (18)	
	# Claims	Incurred Costs * (Millions)	# Claims	Incurred Costs * (Millions)	# Claims	Incurred Costs * (Millions)
Cities	40	\$4.3	15	\$3.1	25	\$1.2
Counties	11	\$1.0	5	\$.7	6	\$.3
State/Other	9	\$1.4	5	\$1.2	4	\$.2
<b>TOTAL</b>	<b>60</b>	<b>\$6.7</b>	<b>25</b>	<b>\$5.0</b>	<b>35</b>	<b>\$1.7</b>

OCCUPATION	SELECTED CLAIMS	
	# Claims	Incurred Costs * (Millions)
Law Enforcement	42	\$4.6
Firefighters	18	\$2.1
<b>TOTAL</b>	<b>60</b>	<b>\$6.7</b>

\* Incurred costs do not include Incurred But Not Reported development factors, only cumulative WCB case reserve estimates. Actuarial information on impact to loss reserves and rate levels includes fully developed loss information.