

FISCAL NOTE

(Return original and 13 copies)

Bill/Resolution No.: \_\_\_\_\_ Amendment to: Eng. SB 2202

Requested by Legislative Council      Date of Request: 3-27-95

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: 3-27-95

Department Workers Compensation Bureau

Phone Number 328-3856

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

**BILL DESCRIPTION:** Permanent Partial Impairment Awards

**BILL NO.** Amended SB 2202; Draft No. 58158.0205

**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.

Actuarial impact is expected from the changes proposed to permanent partial impairment awards. The impact is the result of changes in three areas of that statute:

1. Change in the average weekly wage trigger.
2. Elimination of the scheduled injury table.
3. Change to a whole body impairment table, with a minimum impairment of 16% required.
4. Option by claimant to defer a payment until age 65.
5. Payment for certain amputations below 16% whole body impairment.

The impact of these changes will be twofold. First, it will have an impact to the Fund's unpaid liability for permanent partial impairment awards as of the effective date of the change. The total unpaid liability as of June 30, 1994, was \$32.4 million. The impact as a result of the combination of the three changes is a reduction of approximately 45% or \$14.6 million in liability.

Secondly, the combination of the changes will have an impact on the future liability for claims incurred after the effective date of these changes. It is projected that the total 1994/95 discounted loss costs for PPIs will be approximately \$7.2 million. The potential savings, as a result of these changes, will be approximately 45% of that amount, or \$3.2 million resulting in a reduction in the overall premium rates of approximately 3%.

**DATE:** 3-27-95