

FISCAL NOTE

(Return original and 13 copies)

Bill/Resolution No.: _____ Amendment to: SB 2403

Requested by Legislative Council Date of Request: 2-16-95

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: 3-2-95

Department Workers Compensation Bureau

Phone Number 328-3856

ND WORKERS COMPENSATION BUREAU
1995 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Experience Rating of Employers

BILL NO. SB 2403 As Amended

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.

The proposed legislation would increase the maximum premium credits offered to North Dakota employers. The bill provides that the change be made retroactively to July 1, 1994. Based on the actuary's review, the retroactive application of this change can be expected to generate a loss of premium income of \$1 million to \$1.5 million. As a result, a rate increase of approximately 1% to 1 1/2% would be required to offset the loss of revenue. While the legislation will not affect the Bureau's current liability for unpaid losses, the premium shortage would act to increase the current unfunded liability unless the Bureau is able to make up for the loss of income as proposed. Over the course of a year, Workers Compensation bills about 21,500 policyholders. The retroactive application of this change would require that adjustments be made to those billings either in the form of adjusted billings for the prior period or an adjustment to the 1995-96 policy year for all policyholders. The administrative cost for this billing process is estimated at \$25-\$50,000.

DATE: 3-2-95