

FISCAL NOTE

(Return original and 13 copies)

Bill/Resolution No.: _____ Amendment to: House Bill 1116
Requested by Legislative Council Date of Request: February 19, 1997

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

Narrative:

(see attached)

2. State fiscal effect in dollar amounts:

<u>1995-97</u>		<u>1997-99</u>		<u>1999-2001</u>	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>
<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</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 1995-97 biennium: _____
b. For the 1997-99 biennium: _____
c. For the 1999-2001 biennium: _____

4. County, City and School District fiscal effect in dollar amounts:

<u>1995-97</u>			<u>1997-99</u>			<u>1999-2001</u>		
<u>Biennium</u>			<u>Biennium</u>			<u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u>
		<u>Districts</u>			<u>Districts</u>			<u>Districts</u>

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Date Prepared: 2/19/97

Department Workers Compensation Bureau

Phone Number (701) 328-3856

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1997 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Roughrider Industries / Inmate Work Programs

BILL NO: HB 1116

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

Creates a new chapter to title 65 relating to Worker's Compensation coverage for inmates engaged in work programs through Roughrider Industries.

FISCAL IMPACT: Anticipate no reserve level impact, since proposed legislation is designed to apply prospectively. However, we do anticipate an unknown increase in administrative costs relating to claims processing due to increases in workload.

AMENDMENT: The proposed bill is replaced by the amendment. The amendment requires the Bureau to offer "modified workers compensation coverage" (MWCC) to inmates incarcerated in State penitentiaries or affiliated institutions. Disability benefits under MWCC will begin to accrue when the injured inmate is discharged from the penitentiary. The penitentiary will pay all reasonable medical expenses while the injured inmate is incarcerated. Roughrider will be required to reimburse the Bureau for claim benefit costs charged against the classification in excess of the premiums and medical expenses paid, in addition to, administrative costs pertaining to issuing a policy and claims adjudication. Roughrider will be required to purchase excess insurance to cover claim benefit costs in excess of premium and medical expenses paid. The amendment provides for reimbursement to the Workers' Compensation fund from the state general fund for any liability incurred by the Bureau as a result of the discontinuation of the Roughrider program or any liabilities incurred in excess of the policy limits of the reinsurance or excess coverage secured by Roughrider Industries and requires review of the program after two years by way of a sunset clause.

Anticipate no rate level impact as the Bureau will be reimbursed for all costs in excess of premiums arising out of injuries incurred by Roughrider Industries. Rates will need to be established for MWCC. Anticipate no reserve level impact due to prospective application.

DATE: 2/19/97