

FISCAL NOTE

(Return original and 13 copies)

Bill/Resolution No.: \_\_\_\_\_ Amendment to: Engrossed HB 1116  
Requested by Legislative Council Date of Request: March 27, 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 Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Date Prepared: 3/27/97

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:** EHB 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.

The proposed bill 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 six years by way of a sunset clause.

**FISCAL IMPACT:** 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.

**AMENDMENT:** The proposed amendment adds language allowing the Bureau to provide vocational rehab services when warranted while an inmate is incarcerated; adds language requiring excess or reinsurance coverage to be secured before modified workers compensation coverage can take effect; adds a new section to the bill requiring a safety and performance audit of roughrider industries work programs; and extends the sunset clause to the year 2003 instead of 1999.

The proposed amendment will result in no significant change to the fiscal impact for the bill as introduced.

**DATE:** 3/27/97