

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1283 Amendment to: _____

Requested by Legislative Council Date of Request: 1-13-99

- 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:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

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

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Department Workers Compensation Bureau

Date Prepared: 01-18-99

Phone Number 328-3856

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: **Death Benefits, Scholarship, & Supplemental**

BILL NO: HB 1283

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, with the assistance of 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 legislation would increase the weekly benefits for surviving beneficiaries who did not receive the 1997 benefit increase. The 1997 death benefit increase applied prospectively for deaths occurring after 8/1/97. The proposed legislation also doubles the award for incidental expenses at the time of death from \$600 to \$1,200 for the decedent's spouse and from \$200 to \$400 for each dependent child. The maximum burial allowance would be increased from \$5,000 to \$6,500.

The proposed legislation would allow injured workers to be eligible for scholarships under certain circumstances. The maximum limit on total dollars annually expended on scholarships would be increased from \$100,000 to \$150,000. The maximum yearly scholarship available per applicant would be increased from \$1,500 to \$3,000.

The proposed legislation changes the supplemental death benefit structure to be consistent for all death beneficiaries regardless of date of death.

FISCAL IMPACT:

Rate Level Impact: The increase in weekly death benefits and supplemental benefits for pre-1997 death benefit recipients will have no rate level impact, as these sections of the bill will not impact future claims. The increases to the incidental expenses and scholarship benefits will increase costs, however, it is anticipated the impact on rate levels will be nominal.

Reserve Level Impact: The proposed legislation will increase required reserve levels because it retroactively applies the current death benefit structure to pre-1997 death claims. Required reserve levels will be increased by **\$7 to \$8 million**. Surviving spouses who would have never have reached the \$197,000 benefit cap will now receive a higher benefit for the life of their claim. Secondly, dollars will be paid out quicker for pre-1997 death claims reducing the overall reserve level discount.

DATE: 1-17-99