

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1422

Requested by Legislative Council _____ Date of Request: 2-9-99

- 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

Phone Number 328-3856

Date Prepared: 02-09-99

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: **Permanent Partial Impairment**

BILL NO: **HB 1422**

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 bill increases awards for all injured workers with qualifying permanent impairments; bases awards on the average weekly wage at the time of evaluation; requires the Bureau to implement an impairment rating system by administrative rule making it possible to use up-to-date evaluation techniques; provides for a single award at the time of overall maximum medical improvement for the impairment caused by the work injury; clarifies the consideration of pain in impairment evaluations; and enhances dispute resolution through independent medical review, preventing unnecessary litigation.

FISCAL IMPACT:

Rate Level Impact: It is anticipated the proposed bill will generate an increase in the rate level for Fiscal Year 1999-00 of approximately **1.5%** from the level that would otherwise be required.

Reserve Level Impact: It is anticipated the retroactive nature of the proposed change will increase required reserve levels for injuries occurring prior to the effective date of the law. The actuary's calculations suggest that the increase in discounted reserves could fall in a range between **\$7 million and \$8 million.**

AMENDMENT: The proposed amendment restores 33 1/3% as the ratio of the SAWW used to determine the value of one week of permanent partial impairment benefits; clarifies that an injured employee may be entitled to one additional award if the impairment is at least ten percent whole body greater than the initial impairment for which payment was awarded; removes the language clarifying the consideration of pain in impairment evaluations; increases the number of weeks awarded for impairments falling between 15% and 27%; and requires the Bureau to conduct a study during the 1999-2000 interim of awards provided to injured employees with permanent impairments caused by compensable work injuries and report its findings to an interim legislative committee.

FISCAL IMPACT:

Rate Level Impact: It is anticipated the proposed bill with the amendment will generate an increase in the rate level for Fiscal Year 1999-00 of approximately **1.0%** from the level that would otherwise be required.

Reserve Level Impact: It is anticipated the retroactive nature of the proposed change will increase required reserve levels for injuries occurring prior to the effective date of the law. The actuary's calculations suggest that the increase in discounted reserves could fall in a range between **\$5 million and \$6 million.**

DATE: **2-4-99**