

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: SB 2301

Requested by Legislative Council _____ Date of Request: 2-10-99

- 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: 02-10-99

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: **Permanent Total Disability**

BILL NO: SB 2301

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 provides for employees with injuries resulting in temporary total disability to be deemed permanently totally disabled if the injured employee has not returned to work within seven years of the date of injury. The proposed bill would apply to injuries occurring after July 31, 1999.

FISCAL IMPACT:

Rate Level Impact: Not quantifiable. Rates are set to cover the expenses associated with the claims incurred during the policy year. To the extent the proposed bill serves to increase the number of claims resulting in long term disability, the increased system costs associated with long term disability would be reflected in subsequent rate adjustments.

Reserve Level Impact: The proposed bill results in no reserve level impact as the bill is designed to apply prospectively to future claims.

AMENDMENT: The bill with the proposed amendment changes the application from prospective only to existing and future claims.

Rate Level Impact: Not quantifiable. Rates are set to cover the expenses associated with the claims incurred during the policy year. To the extent the proposed bill serves to increase the number of claims resulting in long term disability, the increased system costs associated with long term disability would be reflected in subsequent rate adjustments.

Reserve Level Impact: Not quantifiable. The proposed bill with amendment will increase reserve levels as it applies to existing claims, however, the impact is extremely difficult to quantify. The proposed bill with amendment will remove Bureau flexibility in addressing return to work issues with long term disability claims. The Bureau can anticipate an increase in the number of claims classified as permanent and total disabled thus resulting in an increase in ultimate claims expenditures.

DATE: 2-10-99