

FISCAL NOTE

Requested by Legislative Council

01/03/2005

Bill/Resolution No.: HB 1171

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

WORKFORCE SAFETY & INSURANCE

2005 LEGISLATION

SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Disability and Vocational Rehabilitation

BILL NO: HB 1171

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, 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 legislation caps temporary total disability benefits at 104 cumulative weeks or when maximum medical improvement is reached; redefines permanent total disability; allows an injured worker to decide whether to accept retraining as a vocational rehabilitation option; expands coverage of temporary partial disability benefits; and makes the appeal process relating to noncompliance with vocational rehabilitation consistent with the appeal process for other claims decisions.

Rate Level Impact: The proposed legislation will serve to reduce long term benefit costs for claims arising out of subsequent years, particularly future disability benefit payments that would otherwise extend out beyond 5 to 7 years. With this prospective change, it is estimated that offsets to future premium levels could range from approximately 2% to 3% (or \$2.5 million to \$3.3 million per year based on current premium levels).

Reserve Level Impact: We anticipate no reserve level impact as the legislation is designed to be applied prospectively meaning claims incurred prior to the effective date of this legislation are not impacted.

DATE: January 5, 2004

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: WSI
Date Prepared: 01/11/2005