



## Workforce Safety & Insurance

*Putting safety to work*

Prepared at the request of Representative Jim Kasper  
April, 2008

### A History of Benefit Enhancements to the Workers' Compensation System in North Dakota since 1997

#### State's Average Weekly Wage (SAWW)

Note: SB 2214, In 1999 the maximum disability benefit was increased from 100% of the SAWW to 110% of the SAWW (This caused all future premium rate levels to increase by 2% to 2.5% for employers) (Adjustments to the SAWW are made on July 1<sup>st</sup> of each year).

<u>YEAR</u>	<u>SAWW</u>	<u>INCREASE</u>	<u>MAX BENEFIT</u>
1997/98	\$402	3.9%	\$402
1998/99	\$417	3.7%	\$417
1999/00	\$436	4.6%	\$480
2000/01	\$451	3.4%	\$496
2001/02	\$469	4.0%	\$516
2002/03	\$488	4.1%	\$537
2003/04	\$504	3.3%	\$554
2004/05	\$524	4.0%	\$576
2005/06	\$549	4.8%	\$604
2006/07	\$567	3.3%	\$624
2007/08	\$593	4.6%	\$653

Note: North Dakota's maximum benefit ranks 2<sup>nd</sup> among the border states, according to the Conolly Report. In 2007 North Dakota's maximum benefit was \$624, Minnesota's was \$750, Montana's was \$545 and South Dakota's was \$533.

## **Death and Burial Expenses**

1997— SB 2116, Death benefits to surviving spouse and dependent children was set at \$197,000.

2003— HB 1455, Death benefits were increased to \$250,000. (Increased all future premium rate levels by 1% and increased discounted reserve levels by \$2.1 million dollars).

2007— HB 1038, Expands the population that is potentially eligible for death benefits to include the surviving spouses of the catastrophically injured if the disability has continued until the time of death, the death occurs more than six years after the date of injury and the death was a direct result of the work injury. (Not quantifiable).

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1997— SB 2116, Burial expenses was set at \$5,000.

1999— HB 1283, Burial expenses were increased to \$6,500.

2005— HB 1506, Non-dependency death benefit was increased from \$2,000 to \$12,500. This benefit is for death claims where no surviving spouse or dependents exist.

## **Guardian Scholarship Program for surviving spouse and dependent children of deceased worker**

1997— SB 2116, Scholarships of \$1,500 each for spouse and dependent children for up to 5 years. Program was capped at \$100,000 in scholarship money. (Not quantifiable).

1999— HB 1283, Scholarships increased to \$3,000 each for spouse and dependent children for up to 5 years. Program was capped at \$200,000 in scholarship money.

1999— HB 1283, Scholarships were made available to injured workers in exceptional circumstances.

2005—HB 1120, Scholarships increased to \$4,000. Program was capped at \$350,000. Established the amount of scholarships issued in exceptional circumstances at \$10,000 per year for up to 5 years.

Since program inception in 1997, a total of 300 scholarships have been awarded totaling nearly \$800,000.

### **Permanent Partial Impairment Awards (PPI)**

1997—HB 1260, Enhanced the payment of permanent impairment benefits to employees suffering disfigurement as a result of a work-related injury. (Not quantifiable)

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1999—HB 1422, Increased awards for injured workers with permanent impairments of 16-26% and impairments of 50% to 100%. (Increase all future premium rate levels by 1.5% and increased reserve levels by \$7 to \$9 million dollars).

2001—HB 1161, Increased awards for certain impairments such as the loss of an eye and amputations. (Increased all future premium rate levels by 0.5% to 1% and discounted reserve levels increased by \$2.5 to \$3.5 million dollars)

### **Additional Benefit Payable (ABP)**

1997—SB 2125, Provided an additional benefit for injured workers when their wage-loss benefits ended at the time of their retirement. The amount of this benefit is based on the total length of time the worker received disability benefits prior to retirement. (Increased all future premium rate levels by 1% and increased current reserve levels by \$14 to \$17 million dollars)

2007—HB 1038, Provided an alternative ABP calculation for a select group of permanent total disability recipients whose injuries occurred prior to August 1, 1995. (See note below for HB 1038).

## **Modifications/Adaptations to Injured Workers' Homes and Vehicles**

2003— HB 1060, Increased to \$50,000 (previous limit was \$20,000) the allowance for home remodeling and adaptations that can be used for catastrophically injured workers. (Not quantifiable).

2007— HB 1038 and HB 1411, Provided up to \$100,000 for the purchase or adaptation of specially equipped motor vehicles for catastrophically injured workers. ( Increased all future premium rate levels by 0.5% and discounted reserve levels by approximately \$1 million dollars).

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## **Waiting periods for Cost-of-Living Adjustments for Supplementary Benefit Eligibility**

1999— SB 2214, Waiting period reduced from ten years to seven years. (See note above on SB 2214).

2007— HB 1038, Waiting period reduced from seven years to three years. (See note above for HB 1038).

## **Revolving Loan Fund for Injured Workers**

2005— HB 1491, 15 million dollars set aside for eligible injured workers to borrow up to \$50,000 over 5 years in low-interest loans for accredited institutions of higher education or technical education. (Not quantifiable).

2007— HB 1038, Expanded the eligibility pool for the revolving loan fund to include surviving spouses and dependent children of an injured employee whose death resulted from a compensable injury. It sets a maximum interest rate of 1% below the Bank of North Dakota's prime interest rate. (Not quantifiable).