

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/28/2009

Bill/Resolution No.: SB 2430

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The proposed legislation removes the 5 year cap for temporary partial disability benefits and requires benefits to be paid during the continuance of partial disability.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

WORKFORCE SAFETY & INSURANCE  
2009 LEGISLATION  
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2430

BILL DESCRIPTION: Removes the 5 Year Cap for Temporary Partial Disability (TPD) Benefits

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 removes the 5 year cap for temporary partial disability benefits and requires benefits to be paid during the continuance of partial disability.

Premium Rate and Reserve Level Impact:

The rate and reserve level impact of this bill is difficult to quantify – in part because historical information that would make such an evaluation possible is difficult to extract from WSI’s database, and in part because of the very short timeframe available to perform the evaluation itself.

That said, individual claim data provided by WSI suggests that there are roughly 150 currently open claims classified as TPD’s with injury dates prior to June 30, 2003-04. Though the number of claims drops off with increasing age, the average claim size tends to increase with age.

Though difficult to quantify, we believe that the impact of SB 2430 on rate and reserve levels would be material.

We evaluated potential costs associated with SB 2430 under the assumption that no other changes would be made concurrently to the State's benefit structure. To the extent that this piece of legislation passes in conjunction with other changes under consideration – the costs could compound.

DATE: February 2, 2009

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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