

FISCAL NOTE
Requested by Legislative Council
02/04/2005

Amendment to: HB 1506

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		\$0		\$63,000		\$63,000
Expenditures		\$21,000		\$63,000		\$63,000
Appropriations		\$0		\$0		\$0

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: Non-dependency payments

BILL NO: Engrossed HB 1506

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 increases the lump sum non-dependency payments from \$2,000 to \$12,500, the equivalent of 5% of the \$250,000 maximum total death benefit issued in death claims with dependents, and provides for retroactive application. Non-dependency benefits are issued in death claims of employees with no surviving spouse or dependent children.

Rate Level Impact: The number of death claims that result in non-dependency payments is approximately 3 per year. The proposed legislation will increase the payments for these cases from \$6,000 per year to \$37,500 per year, thus increasing required premium levels by approximately \$31,500 per year.

Reserve Level Impact: The proposed legislation applies retroactively to all recipients beginning November 29, 2004. There have been two instances of non-dependency claims since that date which would require an increase in reserve levels of \$21,000.

DATE: February 4, 2005

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.*

see Narrative for Actuarial Impact statement required to conform with Section 54-03-25 of the NDCC relating to the potential impact on statewide rate and reserve levels.

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.*

see Narrative for Actuarial Impact statement required to conform with Section 54-03-25 of the NDCC relating to the potential impact on statewide rate and reserve levels.

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.*

No impact.

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Agency: WSI
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