

FISCAL NOTE
Requested by Legislative Council
01/22/2007

Bill/Resolution No.: SB 2342

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 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.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 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 requires claim approval when no decision has been made within 60 days from the date in which the claim was filed.

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
2007 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2342

BILL DESCRIPTION: Timely Claim Processing

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 requires claim approval when no decision has been made within 60 days from the date in which the claim was filed.

FISCAL IMPACT: Not quantifiable as we do not have access to sufficient data to permit a comprehensive evaluation of the potential impact of this proposed legislation.

As we understand the proposed legislation, a claim will be deemed approved if it is still pending sixty days after it is filed with WSI. In the event that a claim is deemed approved under this section, WSI will bear the burden of proving the claimant's lack of entitlement to benefits. Furthermore, WSI will be prevented from seeking repayment or recovery if a claimant incurs an overpayment under this process.

We cannot definitively predict how the claims environment may change under the proposed legislation. To the extent the proposed legislation increases the number of claims dismissals as claims approach the 60 day time period due to lack of information, administrative and legal costs could increase in conjunction with implementation of the proposed time table. To the extent the proposal allows for claims being approved that otherwise should not have been, benefit

costs will increase accordingly.

To the extent benefit and other costs increase as a result of this proposal, the costs will flow through future premium rate levels.

DATE: February 5, 2007

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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