

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1260

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1260


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1260

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 30, 2001

Tape Number	Side A	Side B	Meter #
1	X		1.2-36.8
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

R. Frank Wald: Sponsoring bill allowing employer to receive 100% of benefits if both employee and Workers Compensation decide not to pursue.

Dick Johnson: (4.40) *Workers Compensation Board*
Written Testimony in Support of Bill.

Tammy Dolan: (8.20) *ND Workers Compensation*
Written Testimony in Support of Bill.

R. Ekstrom: (13.88) What is this deductible based on?

Dolan: Annual basis per injury.

R. Ekstrom: How does this affect injured workers' benefits?

Dolan: No effect on employee.

C. Berg: What is a typical deductible policy?

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1260

Hearing Date Jan 31, 2001

Dolan: \$100,000 is typical, but the range is anywhere from \$50,000 and up.

R. Ekstrom: how does an injury affect experience rate?

Dolan: The rate and cost are looked at annually.

R. Jensen: What exactly is the purpose of this bill?

Dolan: If Workers Comp. and the employee both dismiss the case, the employer can still sue.

Mary Skaj: I support this bill.

Mike Wolf: *ND Assoc. Counties*

Written Testimony in support with amend.

C. Berg: We'll close the hearing.

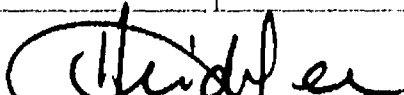
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1260

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 30, 2001

Tape Number	Side A	Side B	Meter #
3	X		8.04-15.00
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Kelsner, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: The bureau didn't get a chance to respond to our question whether to adopt the amendments or to use the administrative rule.

Paul Kramer: *Workers Comp Director* I am uncomfortable with the language because it changes how the subrogation works in that it would give 100% of the subrogation to the employer. We'd like to leave it out of the Century Code and deal with it through the administrative rule and individually in each deductible contract. In the contract we can specify that we will prorate the employers portion.

Chairman Berg: What doesn't this bill do?

Kramer: It does not specify the employers place in the scenario. We'd also like to address that through the administrative rules.

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House Industry, Business and Labor Committee
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Mary Skar: I have a problem with the administrative rules including this because it take to long.

We'd like it fixed in the Century Code.

Chairman Berg: What are the committee's wishes?

Rep Severson: I move a do pass.

Rep Pietsch: I second.

11 yea, 2 nay, 2 absent. Carrier Rep Jensen.

FISCAL NOTE
 Requested by Legislative Council
 01/15/2001

Bill/Resolution No.: HB 1260

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 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.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

**NORTH DAKOTA WORKERS COMPENSATION
 2001 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION**

BILL DESCRIPTION: Subrogation on Deductibles

BILL NO: HB 1260

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, 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 allows an employer with a deductible policy to keep 100% of the recovery in a third-party action if an injured worker or NDWC choose not to pursue the third-party for recovery of damages.

FISCAL IMPACT: We understand that the additional costs and potential recoveries arising out of this change will accrue to the employer, not NDWC. Thus, we do not believe that the proposed legislation will result in a material change to rate or reserve levels.

DATE: December 21, 2000

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.*

Name:	Paul R. Kramer	Agency:	ND Workers Compensation
Phone Number:	328-3856	Date Prepared:	01/15/2001

Date: 1-30-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No.~~ 1260

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Severson Seconded By Pietsch

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser			Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm		✓	Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 11 No 2

Absent 2

Floor Assignment Jensen

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 13, 2001 8:24 a.m.

Module No: HR-26-3147
Carrier: Jensen
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1260: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (11 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1260 was placed on the Eleventh order on the calendar.

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1260

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1260

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 05, 2001.

Tape Number	Side A	Side B	Meter #
1		x	27.8 to 39.6
(March 14/01) 1		x	30.3 to 34.2
Committee Clerk Signature <i>Doris B. Porez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1260 relating to third-party recovery on workers' compensation deductible accounts; and to provide an effective date.

Bob Indvik, Vice-Chairman, ND Workers' Compensation Board of Directors. Provided brief description of the bill and Board's position on the bill, in favor. Written testimony attached.

Tammy Dolan, VP for Employer and Fiscal Services at NDWC. Supports this bill. Written testimony attached.

Representative Frank Wald, District 37, co sponsor. This bill would allow larger employers who have high deductibles to subrogate against a third party who may have caused injury to one of their employees where they in effect paid the employees medical bills. It would affect only about fifty employers in the state. Urge do pass.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1260

Hearing Date March 05, 2001.

Michael Wolf, ND Assn. of Counties. We support this bill. We are one of the participants in the deductible program. Being that we are assuming the risk for those smaller claims we feel this is a very good bill that will allow us to recoup some of the money. Claims this applies to are those the employees nor the bureau are willing to pursue.

Chuck Peterson, GNDA, in favor. Urges do pass. Written testimony attached.

No opposing testimony. Hearing concluded.

March 14, 2001. Tape 1-B-30.3 to 34.2

Committee reconvened. Discussion held.

Senator Klein: Motion: do pass. **Senator Krebsbach**: Second. Roll call vote: 7 yes; 0 no.

Motion carried. Floor assignment: **Senator Klein**.

Date: 3/14/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1260

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Klein Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 14, 2001 1:48 p.m.

Module No: SR-44-5601
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1260: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1260 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1260

