



**Fiscal Note Request HB0164, As Introduced**

(continued)

8. Permanent total disability losses of 10 percent to 12 percent triples the fiscal impact estimated by NCCI.
9. The State Fund estimates the cost of this legislation to be between \$1,650,000 and \$3,000,000 each year of the 2005 biennium.
10. The State Fund is funded through premiums charged to policyholders and investment income.
11. The State Fund is required in law to "...charge premiums for the classifications so that the state fund will be neither more nor less than self-supporting." (39-71-2316(5), MCA)
12. Increases in expenditures will be factored into the ratemaking process with a subsequent increase in policyholder premiums. State Fund estimates an increase in premium rates of 1.8 percent to 3.3 percent.
13. State Fund estimates additional revenue of between \$1,650,000 and \$3,000,000 will need to be collected to offset the increased expenditures driven by this legislation.
14. NCCI analysis assumes state average weekly wage (SAWW) and cost-of-living adjustments (COLA) of the past ten years. Should economic conditions in Montana vary and COLA increase beyond historic levels, the fiscal impact of this legislation on future years will be more significant, though specific amounts cannot be determined.

FISCAL IMPACT:

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$1,650,000 - \$3,000,000	\$1,650,000 - \$3,000,000
<u>Funding of Expenditures:</u>		
Proprietary (06)	\$1,650,000 - \$3,000,000	\$1,650,000 - \$3,000,000
<u>Revenues:</u>		
Proprietary (06)	\$1,650,000 - \$3,000,000	\$1,650,000 - \$3,000,000