

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
WORKERS COMPENSATION FUND	(\$23,781,000)	(\$23,781,000)	(\$23,781,000)

Source of revenue (decrease):

The fiscal impact, in the form of a revenue decrease to the Worker's Compensation Fund from decreased premiums collected from Wyoming employers, is estimated at \$23,781,000, annually.

Assumptions:

This bill provides for the Department of Workforce Services (DWS), when setting workers' compensation rates, to consider investment earnings as revenue up to 5 percent from the amount set aside in the Workers' Compensation Fund for the provision for adverse deviation (PFAD) based on the previous five-year average market value of the PFAD. The revenue decrease to the Workers' Compensation Fund from premiums collected from Wyoming employers, as identified in the above table, would be offset by the investment earnings from the Workers' Compensation Fund considered as revenue.

The DWS, utilizing an August 2023, actuarial analysis, estimates a PFAD valued at \$914,211,000 and investment earnings equal to 2.5 percent of the PFAD, would decrease workers' compensation premiums approximately \$23,781,000. According to the actuarial analysis, each percentage point of the PFAD value used in the ratemaking process would decrease workers' compensation rates four to five percentage points. The DWS estimates the current previous five-year average market value of the PFAD is \$1,018,289,000 and would be updated in conjunction with the investment earnings of the PFAD considered in the ratemaking process.