

Appendix C: Montana State Fund -- Constitutional and Statutory References excluding Title 39, ch. 71, except part 23

Article	History	For Language see link listed below
Article VIII, Section 13 Investment of public funds and public retirement system and state compensation insurance fund assets.	Language related to state fund enacted in 2000 by referendum	http://data.opi.mt.gov/bills/mca/Constitution/VIII/13.htm
Statute	Year	Language
2-15-1019. Board of directors of state compensation insurance fund -- legislative liaisons.	Enacted 1989	http://data.opi.mt.gov/bills/mca/2/15/2-15-1019.htm
2-15-2015. Workers' compensation fraud investigation and prosecution office.	Enacted 1993	http://data.opi.mt.gov/bills/mca/2/15/2-15-2015.htm
2-18-103. Officers & employees excepted from state employee classification (part 2) and compensation (part 3) as well as grievance procedures (part 10) (Part 1 is general)	1989 - Chapter 613 exempted executive director & employees of state fund	http://data.opi.mt.gov/bills/mca/2/18/2-18-103.htm
2-18-601. Definitions for T 2, ch 18, part 6 (leave time)	Amended to exclude state fund in 2001.	http://data.opi.mt.gov/bills/mca/2/18/2-18-601.htm
2-18-701. Definitions for state group insurance. Includes full-time and part-time workers at state fund within the definitions.	Amended in 2001 by chapter 314	http://data.opi.mt.gov/bills/mca/2/18/2-18-701.htm

2-18-703. Contributions to group insurance only listing (1) and (2) of (7) sub-sections	Amended in 2001 for state fund reference (ch 314).	http://data.opi.mt.gov/bills/mca/2/18/2-18-703.htm
2-18-711. Cooperative purchasing of employee benefit services & insurance products -- procedures	Amended in 2001 for state fund reference (ch 314).	http://data.opi.mt.gov/bills/mca/2/18/2-18-711.htm
17-8-403. False claims -- procedures -- penalties	Enacted 2005	http://data.opi.mt.gov/bills/mca/17/8/17-8-403.htm
18-4-132. Application of the Montana Procurement Act State Fund exempted	<i>Amended 1999, chapter 407</i>	http://data.opi.mt.gov/bills/mca/18/4/18-4-132.htm
<i>18-7-101. Power to contract for printing -- exception.</i>	<i>Amended in 2001 (ch 314)</i>	<i>http://data.opi.mt.gov/bills/mca/18/7/18-7-101.htm</i>
<i>19-3-1002. Eligibility for disability retirement.</i>	<i>Enacted 1973.</i>	<i>http://data.opi.mt.gov/bills/mca/19/3/19-3-1002.htm</i>
33-1-102	<i>Amended 1987 in chapter 502 and again in 1989 and 1990 regarding Title 39, ch. 71, part 23 (the state fund chapter)</i>	<i>http://data.opi.mt.gov/bills/mca/33/1/33-1-102.htm</i>
<i>33-1-1205. Duties of authorized insurers, adjusters, administrators, consultants, and producers -- notice exception.</i>	<i>Amended in 1995 to include State Fund references</i>	<i>http://data.opi.mt.gov/bills/mca/33/1/33-1-1205.htm</i>
<i>33-16-1011 Classification review committee -- members -- term.</i>	<i>Amended in 1989 to change previous references to state fund.</i>	<i>http://data.opi.mt.gov/bills/mca/33/16/33-16-1011.htm</i>

33-16-1024 Plan No. 3 membership in licensed workers' compensation advisory organization -- reporting requirements.	Enacted 1995	http://data.opi.mt.gov/bills/mca/33/16/33-16-1024.htm
39-71-211 Fraud detection & prevention unit - expenditure accounting.	Enacted 1993	http://data.opi.mt.gov/bills/mca/39/71/39-71-211.htm
39-71-2211 Premium rates for construction industry -- filing required.	Enacted 1991	http://data.opi.mt.gov/bills/mca/39/71/39-71-2211.htm
39-71-2311 Intent and purpose of plan -- expense constant defined.	Amended for state fund language in 1989 and in 2001 (ch 314)	http://data.opi.mt.gov/bills/mca/39/71/39-71-2311.htm
39-71-2312 Definitions.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2312.htm
39-71-2313 State compensation insurance fund created -- obligation to insure.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2313.htm
39-71-2314 State fund subject to laws applying to state agencies.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2314.htm
39-71-2315 Management of state fund -- powers and duties of the board -- business plan required.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2315.htm
39-71-2316 Powers of state fund.	Enacted 1989. Amended in 2001 (ch 314) subsection (1)(j) and (k) added in 1997 subsection (1)(l) added in 2001	http://data.opi.mt.gov/bills/mca/39/71/39-71-2316.htm
39-71-2317 Appointment of executive director -- management staff.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2317.htm

39-71-2318 <i>Personal liability excluded.</i>	<i>Enacted 1989</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2318.htm
39-71-2319 <i>Assets and liabilities of prior state fund.</i>	<i>Enacted 1989</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2319.htm
39-71-2320 <i>Property of state fund -- investment required -- exception.</i>	<i>Enacted 1989</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2320.htm
39-71-2321 <i>What to be deposited in state fund.</i>	<i>Original enacted in 1915. Amended in 1989, etc.</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2321.htm
		http://data.opi.mt.gov/bills/mca/39/71/39-71-2322.htm
39-71-2323 <i>Surplus in state fund -- payment of dividends.</i>	<i>Original enacted in 1915. Amended in 1989, etc.</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2323.htm
39-71-2325 <i>State fund to keep accounts of segregations.</i>	<i>Original enacted in 1915. Amended in 1989</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2325.htm
39-71-2327 <i>Earnings of state fund to be credited to fund -- improper use a felony.</i>	<i>Original enacted in 1915. Amended in 1989</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2327.htm
39-71-2328 <i>State fund alternative personal leave plan - exception - collective bargaining negotiation - personal leave definition.</i>	<i>Enacted 2001</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2328.htm
39-71-2330 <i>Rate setting -- surplus -- multiple rating tiers.</i>	<i>Enacted 1993. Amended in 1999. Rating tiers included in 2001 (ch 314)</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2330.htm
39-71-2331 <i>Workplace safety program.</i>	<i>Enacted 2009</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2331.htm
39-71-2332 <i>Pooled risk safety group.</i>	<i>Enacted 2009</i>	http://data.opi.mt.gov/bills/mca/39/71/39-71-2332.htm

39-71-2336 Manner of electing - contract or policy of insurance - payment of premium.	Original enacted in 1915. Amended in 1989 and 2005	http://data.opi.mt.gov/bills/mca/39/71/39-71-2336.htm
39-71-2337 State fund to submit notice of coverage within thirty days -- penalty for failure.	Enacted 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2337.htm
39-71-2339 Cancellation of coverage - 20 days' notice required.	Original enacted in 1915. Amended in 1989, etc.	http://data.opi.mt.gov/bills/mca/39/71/39-71-2339.htm
39-71-2340 Collection in case of default.	Original enacted in 1915. Amended in 1989	http://data.opi.mt.gov/bills/mca/39/71/39-71-2340.htm
39-71-2351 Purpose of separation of state fund liability as of July 1, 1990, & of separate funding of claims before and on or after that date.	Enacted 1990 special session	http://data.opi.mt.gov/bills/mca/39/71/39-71-2351.htm
39-71-2352 Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, & on or after July 1, 1990 -- spending limit -- authorizing transfer of money.	Enacted 1990 special session	http://data.opi.mt.gov/bills/mca/39/71/39-71-2352.htm
39-71-2356 Mutually agreeable lump-sum settlements	Enacted 1991	http://data.opi.mt.gov/bills/mca/39/71/39-71-2356.htm
39-71-2361 Legislative audit of state fund.	Enacted 1990 special session	http://data.opi.mt.gov/bills/mca/39/71/39-71-2361.htm
39-71-2362 Authority of legislative auditor with respect to state fund.	Enacted 1993	http://data.opi.mt.gov/bills/mca/39/71/39-71-2362.htm

39-71-2363 Agency law -- submission of budget -- annual report.	Enacted 1993, amended to remove limit on administrative expenditures in 2001 (ch 314)	http://data.opi.mt.gov/bills/mca/39/71/39-71-2363.htm
39-71-2370 Claims expenditures codes.	Enacted 1993	http://data.opi.mt.gov/bills/mca/39/71/39-71-2370.htm

Under 39-71-2316 -- Powers of State Fund - regarding 1989 Statement of Intent: The statement of intent attached to Ch. 613, L. 1989, provided: "A statement of intent is required for this bill because [section 8] [39-71-2316] grants rulemaking authority to the newly created state fund to adopt or repeal rules or amend existing rules to implement the new state compensation mutual insurance fund [now state compensation fund].

The chief purposes of creating the state fund as a mutual insurer and placing it in a department other than the department of labor are:

- (1) to remove the inherent conflict between the interests of the workers' compensation division in regulating all workers' compensation insurers in this state, including the state compensation insurance fund, and the interests of the state fund as a workers' compensation insurer; and*
- (2) to ensure the solvency of the new state fund.*

The legislature recognizes that the fund actuary has determined that at June 30, 1988, a full funding deficiency of \$157.3 million existed for the present state compensation insurance fund. The legislature intends that the new state compensation mutual insurance fund [now state compensation insurance fund] adopt rules in a manner that will assure the solvency of the new fund. Rates must be set on an actuarially sound basis as required by state law. The new state fund would be bound to insure all employers who apply to it for workers' compensation coverage and shall insure state agencies.

As the primary means of ensuring the solvency of the state fund, it must institute safety programs and set rates in a manner that awards employers who provide a safe working environment and penalizes employers who do not.

The legislature further intends that the new state fund institute programs to automate the processing of claims and payment of benefits. The state fund may contract out to the private sector certain claims administration and servicing functions if the state fund determines it to be cost-effective.

The legislature intends that the governor shall implement staggered terms in naming the initial members of the board."