

**Working Group Meeting  
HJ 25 – Montana State Fund Structure Considerations  
December 18, 2013**

**A. Guaranteed Market for Montana Employers**

- **MSF is a non-profit public corporation or public benefit corporation**
  - **Board of Directors appointed by the Governor**
- 1. Federal Income Tax exemption-26 USC § 501 C 27 B**
    - **Created in state law and operated under state law**
    - **To offer Workers' Compensation Insurance and related coverage**
    - **Guaranteed Market**
    - **State makes a financial commitment to the state fund either by extending the full faith and credit of the State to the initial debt or by providing the initial operating capital of such organization**
    - **No dissolution permitted by state law, or the assets of such organization revert to the State upon dissolution**
    - **Majority of board appointed by Governor**
  - 2. Business name/DBA**
  - 3. Full Faith and Credit of State**
  - 4. Duplication of oversight by the Legislature**
  - 5. Open meeting/public documents**

**B. Regulation and Oversight by the Commissioner of Securities and Insurance (CSI)**

- 1. Under Title 33 – The Montana Insurance**
  - **Certificate of authority**
  - **Authorized Insurer or Domestic Insurer**
  - **Dissolution**

- **Guaranty Association**

**2. Tiered rating**

**3. NCCI Issues**

- **Classification Review Committee-classification codes-i.e. 0006**
- **Experience Rating**

**4. Board of Investments (BOI)/Investment Management**

**5. Open Items**

**C. State Agency services**

**D. Old Fund**

**E. Timeline for implementation**