

SENATE BILL NO. 369

INTRODUCED BY J. WELBORN

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STUDY COMMISSION TO STUDY THE TERMINATION OF THE STATE FUND AND CREATION OF A DOMESTIC SUCCESSOR MUTUAL INSURANCE CARRIER; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Study commission.** (1) There is a study commission to study the feasibility of terminating the state compensation insurance fund (state fund) and conversion of the entity to a successor domestic mutual insurance entity. The commission consists of:

- (a) a chair, appointed by the president of the senate;
- (b) two members of the house of representatives appointed by the speaker, one from the majority party and one from the minority party;
- (c) two members of the senate appointed by the president, one from the majority party and one from the minority party;
- (d) the governor or a designee of the governor;
- (e) the chairman of the board of the state compensation insurance fund, as provided in 2-15-1019, or the chairman's designee; and
- (f) two state compensation insurance fund workers' compensation insurance policyholders, who are not board members, appointed by the governor.

- (2) The study commission shall consider:
 - (a) the termination of the state fund and the transition of the state fund to a domestic successor mutual insurance entity;
 - (b) the costs and benefits to Montana employers and Montana employees;
 - (c) the assets and liabilities of the state fund and the transfer of assets, claims, and liabilities to the successor mutual insurance corporation;
 - (d) the transition of existing state fund employees to the successor mutual insurance entity, including employee rights, benefits, and collective bargaining unit representation through attachment to the department

1 of administration;

2 (e) the structure and operation of the successor domestic mutual insurer that will replace the state fund
3 as a private entity and serve the guaranteed market in this state; and

4 (f) any item necessary for the termination of the state fund and its transition to a domestic mutual insurer.

5 (3) The study commission may explore other potential organizational changes to the state fund in serving
6 as the guaranteed market for workers' compensation purposes.

7 (4) The study commission may use the expertise of all executive branch agencies and personnel and
8 any consultants determined to be necessary in making determinations under this section. The state fund is
9 responsible for providing support functions to the study commission under the direction of the study commission.

10 (5) The study commission shall report to the 66th legislature on the determinations made under this
11 section. As part of the report, the study commission shall prepare any necessary legislation to implement the
12 termination of the state fund and creation of a successor mutual insurer.

13 (6) The costs of the study commission and the expenses of the commission are the responsibility of the
14 state compensation insurance fund, not to exceed \$60,000. Legislator members of the study commission must
15 be compensated as provided in 5-2-302. The state fund shall pay a \$100 fee to the state, to be deposited into
16 the general fund.

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18 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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20 NEW SECTION. **Section 3. Termination.** [This act] terminates December 31, 2018.

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