

MINUTES OF THE MEETING  
LABOR & EMPLOYMENT RELATIONS COMMITTEE  
MONTANA STATE SENATE

February 21, 1977

The eighteenth meeting of the Labor and Employment Relations Committee was called to order by Chairman Lee on the above date in Room 402 of the State Capitol Building at 9:30 a.m.

ROLL CALL: All members present with Senator Lowe and Senator Richard Smith excused.

CONSIDERATION OF HB 468: An act to provide that Workers' Compensation Insurers are excepted from fictitious group provisions and need not have commission approval of group rates.

Representative Howard Ellis, District 93, Chief Sponsor of the bill, introduced HB 468 to the committee. This bill is to allow small industry loggers to form groupings of independent loggers and form an association and take on Workers' Compensation insurance on a private sector. Through groupings, extensive safety programs can be administered to the smaller operators who at the present are not receiving benefits of a safety consultant. Without safety programs their loss ratios would increase. Norman Grosfield, Workers' Compensation Division, said they approved of this program. They will still be under the safety programs in the state. This bill will also open the door to the private sector.

Ernie Post, representing Montana State AFL-CIO, appeared in support of HB 468. It will correct a problem that is now in the timber industry, but also apply to the other groups that join together to receive a group rate for their insurance. This bill will provide for greater safety, small employers will be able to join together to get more insurance. It is a good bill.

General discussion was then held by the committee. More safety programs is what is important. They want individual safety programs so they will be able to compete.

Senator Blaylock made a motion that HB 468 BE CONCURRED IN. The motion carried unanimously.

CONSIDERATION OF HB 444: An act to establish a deadline for issuing findings of fact and orders on unfair labor practice charges.

Representative Estenson, District 32, Chief Sponsor of this bill, introduced HB 444 to the committee. The fiscal note was not attached to the original bill when it passed 2nd and 3rd readings in the House. It was requested but did not come in time. The reason for the fiscal note is because the Board of Personnel Appeals

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would require three additional staff positions if this bill were passed. HB 444 would set a deadline for issuing findings on unfair labor practices. The reason for this is that often teachers have had to wait anywhere from 7 months to over a year for the reports of the facts and findings of a case. This presents a burden and a hardship on the person waiting to hear the outcome.

David Sexton, representing Montana Education Association, appeared in support of HB 444. This is a very simple but needed bill. It puts a time limit against which findings of fact and orders are used on the Board of Personnel Appeals unfair labor practices. We feel one of the major causes for this delay is the fact that the board of Personnel Appeals is understaffed. By setting a deadline, there will be an incentive to all parties to arrive at a decision.

Bob Jenson, representing the Board of Personnel Appeals, appeared in support of HB 444. We feel this is probably very much needed, but in order to come out with these findings, we would have to have the two hearing examiners listed on the fiscal note in order to devote specific time to these hearings.

General discussion was then held by the committee. In 1976 there were 43 unfair labor practice charges which have taken on the average of between six and eight months to solve. There is only three staffed labor mediators in the state. Understaffing is the major reason it takes so long for these cases. They have so many other responsibilities also.

Senator Mehrens made a motion that HB 444 and the fiscal note be referred to the Finance and Claims Committee. The motion carried unanimously.

ADJOURN:

There being no further business, the meeting was adjourned at 10:25.



Robert E. Lee, Chairman

ROLL CALL

## LABOR & EMPLOYMENT RELATIONS COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 2/21

SENATE LABOR COMMITTEE

BILL HB 444  
468

**VISITORS' REGISTER**

DATE 3/31

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

# Marsh & McLennan

Marsh & McLennan, Incorporated  
2302 Regent  
Missoula, Montana 59801  
Telephone (406) 721-1750

February 3, 1977

Mr. Howard Ellis  
Missoula Representative  
Capitol Building  
Helena, Mt. 59601

Re: Loggers in the State of Montana  
Advantages of Grouping

Dear Mr. Ellis:

SAFETY: Far greater safety programs would initiate:

- a. greater participation with grouping
- b. stronger adherence to the programs.

Through grouping, extensive safety programs can be administered especially to the smaller operators who at present are not receiving the benefits of a safety consultant, or if they are, it is on a limited basis.

Without safety programs their loss ratios would increase, e.g., if they pay a \$100.00 premium and have a \$50.00 loss their loss ratio would be 50%.

Higher loss ratios are presently with the smaller operators.

COMPETITION WOULD BE ENHANCED:

Approaching companies with an individual premium of \$10,000. is usually rejected. However, with the entire association, of say, one million in premium more companies would be willing to look at this type of an account. They could also provide additional programs where by their cost would be based on the overall loss and individual losses. This would also provide greater safety incentive, i.e., the less loss a logger has the greater return his premium would be.

With loss ratios decreasing more companies would be willing to look at loggers as prospective customers, once again, greater competition.

Also, if losses were to decrease, there is a good possibility rates may decrease, this would assist one of Montana's vital industries.

Marsh & McLennan, Incorporated

Mr. Howard Ellis  
Helena, Mt. 59601

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DIVIDENDS:

Some companies would provide dividends if losses were held down, once again providing incentive to increase safety and bring down losses.

LOBBYING:

At present, the loggers have no lobbying power. There are numerous controversial bills or discussions pending with only one voice being heard, this is usually in opposition to logging. Whether right or wrong, they should voice their opinion.

Over all, better safety programs can be administered, better premium programs would be initiated, enhancement of competition and better lobbying power. The greater emphasis must be placed on safety.

Sincerely,

  
James J. Kozak  
MARSH & MCLENNAN, INC.

JJK/krs  
Enclosure