

1 *Senate* BILL NO. *51*  
 2 INTRODUCED BY *James L. Stinson Flynn*  
 3 *Thermon*

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION  
 5 92-1105, R.C.M. 1947, TO REQUIRE COMPENSATION PLAN NO. 3 TO  
 6 ACTUARIALLY DETERMINE RATES FOR EACH TYPE OF EMPLOYMENT AND  
 7 TO RETAIN ACTUARIALLY SOUND RESERVES AND TO UTILIZE AN  
 8 EXPERIENCE RATING SYSTEM FOR EMPLOYERS ENROLLED UNDER IT."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 92-1105, R.C.M. 1947, is amended to  
 12 read as follows:

13 "92-1105. Intent and purpose of plan No. 3. It is the  
 14 intent and purpose of compensation plan No. 3 that each  
 15 industry, trade, occupation or employment coming under the  
 16 provisions of said plan shall be liable to pay for injuries  
 17 happening to its employees coming under the provisions of  
 18 the Workmen's Compensation Act.

19 All premiums, penalties, recoveries by subrogation,  
 20 interest earned upon money belonging to the fund, and  
 21 securities acquired by or through use of money shall be  
 22 deposited in the industrial insurance account in the agency  
 23 fund.

24 The industrial insurance program shall be neither more  
 25 nor less than self-supporting. Employments affected by the

1 provisions hereof shall be divided by the board division as  
 2 a member of a rating organization into classes, whose rates  
 3 may be readjusted at such times as the board division as a  
 4 member of such rating organization may actuarially  
 5 determine. Separate accounts shall be kept of the amounts  
 6 collected and expended in each class for actuarially  
 7 determining rates but for payment of compensation and  
 8 dividends the industrial insurance account shall be one and  
 9 indivisible. The board division as a member of such rating  
 10 organization shall determine the hazards of the different  
 11 classes of occupations or industries and fix the premiums  
 12 therefor at the lowest rate consistent with maintenance of a  
 13 solvent an actuarially sound industrial insurance fund, and  
 14 the creation of actuarially sound surplus and reserves and  
 15 for such purpose may adopt a system of schedule rating in  
 16 such a manner as to take account of the peculiar hazard of  
 17 each risk, and shall ~~take--advantage--of~~ utilize the  
 18 experience and information afforded to it as a member of  
 19 such rating organization.

20 In addition compensation plan No. 3 shall use an  
 21 experience rating system for employers enrolled under it.  
 22 This system shall reward employers with a better than  
 23 average safety record, penalize employers with a worse than  
 24 average safety record, and provide for payroll volume  
 25 discount.

*SB 58*

1       The board division in fixing rates shall provide for  
2 the expenses of administering the industrial insurance  
3 account allowed by law, the disbursements on account of  
4 injuries and deaths of employees in each class, an ~~adequate~~  
5 actuarially sound catastrophe reserve, reserves adequate  
6 actuarially determined to meet anticipated and unexpected  
7 losses, and such other reserves and surplus as may be  
8 determined by the board division as a member of such rating  
9 organization. The amounts of such reserves and surplus  
10 shall be as determined from time to time by the division to  
11 be adequate but not excessive for the purposes intended."

-End-

Approved by Committee  
on State Administration

SENATE BILL NO. 53

INTRODUCED BY GRAHAM, HIMSL, FLYNN, THIESSEN

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 92-1105, R.C.M. 1947, TO REQUIRE COMPENSATION PLAN NO. 3 TO ACTUARIALLY DETERMINE RATES FOR EACH TYPE OF EMPLOYMENT AND TO RETAIN ACTUARIALLY SOUND RESERVES AND TO UTILIZE AN EXPERIENCE RATING SYSTEM FOR EMPLOYERS ENROLLED UNDER IT."

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

Section 1. Section 92-1105, R.C.M. 1947, is amended to read as follows:

"92-1105. Intent and purpose of plan No. 3. It is the intent and purpose of compensation plan No. 3 that each industry, trade, occupation or employment coming under the provisions of said plan shall be liable to pay for injuries happening to its employees coming under the provisions of the Workmen's Compensation Act.

All premiums, penalties, recoveries by subrogation, interest earned upon money belonging to the fund, and securities acquired by or through use of money shall be deposited in the industrial insurance account in the agency fund.

The industrial insurance program shall be neither more nor less than self-supporting. Employments affected by the

provisions hereof shall be divided by the board division as a member of a rating organization into classes, whose rates may be readjusted at such times as the board division as a member of such rating organization may actuarially determine. Separate accounts shall be kept of the amounts collected and expended in each class for actuarially determining rates but for payment of compensation and dividends the industrial insurance account shall be one and indivisible. The board division as a member of such rating organization shall determine the hazards of the different classes of occupations or industries and fix the premiums therefor at the lowest rate consistent with maintenance of a solvent an actuarially sound industrial insurance fund, and the creation of actuarially sound surplus and reserves and for such purpose may adopt a system of schedule rating in such a manner as to take account of the peculiar hazard of each risk, and shall ~~take--advantage--of~~ utilize the experience and information afforded to it as a member of such rating organization.

In addition compensation plan No. 3 shall use an experience rating system for employers enrolled under it. This system shall reward employers with a better than average safety record, penalize employers with a worse than average safety record, and MAY provide for payroll PREMIUM volume discount.

1       The board division in fixing rates shall provide for  
2 the expenses of administering the industrial insurance  
3 account allowed by law, the disbursements on account of  
4 injuries and deaths of employees in each class, an adequate  
5 actuarially sound catastrophe reserve, reserves adequate  
6 actuarially determined to meet anticipated and unexpected  
7 losses, and such other reserves and surplus as may be  
8 determined by the board division as a member of such rating  
9 organization. The amounts of such reserves and surplus  
10 shall be as determined from time to time by the division to  
11 be adequate but not excessive for the purposes intended."

-End-

1 SENATE BILL NO. 58  
 2 INTRODUCED BY GRAHAM, HIMSL, FLYNN, THIESSEN  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION  
 5 92-1105, R.C.M. 1947, TO REQUIRE COMPENSATION PLAN NO. 3 TO  
 6 ACTUARIALLY DETERMINE RATES FOR EACH TYPE OF EMPLOYMENT AND  
 7 TO RETAIN ACTUARIALLY SOUND RESERVES AND TO UTILIZE AN  
 8 EXPERIENCE RATING SYSTEM FOR EMPLOYERS ENROLLED UNDER IT."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 92-1105, R.C.M. 1947, is amended to  
12 read as follows:

13 "92-1105. Intent and purpose of plan No. 3. It is the  
14 intent and purpose of compensation plan No. 3 that each  
15 industry, trade, occupation or employment coming under the  
16 provisions of said plan shall be liable to pay for injuries  
17 happening to its employees coming under the provisions of  
18 the Workmen's Compensation Act.

19 All premiums, penalties, recoveries by subrogation,  
20 interest earned upon money belonging to the fund, and  
21 securities acquired by or through use of money shall be  
22 deposited in the industrial insurance account in the agency  
23 fund.

24 The industrial insurance program shall be neither more  
25 nor less than self-supporting. Employments affected by the

1 provisions hereof shall be divided by the board division as  
 2 a member of a rating organization into classes, whose rates  
 3 may be readjusted at such times as the board division as a  
 4 member of such rating organization may actuarially  
 5 determine. Separate accounts shall be kept of the amounts  
 6 collected and expended in each class for actuarially  
 7 determining rates but for payment of compensation and  
 8 dividends the industrial insurance account shall be one and  
 9 indivisible. The board division as a member of such rating  
 10 organization shall determine the hazards of the different  
 11 classes of occupations or industries and fix the premiums  
 12 therefor at the lowest rate consistent with maintenance of a  
 13 solvent an actuarially sound industrial insurance fund, and  
 14 the creation of actuarially sound surplus and reserves and  
 15 for such purpose may adopt a system of schedule rating in  
 16 such a manner as to take account of the peculiar hazard of  
 17 each risk, and shall ~~take--advantage--of~~ utilize the  
 18 experience and information afforded to it as a member of  
 19 such rating organization.

20 In addition compensation plan No. 3 shall use an  
 21 experience rating system for employers enrolled under it.  
 22 This system shall reward employers with a better than  
 23 average safety record, penalize employers with a worse than  
 24 average safety record, and MAY provide for ~~payroll~~ PREMIUM  
 25 volume discount.

1       The board division in fixing rates shall provide for  
2 the expenses of administering the industrial insurance  
3 account allowed by law, the disbursements on account of  
4 injuries and deaths of employees in each class, an adequate  
5 actuarially sound catastrophe reserve, reserves adequate  
6 actuarially determined to meet anticipated and unexpected  
7 losses, and such other reserves and surplus as may be  
8 determined by the board division as a member of such rating  
9 organization. The amounts of such reserves and surplus  
10 shall be as determined from time to time by the division to  
11 be adequate but not excessive for the purposes intended.\*

-End-

SENATE BILL NO. 58

INTRODUCED BY GRAHAM, HIMSL, FLYNN, THIESSEN

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 92-1105, R.C.M. 1947, TO REQUIRE COMPENSATION PLAN NO. 3 TO ACTUARIALLY DETERMINE RATES FOR EACH TYPE OF EMPLOYMENT AND TO RETAIN ACTUARIALLY SOUND RESERVES AND TO UTILIZE AN EXPERIENCE RATING SYSTEM FOR EMPLOYERS ENROLLED UNDER IT."

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

Section 1. Section 92-1105, R.C.M. 1947, is amended to read as follows:

"92-1105. Intent and purpose of plan No. 3. It is the intent and purpose of compensation plan No. 3 that each industry, trade, occupation or employment coming under the provisions of said plan shall be liable to pay for injuries happening to its employees coming under the provisions of the Workmen's Compensation Act.

All premiums, penalties, recoveries by subrogation, interest earned upon money belonging to the fund, and securities acquired by or through use of money shall be deposited in the industrial insurance account in the agency fund.

The industrial insurance program shall be neither more nor less than self-supporting. Employments affected by the

provisions hereof shall be divided by the board division as a member of a rating organization into classes, whose rates may be readjusted at such times as the board division as a member of such rating organization may actuarially determine. Separate accounts shall be kept of the amounts collected and expended in each class for actuarially determining rates but for payment of compensation and dividends the industrial insurance account shall be one and indivisible. The board division as a member of such rating organization shall determine the hazards of the different classes of occupations or industries and fix the premiums therefor at the lowest rate consistent with maintenance of a solvent an actuarially sound industrial insurance fund, and the creation of actuarially sound surplus and reserves and for such purpose may adopt a system of schedule rating in such a manner as to take account of the peculiar hazard of each risk, and shall ~~take--advantage--of~~ utilize the experience and information afforded to it as a member of such rating organization.

In addition compensation plan No. 3 shall use an experience rating system for employers enrolled under it. This system shall reward employers with a better than average safety record, penalize employers with a worse than average safety record, and MAY provide for ~~payroll~~ PREMIUM volume discount.

1       The board division in fixing rates shall provide for  
2 the expenses of administering the industrial insurance  
3 account allowed by law, the disbursements on account of  
4 injuries and deaths of employees in each class, an ~~adequate~~  
5 actuarially sound catastrophe reserve, reserves ~~adequate~~  
6 actuarially determined to meet anticipated and unexpected  
7 losses, and such other reserves and surplus as may be  
8 determined by the board division as a member of such rating  
9 organization. The amounts of such reserves and surplus  
10 shall be as determined from time to time by the division to  
11 be adequate but not excessive for the purposes intended."

-End-