LC 1281

- BILL NO. 385 A (By request) 1 2 INTRODUCED BY 3 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 4 92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING 5 SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE 6 COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE 7 WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF 8 WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO. 9 1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE 10 FORMULA." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13

14 Section 1. Section 92-116.1, R.C.M. 1947, is amended 15 to read as follows:

"92-116.1. Administration fund. (1) There is hereby 16 17 established in the state treasury a workmen's compensation administration fund out of which all costs of administering 18 the workmen's compensation and occupational disease acts and 19 occupation-safety-and-health-act the various occupational 20 safety acts the division must administer are to be paid upon 21 22 lawful appropriation. The following moneys collected by the workmen's compensation division shall be deposited in the 23 state treasury to the credit of the workmen's compensation 24 administrative fund and shall be used for the administrative 25

1	expenses of the division:
2	<pre>(a) all fees and fines provided in sections</pre>
3	92-119, 92-820, 92-1334 and 92-1358;
4	{2}allassessments-paid-to-the-division-by-employers
5	who-elect-to-become-bound-by-plan-nol-of-this-acty
б	(3) all-assessments-paid-to-the-divisionofinsurers
7	who-insure-employers-under-plan-not-2-of-this-act;
8	(4) (b) all fees paid for inspection of boilers and
9	issuance of licenses to operating engineers as required by
10	law;
11	(5)allassessmentsleviedagainsttheindustrial
12	insurance-account-in-the-division-fund-as-providedbythis
13	act.
14	(c) All fees paid from an assessment on each plan No.
15	1 employer and on each insurer which shall be levied by the
16	division. The assessment shall be based on an equitable
17	formula, adopted by the division, that charges each plan No.
18	l employer and each insurer a fair assessment based on
19	proper accounting and cost allocation procedures. However,
20	no assessment of a plan No. 1 employer or insurer may be
21	less than two hundred dollars (\$200).
22	(2) The administration fund shall be debited with
23	expenses incurred by the division in the general
24	administration of the provisions of this act, including the
25	salaries of its members, officers and employees, and the

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INTRODUCED BILL

actual and necessary traveling expenses and disbursements of
 such members, officers and employees, incurred while on the
 business of the division either within or without the state.
 (3) Disbursements from the administration moneys shall
 be made after being approved by the division upon claim
 therefor.

The---division---shall---levy--against--the--industrial 7 insurance-account-in-the-division-fund-an-assessment--in--an 8 9 amount--deemed--reasonable-and-nocessary-to-provide-adequate 10 administrative-funds-for-the-administration-of--the--various 11 acts --- The--assessment--is--to--be--levied-against-the-gross 12 annual-direct-premium-income-for-the-previous--fiscal--yeary 13 less--return--premiums---and--said--assessment-snall-be-pata forthwith-by-the-treesurer-into-the-administration-moneys-in 14 15 the-carmarked-revenue-fund-"

16 Section 2. Section 92-902, R.C.M. 1947, is amended to 17 read as follows:

18 "92-902. Proof of solvency of employer electing plan 19 No. 1 to be filed--payroll assessments. Every employer who 20 has elected to be bound by compensation plan No. 1, shall 21 file proof of his solvency within the time and in the form 22 as may be prescribed by the rules or orders of the division.

23 The-division-may-levy-an-assessment-in-an-amount-not-to
 24 execed--three-hundredths-of-one-percent-(+93%)-of-the-annual
 25 payroll-of-such--employer--in--Kontanay--for--the--preceding

1	fiscalyeary-which-assessment-shall-be-paid-to-the-division
2	by-the-employer-at-the-time-of-filing-of-proof-ofsolvency-
3	Noassessmentshallbeinanamount-less-than-two
4	hundred-dollars-{\$200}+
5	If-the-employer-hadmepayrollinMentanaforthe
6	entirepreceding-fiscal-yeary-the-assessment-shall-be-based
7	on-the-estimated-payroll-for-the-year-in-whichelectionis
8	made-
9	Thedivisionshallpay-the-amounts-so-collected-into
10	the-state-treasury."
11	Section 3. Section 92-1005, R.C.M. 1947, is amended to
12	read as follows:
13	"92-1005. Policies made subject to this
14	actassessment of insurers. Every policy for the insurance
15	of the compensation herein provided for, or against
16	liability therefor, shall be deemed to be made subject to
17	the provisions of this act. No insurer shall enter into any
18	such policy of insurance unless its forms shall have been
19	approved by the board division, and as otherwise provided by
20	law.
21	On-or-before-the-first-day-of-July-ofeachyearythe
22	boardshallassess-and-cach-insurer-shall-pay-to-the-board
23	not-to-exceed-three-and-one-fourths-per-cent-(3-1/48)-of-its
24	grossannualdirectpremiumscollectedinMontanaon
25	policiesofinsuranceinsuringemployerswho-elected-to
	-4- 58 385

1	become-bound-by-thecompensationplanNor2duringthe
2	previouscalendaryear;lessreturnpremiumsNosuch
3	assessment-shall-be-less-than-twohundreddollars{\$200}.
4	Thetreasureroftheboardshallpaytheamountsso
5	collected-into-the-state-treasuryPayments-by-such-insurers
6	under-this-section-shall-be-considered-as-items-of-lossfor
7	rate-making-purposes."

-End-

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Approved by Committee on Labor & Employment Relations

1	SENATE 3ILL NO. 385	1	expenses of the division:
2	INTRODUCED BY BLAYLOCK (BY REQUEST)	2	(1) <u>(a)</u> all fees and
3		3	92-119, 92-820, 92-1334 and 92-
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS	4	+2)all-assessments-paid-
5	92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING	5	whe-elect-to-become-bound-by-pl
6	SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE	6	(3) allassessmentspai
7	COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE	7	who-insure-employers-under-plar
8	WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF	8	{4}<u>(b)</u> all fees paid fo
9	WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO.	9	issuance of licenses to opera
10	1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE	10	law;
11	FORMULA. *	11	(5)allassessmentsle
12		12	insuranceaccountin-the-divi
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	13	act.
14	Section 1. Section 92-116.1, R.C.M. 1947, is amended	14	tc)All-fees-paid-from-ar
15	to read as follows:	15	1employer-and-on-each-insurer
16	92-116.1. Administration fund. (1) There is hereby	16	division The-assessment-shall
17	established in the state treasury a workmen's compensation	17	formula7-adopted-by-the-divisio
18	administration fund out of which all costs of administering	18	1employerandcachinsure:
19	the workmen's compensation and occupational disease acts and	19	proper-accounting-and-cost-alle
20	occupation-safety-and-health-act the various occupational	20	noassessmentofaplan-No-
21	safety acts the division must administer are to be paid upon	21	less-than-two-hundred-dollars-
22	lawful appropriation. The following moneys collected by the	22	(C) ALL FEES PAID FROM AN
23	workmen's compensation division shall be deposited in the	23	1 EMPLOYER, PLAN NO. 2 INSU
24	state treasury to the credit of the workmen's compensation	24	INSURANCE FUND. THE ASSESSMENT
25	administrative fund and shall be used for the administrative	25	PRECEDING CALENDAR YEAR'S GROSS

SECOND READING

fines provided in sections -1358;

-to-the-division-by--employers tan-no--1-of-this-act;

id-to-the-division-of-insurers n-no--2-of-this-act;

or inspection of boilers and ating engineers as required by

vied--against--the--industrial ision-fund-as-provided-by-this

	(c)All-fees-paid-from-an-assessment-on-each-plan-	-Ne
1employer-and-on-each-insurer-which-shall-be-levied-by-the		
divisionThe-assessment-shall-bebasedonanequitable		
formulay-adopted-by-the-divisiony-that-charges-each-plan-Nor		
1employerandcachinsurerafair-assessment-based-on		
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proper-accounting-and-cost-allocation-proceduresHowever7		
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ne	oassessmentofaplan-Nor-l-employer-or-insurer-ma	
-		
-	oassessmentofaplan-Nor-l-employer-or-insurer-ma	y – 1
-	oassessmentofaplan-No;-l-employer-or-insurer-me ess-than-two-hundred-dollars-{6200};	y -1

SS ANNUAL PAYROLL OF THE PLAN -2-

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2	COLLECTED IN MONTANA ON THE POLICIES OF THE PLAN NO. 2
3	INSURERS, INSURING EMPLOYERS COVERED UNDER THE ACT, DURING
4	THE PRECEDING CALENDAR YEAR. HOWEVER, NO ASSESSMENT OF THE
5	PLAN NO. 1 EMPLOYER OR PLAN NO. 2 INSURER SHALL BE LESS
6	THAN TWO HUNDRED DOLLARS (\$200). THE ASSESSMENTS SHALL BE
7	SUFFICIENT TO FUND THE DIRECT COSTS IDENTIFIED TO THE THREE
8	(3) PLANS AND AN EQUITABLE PORTION OF THE INDIRECT COSTS
9	BASED ON THE RATIO OF THE PRECEDING FISCAL YEAR'S INDIRECT
10	COSTS DISTRIBUTED TO THE PLANS USING PROPER ACCOUNTING AND
11	COST ALLOCATION PROCEDURES. PLAN NO. 3 SHALL BE ASSESSED AN
12	AMOUNT SUFFICIENT TO FUND ITS DIRECT COSTS AND AN EQUITABLE
13	PORTION OF THE INDIRECT COSTS AS REFERRED TO ABOVE. OTHER
14	SOURCES OF REVENUE INCLUDING UNEXPENDED FUNDS FROM THE
15	PRECEDING FISCAL YEAR SHALL BE USED TO REDUCE THE COSTS
16	BEFORE LEVYING THE ASSESSMENTS.
17	(2) The administration fund shall be debited with
18	expenses incurred by the division in the general
19	administration of the provisions of this act, including the
20	salaries of its members, officers and employees, and the
21	actual and necessary traveling expenses and disbursements of
22	such members, officers and employees, incurred while on the
23	business of the division either within or without the state.
24	(3) Disbursements from the administration moneys shall
25	be made after being approved by the division upon claim
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1 NO. 1 EMPLOYERS AND THE GROSS ANNUAL DIRECT PREMIUMS

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1	therefor.
2	Thedivisionshalllevyagainsttheindustrial
3	insuranceaccountin-the-division-fund-an-assessment-in-an
4	amount-deemed-reasonable-and-necessary-toprovideadequate
5	administrativefundsfor-the-administration-of-the-various
6	actsThe-assessment-istobeleviedagainstthegross
7	annualdirectpremium-income-for-the-previous-fiscal-year,
8	less-return-premiums7-andsaidassessmentshallbepaid
9	forthwith-by-the-treasurer-into-the-administration-moneys-in
10	the-carmarked-revenue-fund;"
11	Section 2. Section 92-902, R.C.M. 1947, is amended to
12	read as follows:
13	"92-902. Proof of solvency of employer electing plan
14	No. 1 to be filed payroll assessments. Every employer who
15	has elected to be bound by compensation plan No. 1, shall
16	file proof of his solvency within the time and in the form
17	as may be prescribed by the rules or orders of the division.
18	The-division-may-levy-an-assessment-in-an-amount-not-to
19	exceed-three-hundredths-of-one-percent-{;;;;;;
20	payrollofsuchemployerinMontanayfor-the-preceding
• 21	fiscal-year7-which-assessment-shall-be-paid-to-thedivision
22	bythe-employer-at-the-time-of-filing-of-proof-of-solvency.
23	No-assessment-shall-beinanamountlessthantwo
24	hundred-dollars-{\$200}.
25	fftheemployerhadnopayrollin-Montana-for-the

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entire-preceding-fiscal-year7-the-assessment-shall-be--based
 on--the--estimated-payroll-for-the-year-in-which-election-is
 mader

4 The-division-shall-pay-the-amounts--so--collected--into 5 the-state-treasury."

6 Section 3. Section 92-1005, R.C.M. 1947, is amended to
7 read as follows:

8 "92-1005. Policies made subject to this act -assessment of insurers. Every policy for the insurance of 9 10 the compensation herein provided for, or against liability therefor, shall be deemed to be made subject to the 11 12 provisions of this act. No insurer shall enter into any such policy of insurance unless its forms shall have been 13 14 approved by the board division, and as otherwise provided by 15 law.

16 On-or-before-the-first-day-of-July-of--each--year7--the 17 board--shall--assess-and-each-insurer-shall-pay-to-the-board 18 not-to-exceed-three-and-one-fourths-per-cent-(3-1/4%)-of-its 19 gross--annual--direct--premiums--collected--in--Montana---on 20 policies--of--insurance--insuring--employers--who-elected-to 21 become-bound-by-the--compensation--plan--No---2--during--the 22 previous--calendar--year;--less--return--premiums---No--such 23 assessment-shall-be-less-than-two--hundred--dollars--(\$200). 24 The--treasurer--of--the--board--shall--pay--the--amounts--so 25 collected-into-the-state-treasury--Payments-by-such-insurers -5-SB 385 SB 0385/02

1 under-this-section-shall-be-considered-as-items-of-loss--for

2 rate-making-purposes."

-End-

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1	SENATE BILL NO. 385	1	expenses of t
2	INTRODUCED BY BLAYLOCK (3Y REQUEST)	2	(1)
3		3	92-119, 92-82
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS	4	{2}a11
5	92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING	5	who-elect-to-
6	SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE	6	(3) all
7	COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE	7	who-insure-em
8	WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF	8	(4) <u>(b)</u>
9	WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO.	9	issuance of
10	1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE	10	law;
11	FORMULA.	11	(5) a±±
12	•	12	insuranceac
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	13	acta
14	Section 1. Section 92-116.1, R.C.M. 1947, is amended	14	(c)All
15	to read as follows:	15	1employer-a
16	92-116.1. Administration fund. (1) There is hereby	16	divisionTh
17	established in the state treasury a workmen's compensation	17	formula7-adop
18	administration fund out of which all costs of administering	18	1employer
19	the workmen's compensation and occupational disease acts and	19	proper-accoun
20	occupation-safety-and-health-act the various occupational	20	noassessmen
21	safety acts the division must administer are to be paid upon	21	less-than-two
22	lawful appropriation. The following moneys collected by the	22	(C) ALL
23	workmen's compensation division shall be deposited in the	23	1 EMPLOYER,
24	state treasury to the credit of the workmen's compensation	24	INSURANCE FUN
25	administrative fund and shall be used for the administrative	25	PRECEDING CAL

THIRD READING

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1	expenses of the division:
2	$\left(\frac{1}{2}\right) - \left(a\right)$ all fees and fines provided in sections
3	92-119, $92-820$, $92-1334$ and $92-1358$;
4	(2)all-assessments-paid-to-the-division-byemployers
5	who-elect-to-become-bound-by-plan-no,-l-of-this-act;
6	(3)allassessmentspaid-to-the-division-of-insurers
7	who-insure-employers-under-plan-not-2-of-this-act;
8	<pre>(b) all fees paid for inspection of boilers and</pre>
9	issuance of licenses to operating engineers as required by
10	law;
11	(5)allassessmentsleviedagainsttheindustrial
12	insuranceaccountin-the-division-fund-as-provided-by-this
13	act-
14	{c}All-fees-paid-from-an-assessment-on-each-planNo.
14 15	<u>{c}All-fees-paid-from-an-assessment-on-each-planNot</u> <u>lemployer-and-on-each-insurer-which-shall-be-lewied-by-the</u>
15	1employer-and-on-each-insurer-which-shall-be-levied-by-the
15 16	1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-bebasedonanequitable
15 16 17	1employer-and-on-each-insurer-which-shall-be-levied-by-the divisionThe-assessment-shall-bebasedonanequitable formula-adopted-by-the-division-that-charges-each-plan-No-
15 16 17 18	1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-bebasedonanequitable formula-adopted-by-the-division-that-charges-each-plan-No- 1employerandeachinsurerafair-assessment-based-on
15 16 17 18 19	1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-bebasedonanequitable formula-adopted-by-the-division-that-charges-cach-plan-No- 1employerandeachinsurerafair-assessment-based-on proper-accounting-and-cost-allocation-proceduresHowever
15 16 17 18 19 20	1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-be-based-on-anequitable formula-adopted-by-the-division-that-charges-each-plan-No- iemployerandeachinsurer-a-fair-assessment-based-on proper-accounting-and-cost-allocation-proceduresHowever, noassessmentofaplan-Noi-employer-or-insurer-may-be
15 16 17 18 19 20 21	1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-be-basedon-anequitable formula;-adopted-by-the-division;-that-charges-each-plan-No- 1employerandeachinsurerafair-assessment-based-on proper-accounting-and-cost-allocation-procedures;However; noassessmentofaplan-No-1-employer-or-insurer-may-be less-than-two-hundred-dollars-(\$200);
15 16 17 18 19 20 21 22	<pre>1employer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-be-based-on-anequitable formula;-adopted-by-the-division;-that-charges-each-plan-No- iemployerandeachinsurer-afair-assessment-based-on proper-accounting-and-cost-allocation-procedures;However; noassessmentofaplan-Noi-employer-or-insurer-may-be iess-than-two-hundred-dollars-(\$200); (C) ALL FEES PAID FROM AN ASSESSMENT ON EACH PLAN NO.</pre>
15 16 17 18 19 20 21 22 23	<pre>iemployer-and-on-each-insurer-which-shall-be-lewied-by-the divisionThe-assessment-shall-be-based-on-anequitable formula;-adopted-by-the-division;-that-charges-each-plan-No- iemployerandeachinsurer-afair-assessment-based-on proper-accounting-and-cost-allocation-proceduresHowever; noassessmentofaplan-Nol-employer-or-insurer-may-be less-than-two-hundred-dollars-(\$200): (C) ALL FEES PAID FROM AN ASSESSMENT ON EACH PLAN NO. 1 EMPLOYER, PLAN NO. 2 INSURER, AND PLAN NO. 3, THE STATE</pre>

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1	NO. 1 EMPLOYERS AND THE GROSS ANNUAL DIRECT PREMIUMS
2	COLLECTED IN MONTANA ON THE POLICIES OF THE PLAN NO. 2
3	INSURERS, INSURING EMPLOYERS COVERED UNDER THE ACT, DURING
4	THE PRECEDING CALENDAR YEAR. HOWEVER, NO ASSESSMENT OF THE
5	PLAN NO. 1 EMPLOYER OR PLAN NO. 2 INSURER SHALL BE LESS
6	THAN TWO HUNDRED DOLLARS (\$200). THE ASSESSMENTS SHALL BE
7	SUFFICIENT TO FUND THE DIRECT COSTS IDENTIFIED TO THE THREE
8	(3) PLANS AND AN EQUITABLE PORTION OF THE INDIRECT COSTS
9	BASED ON THE RATIO OF THE PRECEDING FISCAL YEAR'S INDIRECT
10	COSTS DISTRIBUTED TO THE PLANS USING PROPER ACCOUNTING AND
11	COST ALLOCATION PROCEDURES. PLAN NO. 3 SHALL BE ASSESSED AN
12	AMOUNT SUFFICIENT TO FUND ITS DIRECT COSTS AND AN EQUITABLE
13	PORTION OF THE INDIRECT COSTS AS REFERRED TO ABOVE. OTHER
14	SOURCES OF REVENUE INCLUDING UNEXPENDED FUNDS FROM THE
15	PRECEDING FISCAL YEAR SHALL BE USED TO REDUCE THE COSTS
16	BEFORE LEVYING THE ASSESSMENTS.
17	(2) The administration fund shall be debited with
18	expenses incurred by the division in the general
19	administration of the provisions of this act, including the
20	salaries of its members, officers and employees, and the
21	actual and necessary traveling expenses and disbursements of
22	such members, officers and employees, incurred while on the
23	business of the division either within or without the state.
24	(3) Disbursements from the administration moneys shall
25	be made after being approved by the division upon claim
	-3- SB 385

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1	therefor.
2	Thedivisionshalllevyagainsttheindustrial
3	insuranceaccountin-the-division-fund-an-assessment-in-an
4	amount-deemed-reasonable-and-necessary-toprovideadequate
5	administrativefundsfor-the-administration-of-the-various
6	actsThe-assessment-istobeleviedagainstthegross
7	annualdirectpremium-income-for-the-previous-fiscal-year7
8	less-return-premiums,-andsaidassessmentshallbepaid
9	forthwith-by-the-treasurer-into-the-administration-moneys-in
10	the-earmarked-revenue-fund;"
11	Section 2. Section 92-902, R.C.M. 1947, is amended to
12	read as follows:
13	"92-902. Proof of solvency of employer electing plan
14	No. 1 to be filed payroll assessments. Every employer who
15	has elected to be bound by compensation plan No. 1, shall
16	file proof of his solvency within the time and in the form
17	as may be prescribed by the rules or orders of the division.
18	The-division-may-levy-an-assessment-in-an-amount-not-to
19	exceed-three-hundredths-of-one-percent-{+038}-of-theannual
20	payrollofsuchemployerinMontanayfor-the-preceding
21	fiscal-year7-which-assessment-shall-be-paid-to-thedivision
22	bythe-employer-at-the-time-of-filing-of-proof-of-solvency.
23	No-assessment-shall-beinanamountlessthantwo
24	hundred-dollars-{6200}.
25	Iftheemployerhadnepayrollin-Montana-for-the

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entire-preceding-fiscal-year7-the-assessment-shall-be--based
 on--the--estimated-payroll-for-the-year-in-which-election-is
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4 The-division-shall-pay-the-amounts--so--collected--into 5 the-state-treasury."

6 Section 3. Section 92-1005, R.C.M. 1947, is amended to 7 read as follows:

8 "92-1005. Policies made subject to this act --9 assessment of insurers. Every policy for the insurance of 10 the compensation herein provided for, or against liability therefor, shall be deemed to be made subject to the 11 12 provisions of this act. No insurer shall enter into any such 13 policy of insurance unless its forms shall have been approved by the beard division, and as otherwise provided by 14 15 law.

16 On-or-before-the-first-day-of-July-of--each--yeary--the 17 board--shall--assess-and-each-insurer-shall-pay-to-the-board 18 not-to-exceed-three-and-one-fourths-per-cent-(3-1/4%)-of-its 19 gross--ennual--direct--premiums--collected--in--Montana---on 20 policies--of--insurance--insuring--employers--who-elected-to 21 become-bound-by-the--compensation--plan--Nor--2--during--the previous--calendar--year;--less--return--premiums.--No--such 22 23 assessment-shall-be-less-than-two--hundred--dollars--(\$200). 24 The--treasurer--of--the--board--shall--pay--the--amounts--so collected-into-the-state-treasury--Payments-by-such-insurers 25 -5-SB 385

- 1 under-this-section-shall-be-considered-as-items-of-loss--for
- 2 rate-making-purposes."

-End-

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SB 385

1	SENATE BILL NO. 335	1	expenses of the division:
2	INTRODUCED BY BLAYLOCK (BY REQUEST)	2	<pre>(1)(a) all fees and fines provided in sections</pre>
3		3	92-119, 92-320, 92-1334 and 92-1358;
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS	4	{2}all-assessments-paid-to-the-division-byemployers
5	92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING	5	who-elect-to-become-bound-by-plan-nor-l-of-this-act;
6	SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE	6	(3)allassessmentspaid-to-the-division-of-insurers
7	COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE	7	who-insure-employers-under-plan-nor-2-of-this-act;
3	WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF	3	<pre>(4)(b) all fees paid for inspection of boilers and</pre>
9	WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO.	9	issuance of licenses to operating engineers as required by
10	1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE	10	law;
11	FORMULA."	11	(5)allassessmentsleviedagainsttheindustrial
12		12	insuranceaccountin-the-division-fund-as-provided-by-this
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	13	act
14	Section 1. Section 92-116.1, R.C.M. 1947, is amended	14	(c)All-fees-paid-from-an-assessment-on-each-planNo-
15	to read as follows:	15	1employer-and-on-cach-insurer-which-shall-bc-levied-by-the
16	"92-116.1. Administration fund. (1) There is hereby	16	divisionThe-assessment-shall-bebasedonanequitable
17	established in the state treasury a workmen's compensation	17	formulay-adopted-by-the-divisiony-that-charges-each-plan-No.
18	administration fund out of which all costs of administering	18	1employerandeachinsurerafair-assessment-based-on
19	the workmen's compensation and occupational disease acts and	19	proper-accounting-and-cost-allocation-procedures,However,
20	occupation-safety-and-health-act the various occupational	20	noassessmentofaplan-Not-l-employer-or-insurer-may-be
21	safety acts the division must administer are to be paid upon	21	less-than-two-hundred-dollars-(\$230).
22	lawful appropriation. The following moneys collected by the	22	(C) ALL FEES PAID FROM AN ASSESSMENT ON EACH PLAN NO.
23	workmen's compensation division shall be deposited in the	23	1 EMPLOYER, PLAN NO. 2 INSURER, AND PLAN NO. 3, THE STATE
24	state treasury to the credit of the workmen's compensation	24	INSURANCE FUND. THE ASSESSMENTS SHALL BE LEVIED AGAINST THE
25	administrative fund and shall be used for the administrative	25	PRECEDING CALENDAR YEAR'S GROSS ANNUAL PAYROLL OF THE PLAN
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REFERENCE BILL

2	COLLECTED IN MONTANA ON THE POLICIES OF THE PLAN NO. 2
3	INSURERS, INSURING EMPLOYERS COVERED UNDER THE ACT, DURING
4	THE PRECEDING CALENDAR YEAR. HOWEVER, NO ASSESSMENT OF THE
5	PLAN NO. 1 EMPLOYER OR PLAN NO. 2 INSURER SHALL BE LESS
6	THAN TWO HUNDRED DOLLARS (\$200). THE ASSESSMENTS SHALL BE
7	SUFFICIENT TO FUND THE DIRECT COSTS IDENTIFIED TO THE THREE
8	(3) PLANS AND AN EQUITABLE PORTION OF THE INDIRECT COSTS
9	BASED ON THE RATIO OF THE PRECEDING FISCAL YEAR'S INDIRECT
10	COSTS DISTRIBUTED TO THE PLANS USING PROPER ACCOUNTING AND
11	COST ALLOCATION PROCEDURES. PLAN NO. 3 SHALL BE ASSESSED AN
12	AMOUNT SUFFICIENT TO FUND ITS DIRECT COSTS AND AN EQUITABLE
13	PORTION OF THE INDIRECT COSTS AS REFERRED TO ABOVE. OTHER
14	SOURCES OF REVENUE INCLUDING UNEXPENDED FUNDS FROM THE
15	PRECEDING FISCAL YEAR SHALL BE USED TO REDUCE THE COSTS
16	BEFORE LEVYING THE ASSESSMENTS.
17	(2) The administration fund shall be debited with
18	expenses incurred by the division in the general
19	administration of the provisions of this act, including the
20	salaries of its members, officers and employees, and the
21	actual and necessary traveling expenses and disbursements of
22	such members, officers and employees, incurred while on the
23	business of the division either within or without the state.
24	(3) Disbursements from the administration moneys shall
25	be made after being approved by the division upon claim
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NO. 1 EMPLOYERS AND THE GROSS ANNUAL DIRECT PREMIUMS

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1	therefor.
2	Thedivisionshalllevyagainsttheindustrial
3	insuranceaccountin-the-division-fund-an-assessment-in-an
4	amount-deemed-reasonable-and-necessary-toprovideadequate
5	administrativefundsfor-the-administration-of-the-various
6	acts-The-assessment-istobeleviedagainstthegross
7	annualdirectpremium-income-for-the-previous-fiscal-year;
8	tess-return-premiumsy-andsaidassessmentshallbepaid
э	forthwith-by-the-treasurer-into-the-administration-moneys-in
10	the-carmarked-revenue-fund+"
11	Section 2. Section 92-902, R.C.M. 1947, is amended to
12	read as follows:
13	"92-902. Proof of solvency of employer electing plan
14	No. 1 to be filed payroll assessments. Every employer who
15	has elected to be bound by compensation plan No. 1, shall
16	file proof of his solvency within the time and in the form
17	as may be prescribed by the rules or orders of the division.
18	The-division-may-levy-an-assessment-in-an-amount-not-to
19	exceed-three-hundredths-of-one-percent-(:93%)-of-theannual
20	payrollofsuchemployerinMontana;for-the-preceding
21	fiscal-year7-which-assessment-shall-be-paid-to-thedivision
22	bythe-employer-at-the-time-of-filing-of-proof-of-solvency-
23	No-assessment-shall-beinanamountlessthantwo
24	hundred-dollars-{6298}.
25	Iftheemployerhadnopayrollin-Montana-for-the
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1	entire-preceding-fiscal-year7-the-assessment-shall-bebased
2	ontheestimated-payroll-for-the-year-in-which-election-is
3	mader
4	The-division-shall-pay-the-amountssocollectedinto
5	the-state-treasury."
6	Section 3. Section 92-1005, R.C.M. 1947, is amended to
7	read as follows:
8	"92-1005. Policies made subject to this act
9	assessment of insurers. Every policy for the insurance of
10	the compensation herein provided for, or against liability
11	therefor, shall be deemed to be made subject to the
12	provisions of this act. No insurer shall enter into any such
13	policy of insurance unless its forms shall have been
14	approved by the beard division, and as otherwise provided by
15	law.
16	On-or-before-the-first-day-of-July-ofeachyear,the
17	boardshallassess-and-each-insurer-shall-pay-to-the-board
18	not-to-exceed-three-and-one-fourths-per-cent-(3-1/4%)-of-its
19	grossannualdirectpremiumscollectedinMontanaon

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policies--of--insurance--insuring--employers--who-elected-to become-bound-by-the--compensation--plan--Nor--2--during--the previous--calendar--year7--less--return--premiums---No--such assessment-shall-be-less-than-two--hundred--dollars--(6200)-The--treasurer--of--the--board--shall--pay--the--amounts--so collected-into-the-state-treasury--Payments-by-such-insurers

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- 1 under-this-section-shall-be-considered-as-items-of-loss--for
- 2 rate-making-purposes."

-End-

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