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Senate BILL NO. 385
Blaylock (By request)

INTRODUCED BY _____
A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO. 1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE FORMULA."

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

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

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

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expenses of the division:

(1) (a) all fees and fines provided in sections 92-119, 92-820, ~~92-1334~~ and 92-1358;

~~(2) all assessments paid to the division by employers who elect to become bound by plan no. 1 of this act;~~

~~(3) all assessments paid to the division of insurers who insure employers under plan no. 2 of this act;~~

(4) (b) all fees paid for inspection of boilers and issuance of licenses to operating engineers as required by law;

~~(5) all assessments levied against the industrial insurance account in the division fund as provided by this act.~~

(c) All fees paid from an assessment on each plan No. 1 employer and on each insurer which shall be levied by the division. The assessment shall be based on an equitable formula, adopted by the division, that charges each plan No. 1 employer and each insurer a fair assessment based on proper accounting and cost allocation procedures. However, no assessment of a plan No. 1 employer or insurer may be less than two hundred dollars (\$200).

(2) The administration fund shall be debited with expenses incurred by the division in the general administration of the provisions of this act, including the salaries of its members, officers and employees, and the

1 actual and necessary traveling expenses and disbursements of
2 such members, officers and employees, incurred while on the
3 business of the division either within or without the state.

4 (3) Disbursements from the administration moneys shall
5 be made after being approved by the division upon claim
6 therefor.

7 ~~The--division--shall--levy--against--the--industrial~~
8 ~~insurance-account-in-the-division-fund-an-assessment--in--an~~
9 ~~amount--deemed--reasonable-and-necessary-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--year,~~
13 ~~less--return--premiums,--and--said--assessment--shall--be--paid~~
14 ~~forthwith--by--the--treasurer--into--the--administration--moneys--in~~
15 ~~the--earmarked--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 ~~exceed--three-hundredths-of-one-percent--(1/333)--of--the--annual~~
25 ~~payroll--of--such--employer--in--Montana,--for--the--preceding~~

1 ~~fiscal--year,--which--assessment--shall--be--paid--to--the--division~~
2 ~~by--the--employer--at--the--time--of--filing--of--proof--of--solvency,~~
3 ~~no--assessment--shall--be--in--an--amount--less--than--two~~
4 ~~hundred--dollars--(\$200)."~~

5 ~~If--the--employer--had--no--payroll--in--Montana--for--the~~
6 ~~entire--preceding--fiscal--year,--the--assessment--shall--be--based~~
7 ~~on--the--estimated--payroll--for--the--year--in--which--election--is~~
8 ~~made.~~

9 ~~The--division--shall--pay--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 act--assessment 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--of--each--year,--the~~
22 ~~board--shall--assess--and--each--insurer--shall--pay--to--the--board~~
23 ~~not--to--exceed--three--and--one--fourths--per--cent--(3-1/4%)--of--its~~
24 ~~gross--annual--direct--premiums--collected--in--Montana--on~~
25 ~~policies--of--insurance--insuring--employers--who--elected--to~~

1 become bound by the compensation plan No. 2 during the
2 previous calendar year, less return premiums. No such
3 assessment shall be less than two hundred dollars (\$200).
4 The treasurer of the board shall pay the amounts so
5 collected into the state treasury. Payments by such insurers
6 under this section shall be considered as items of loss for
7 rate-making purposes."

-End-

SB 385

Approved by Committee
on Labor & Employment
Relations

SENATE BILL NO. 385

INTRODUCED BY BLAYLOCK (BY REQUEST)

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO. 1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE FORMULA."

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

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

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

expenses of the division:

(1)--(a) all fees and fines provided in sections 92-119, 92-820, ~~92-1334~~ and 92-1358;

~~(2)--all-assessments-paid-to-the-division-by--employers who-elect-to-become-bound-by-plan-no.-1-of-this-act;~~

~~(3)--all--assessments--paid-to-the-division-of-insurers who-insure-employers-under-plan-no.-2-of-this-act;~~

(4)--(b) all fees paid for inspection of boilers and issuance of licenses to operating engineers as required by law;

~~(5)--all--assessments--levied--against--the--industrial insurance--account--in-the-division-fund-as-provided-by-this act;~~

(c)--All-fees-paid-from-an-assessment-on-each-plan--No.-1--employer-and-on-each-insurer-which-shall-be-levied-by-the-division.--The-assessment-shall-be--based--on--an--equitable formula--adopted-by-the-division--that-charges-each-plan-No.-1--employer--and--each--insurer--a--fair-assessment-based-on proper-accounting-and-cost-allocation-procedures.--However, no-assessment--of--a--plan-No.-1-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 INSURANCE FUND. THE ASSESSMENTS SHALL BE LEVIED AGAINST THE PRECEDING CALENDAR YEAR'S GROSS ANNUAL PAYROLL OF THE PLAN

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

1 therefor.

2 ~~The division shall levy against the industrial~~
 3 ~~insurance account in the division fund an assessment in an~~
 4 ~~amount deemed reasonable and necessary to provide adequate~~
 5 ~~administrative funds for the administration of the various~~
 6 ~~acts. The assessment is to be levied against the gross~~
 7 ~~annual direct premium income for the previous fiscal year,~~
 8 ~~less return premiums, and said assessment shall be paid~~
 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 (.03%) of the annual~~
 20 ~~payroll of such employer in Montana, for the preceding~~
 21 ~~fiscal year, which assessment shall be paid to the division~~
 22 ~~by the employer at the time of filing of proof of solvency.~~

23 ~~No assessment shall be in an amount less than two~~
 24 ~~hundred dollars (\$200).~~

25 ~~If the employer had no payroll in Montana for the~~

1 entire-preceding-fiscal-year, the assessment shall be based
2 on the estimated payroll for the year in which election is
3 made.

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
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 board division, and as otherwise provided by
15 law.

16 On or before the first day of July of each year, 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

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

-End-

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

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

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

1 expenses of the division:

2 ~~(1)--(a) 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-by--employers~~
5 ~~who-elect-to-become-bound-by-plan-no.-1-of-this-act;~~

6 ~~(3)--all--assessments--paid-to-the-division-of-insurers~~
7 ~~who-insure-employers-under-plan-no.-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)--all--assessments--levied--against--the--industrial~~
12 ~~insurance--account--in-the-division-fund-as-provided-by-this~~
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 ~~1--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 (C) ALL FEES PAID FROM AN ASSESSMENT ON EACH PLAN NO.
 23 1 EMPLOYER, PLAN NO. 2 INSURER, AND PLAN NO. 3, THE STATE
 24 INSURANCE FUND. THE ASSESSMENTS SHALL BE LEVIED AGAINST THE
 25 PRECEDING CALENDAR YEAR'S GROSS ANNUAL PAYROLL OF THE PLAN

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

1 therefor.

2 ~~The division shall levy against the industrial~~
 3 ~~insurance account in the division fund an assessment in an~~
 4 ~~amount deemed reasonable and necessary to provide adequate~~
 5 ~~administrative funds for the administration of the various~~
 6 ~~acts. The assessment is to be levied against the gross~~
 7 ~~annual direct premium income for the previous fiscal year~~
 8 ~~less return premiums, and said assessment shall be paid~~
 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 (0.3%) of the annual~~
 20 ~~payroll of such employer in Montana, for the preceding~~
 21 ~~fiscal year, which assessment shall be paid to the division~~
 22 ~~by the employer at the time of filing of proof of solvency.~~

23 ~~No assessment shall be in an amount less than two~~
 24 ~~hundred dollars (\$200):~~

25 ~~if the employer had no payroll in Montana for the~~

1 entire-preceding-fiscal-year, the assessment shall be based
2 on the estimated payroll for the year in which election is
3 made.

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
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 board division, and as otherwise provided by
15 law.

16 On or before the first day of July of each year, 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

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

-End-

SENATE BILL NO. 335

INTRODUCED BY BLAYLOCK (BY REQUEST)

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 92-116.1, 92-902, AND 92-1005, R.C.M. 1947, BY REMOVING SPECIFIC STATUTORY ASSESSMENT AMOUNTS FOR ADMINISTRATIVE COSTS AGAINST SELF-INSURERS AND PRIVATE INSURERS UNDER THE WORKMEN'S COMPENSATION ACT AND GRANTING TO THE DIVISION OF WORKMEN'S COMPENSATION THE AUTHORITY TO ASSESS ALL PLAN NO. 1 EMPLOYERS AND INSURERS AN ASSESSMENT BASED ON AN EQUITABLE FORMULA."

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

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

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

expenses of the division:

~~(1)--(a) all fees and fines provided in sections 92-119, 92-320, 92-1334 and 92-1358;~~

~~(2)--all-assessments-paid-to-the-division-by-employers who-elect-to-become-bound-by-plan-no-1-of-this-act;~~

~~(3)--all-assessments-paid-to-the-division-of-insurers who-insure-employers-under-plan-no-2-of-this-act;~~

~~(4)--(b) all fees paid for inspection of boilers and issuance of licenses to operating engineers as required by law;~~

~~(5)--all-assessments-levied-against-the-industrial insurance-account-in-the-division-fund-as-provided-by-this act;~~

~~(c) All fees paid from an assessment on each plan No. 1--employer-and-on-each-insurer-which-shall-be-levied-by-the division--The-assessment-shall-be-based-on-an-equitable formula-adopted-by-the-division-that-charges-each-plan-No. 1--employer--and--each--insurer--a--fair-assessment-based-on proper-accounting-and-cost-allocation-procedures---However, no--assessment--of--a--plan-No-1-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 INSURANCE FUND. THE ASSESSMENTS SHALL BE LEVIED AGAINST THE PRECEDING CALENDAR YEAR'S GROSS ANNUAL PAYROLL OF THE PLAN

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

1 therefor.

2 ~~The--division--shall--levy---against---the---industrial~~
 3 ~~insurance--account--in-the-division-fund-an-assessment-in-an~~
 4 ~~amount-deemed-reasonable-and-necessary-to--provide--adequate~~
 5 ~~administrative--funds--for-the-administration-of-the-various~~
 6 ~~acts-The-assessment-is--to--be--levied--against--the--gross~~
 7 ~~annual--direct--premium-income-for-the-previous-fiscal-year,~~
 8 ~~less-return-premiums, and--said--assessment--shall--be--paid~~
 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-(.03%)--of-the--annual~~
 20 ~~payroll--of--such--employer--in--Montana,--for-the-preceding~~
 21 ~~fiscal-year, which-assessment-shall-be-paid-to-the--division~~
 22 ~~by--the-employer-at-the-time-of-filing-of-proof-of-solvency.~~

23 ~~No-assessment-shall-be--in--an--amount--less--than--two~~
 24 ~~hundred-dollars-(\$200).~~

25 ~~if--the--employer--had--no--payroll--in--Montana-for-the~~

1 entire-preceding-fiscal-year,-the-assessment-shall-be--based
2 on--the--estimated-payroll-for-the-year-in-which-election-is
3 made.

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
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 board division, and as otherwise provided by
15 law.

16 On-or-before-the-first-day-of-July-of--each--year,-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

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

-End-