

HOUSE JOINT RESOLUTION 50

Introduced by Boharski

4/19	Introduced
4/19	Referred to Labor & Employment Relations
4/20	Committee Report--Bill Passed as Amended

1                    House JOINT RESOLUTION NO. 50  
2     INTRODUCED BY Wm E. ...  
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4     A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
5     REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN  
6     INTERIM STUDY OF THE FEASIBILITY AND ADVISABILITY OF  
7     ABOLISHING THE STATE WORKERS' COMPENSATION INSURANCE PLAN  
8     NO. 3, THE STATE FUND, THEREBY LIMITING THE CHOICE OF  
9     MONTANA EMPLOYERS TO INSURE THEIR LIABILITY FOR WORKERS'  
10    COMPENSATION AND OCCUPATIONAL COVERAGE TO PLAN NO. 1,  
11    SELF-INSURANCE, OR PLAN NO. 2, PRIVATE INSURANCE COVERAGE.  
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13           WHEREAS, the actuary of the state workers' compensation  
14    plan No. 3 has determined that as of June 30, 1988, a full  
15    funding deficiency of \$157.3 million existed for the state  
16    compensation insurance fund; and  
17           WHEREAS, this unfunded liability may be increasing; and  
18           WHEREAS, Senate Bill No. 428, if enacted, creates the  
19    state compensation mutual insurance fund, a state entity, to  
20    insure employers for workers' compensation and occupational  
21    disease liability and allows the new state fund to contract  
22    out to the private sector certain claims administration and  
23    servicing functions if the state fund determines it to be  
24    cost-effective; and  
25           WHEREAS, the need to ensure that employers in this

1    state have a cost-effective system under which they may  
2    insure their workers' compensation liability is of great  
3    significance to all Montanans; and  
4           WHEREAS, it may be cost-effective to the state and  
5    Montana employers and in the best interest of the state and  
6    Montana employers to abolish the state fund.  
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8    NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE  
9    OF REPRESENTATIVES OF THE STATE OF MONTANA:  
10           (1) That an appropriate interim committee be assigned  
11    to study the feasibility and advisability of abolishing the  
12    workers' compensation insurance plan No. 3, the state fund,  
13    thereby limiting the choice of Montana employers to insure  
14    their liability for workers' compensation and occupational  
15    coverage through plan No. 1, self-insurance, or plan No. 2,  
16    private insurance coverage.  
17           (2) That the committee, in its study:  
18           (a) evaluate the economic feasibility to the state and  
19    to Montana employers of abolishing the state fund;  
20           (b) seek to determine the effect that the abolishment  
21    of the state fund would have upon the premium rates paid by  
22    employers for workers' compensation insurance coverage;  
23           (c) evaluate the various methods for providing  
24    workers' compensation coverage in other states; and  
25           (d) evaluate the procedure and timetable under which

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1 the state fund practically and economically may be abolished  
2 and recommend a procedure and timetable, if the committee  
3 concludes that abolishment of the state fund is feasible and  
4 advisable.

5 (3) That the committee report its findings and  
6 recommendations to the 52nd Legislature.

-End-

APPROVED BY COMMITTEE  
ON LABOR & EMPLOYMENT  
RELATIONS

HOUSE JOINT RESOLUTION NO. 50

INTRODUCED BY BOHARSKI

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE FEASIBILITY AND ADVISABILITY OF ABOLISHING THE STATE WORKERS' COMPENSATION INSURANCE PLAN NO. 3, THE STATE FUND, THEREBY LIMITING THE CHOICE OF MONTANA EMPLOYERS TO INSURE THEIR LIABILITY FOR WORKERS' COMPENSATION AND OCCUPATIONAL COVERAGE TO PLAN NO. 1, SELF-INSURANCE, OR TO PLAN NO. 2, PRIVATE INSURANCE COVERAGE, OR TO A NEWLY CREATED EXCLUSIVE STATE FUND.

WHEREAS, the actuary of the state workers' compensation plan No. 3 has determined that as of June 30, 1988, a full funding deficiency of \$157.3 million existed for the state compensation insurance fund; and

WHEREAS, this unfunded liability may be increasing; and

WHEREAS, Senate Bill No. 428, if enacted, creates the state compensation mutual insurance fund, a state entity, to insure employers for workers' compensation and occupational disease liability and allows the new state fund to contract out to the private sector certain claims administration and servicing functions if the state fund determines it to be cost-effective; and

WHEREAS, the need to ensure that employers in this state have a cost-effective system under which they may insure their workers' compensation liability is of great significance to all Montanans; and

WHEREAS, it may be cost-effective to the state and Montana employers and in the best interest of the state and Montana employers to abolish the state fund; AND

WHEREAS, MANY STATES OPERATE EXCLUSIVE STATE FUNDS WHICH PROVIDE THAT ALL EMPLOYERS PURCHASE WORKERS' COMPENSATION COVERAGE THROUGH A STATE-OPERATED SYSTEM WITHOUT COMPETITION FROM THE PRIVATE SECTOR, THEREBY OFFERING COST-EFFECTIVE COVERAGE TO ALL EMPLOYERS.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That an appropriate interim committee be assigned to study the feasibility and advisability of abolishing the workers' compensation insurance plan No. 3, the state fund, thereby limiting the choice of Montana employers to insure their liability for workers' compensation and occupational coverage through plan No. 1, self-insurance, or plan No. 2, private insurance coverage, OR ABOLISHING PLANS NO. 1 AND NO. 2 AND CREATING AN EXCLUSIVE STATE FUND FOR PROVIDING COVERAGE OF MONTANA EMPLOYERS.

(2) That the committee, in its study:

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1       (a) evaluate the economic feasibility to the state and  
2 to Montana employers of abolishing the state fund OR  
3 CREATING AN EXCLUSIVE STATE FUND;

4       (b) seek to determine the effect that the abolishment  
5 of the state fund OR CREATION OF AN EXCLUSIVE STATE FUND  
6 would have upon the premium rates paid by employers for  
7 workers' compensation insurance coverage;

8       (c) evaluate the various methods for providing  
9 workers' compensation coverage in other states; and

10       (d) evaluate the procedure and timetable under which  
11 the state fund practically and economically may be abolished  
12 OR RESTRUCTURED and recommend a procedure and timetable, if  
13 the committee concludes that abolishment OR RESTRUCTURING of  
14 the state fund is feasible and advisable.

15       (3) That the committee report its findings and  
16 recommendations to the 52nd Legislature.

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