

Unofficial Draft Copy

As of: June 28, 2010 (9:12am)

LCfund

**** Bill No. ****

Introduced By *****

By Request of the *****

A Bill for an Act entitled: "An Act providing that every 5 years the financial and compliance audit of the state fund conducted by the legislative auditor must include an examination of market conduct, claims management, best management practices, and financial exams; requiring the audit be provided to the insurance commissioner and that after reviewing the audit the insurance commissioner report any concerns or recommendations to the legislative audit committee and the legislative finance committee; and amending section 39-71-2361, MCA."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 39-71-2361, MCA, is amended to read:

"39-71-2361. Legislative audit of state fund. (1) The legislative auditor shall annually conduct or have conducted a financial and compliance audit of the state fund, including its operations relating to claims for injuries resulting from accidents that occurred before July 1, 1990. The audit must include evaluations of the claims reservation process, the amounts reserved, and the current report of the state fund's actuary. The evaluations may be conducted by persons appointed under 5-13-305. In addition, every 5 years, the audit must include an examination of market conduct, claims management, best

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management practices, and financial exams with respect to the state fund. Audit and evaluation costs are an expense of and must be paid by the state fund and must be allocated between those claims for injuries resulting from accidents that occurred before July 1, 1990, and those claims for injuries resulting from accidents that occur on or after that date.

(2) Annually, the legislative auditor shall provide the results of the financial and compliance audit to the insurance commissioner. The insurance commissioner shall review the financial and compliance audit and report any concerns or recommendations based on the review to the legislative audit committee and the legislative finance committee.

{Internal References to 39-71-2361: None.}

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