



## Economic Affairs Interim Committee

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### 63rd Montana Legislature

#### SENATE MEMBERS

BRUCE TUTVEDT--Chair  
ELSIE ARNTZEN  
DICK BARRETT  
TOM FACEY

#### HOUSE MEMBERS

RYAN LYNCH--Vice Chair  
TOM BERRY  
GREG HERTZ  
LEA WHITFORD

#### COMMITTEE STAFF

PATRICIA MURDO, Lead Staff  
BART CAMPBELL, Staff Attorney  
KRISTINA LIMING, Secretary

## Economic Affairs Interim Committee - HJR 25 Subcommittee

### MINUTES LOG December 18, 2013 Room 137, State Capitol

Please note: These minutes provide abbreviated information about subcommittee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page. Subcommittee members names are fully capitalized on each mention.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

### **SUBCOMMITTEE MEMBERS PRESENT**

SEN. TOM FACEY  
REP. TOM BERRY

### **OTHER EAIC MEMBERS PRESENT**

SEN. BRUCE TUTVEDT  
REP. RYAN LYNCH  
REP. GREG HERTZ

### **STAFF PRESENT**

PATRICIA MURDO, Lead Staff  
BART CAMPBELL, Staff Attorney  
KRISTINA LIMING, Secretary

## **AGENDA & VISITORS' LIST**

Agenda, [Attachment #1](#).  
Visitors' list, [Attachment #2](#).

00:00:00 CALL TO ORDER -- INTRODUCTIONS -- REP. TOM BERRY

00:04:45 AGENDA ITEM #1  
Report from State Fund about its Key Points, Laurence Hubbard,  
President and Chief Executive Officer, Montana State Fund.  
HJR 25 - Montana State Fund Structure Considerations (**EXHIBIT 1**)  
Relationship bubble chart (**EXHIBIT 2**)

00:32:27 Comments from Stakeholders

00:32:55 Greg Dahl, State Auditor's Office (Commissioner of Securities and  
Insurance)

00:35:13 Jacqueline Lenmark, America Insurance Association

00:40:47 Bob Biskupiak, Independent Insurance Agents Association

00:41:35 Bob Worthington, Montana Self-Insurers Association

00:43:44 Diana Ferriter, Department of Labor and Industry

00:44:38 Bruce Spencer, Property Casualty Insurance Association

00:47:22 Spook Stang, Motor Carriers of Montana

00:50:14 Sen. Jim Keane

00:55:21 Glenn Oppel, Montana Chamber of Commerce

00:57:00 Rep. Greg Hertz

00:57:47 SEN. TOM FACEY

00:59:48 Sen. Bruce Tutvedt

01:03:18 SEN FACEY  
01:04:03 REP. BERRY  
01:04:28 Joe Brenneman, Montana State Fund Board of Directors  
01:07:26 Jon Bennion, Department of Justice  
01:08:52 Scot Conrady, Legislative Fiscal Division  
01:09:33 Mr. Hubbard  
01:10:21 Sen. Tutvedt  
01:10:39 Mr. Hubbard  
01:14:43 REP. BERRY  
01:15:36 Sen. Keane  
01:17:42 Rep. Hertz  
01:18:43 Bart Campbell, Staff Attorney  
01:19:39 Sen. Tutvedt

AGENDA ITEM #2  
Report from Other Stakeholders about Their Key Points

No comments, other than those previously mentioned.

AGENDA ITEM #3  
Public Comment  
No additional comment.

01:22:12 AGENDA ITEM #4  
Discussion and Recommendations for Topics at EAIC Jan. 28 Meeting

- Why restructure -- from MSF's perspective.
- Old Fund options
- Liability for Old Fund/New Fund obligations
- State Auditor regulatory implications
  - Subjects to include:
    - guaranteed market;
    - rate review;

- market review;
- fiscal solvency as in RBC analysis;
- carve-outs for non-dissolution;
- what to do about supervisory takeover if in fiscal difficulty;
- what to do about participation in the guaranty fund;
- should NCCI participation be required;
- should all insurers be allowed to write the class codes that MSF currently writes and should this be addressed by legislation or the code classification committee?
- should all insurers be allowed to use a \$5,000 premium base for experience rating?
- how to deal with fraud investigation and prosecution vis-à-vis State Auditor and Dept. of Justice;
- should MSF be allowed to write more lines of insurance?
- Premium Taxes
- Pay issues for state employees
- Board of Directors - how to get more involvement, how to structure

01:27:22 REP. BERRY adjourned the meeting.

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