

MONTANA STATE FUND
Regular Meeting of the Board of Directors
Thursday, March 10, 2016 2:00 p.m.
Friday, March 11, 2016 – 8:30 a.m.
Montana State Fund Office Building
855 Front Street, Helena, Montana

THURSDAY, MARCH 10, 2016 – 2:00 p.m.

I. Meeting Preliminaries (2:00 p.m.)

- A. Call to Order
- B. Approval of November 20, 2015 and December 11, 2015 Minutes

II. President/CEO FY 15.5 Performance Review and Determination of CY 16 Performance Goals (2:05 p.m.)

- A. Introduction – Notice of Closure of Meeting – Lance Zanto, Chair of the Board

CLOSED MEETING (2:05 p.m.)

III. President/CEO Performance Review

- A. Call to Order
- B. President/CEO's Performance Review

REOPEN MEETING (4:05 p.m.)

IV. President/CEO Determination of CY 16 Performance Goals (3:10 p.m.)

- A. Introduction – Lance Zanto – Chair of the Board
- B. CY 16 Performance Goals of President/CEO – **Board Action**

V. Public Comment (4:20 p.m.)

FRIDAY, MARCH 11, 2016

I. Meeting Preliminaries (8:30 a.m.)

- A. Call to Order

II. Ratemaking Decisions for July 1, 2016 to July 1, 2017 (8:35 a.m.)

- A. Overview of Rate Filing Process – Dan Gengler, Internal Actuary
- B. NCCI Montana Loss Costs Filing Update Effective July 1, 2016 - Dan Gengler, Internal Actuary
- C. Adopt NCCI Filings/Loss-Costs Filing Effective July 1, 2016 – Dan Gengler, Internal Actuary – **Board Action**
- D. Multiple Rating Tiers and Certification – Dan Gengler, Internal Actuary - **Board Action**
- E. Minimum Premium and Expense Constant – Mark Barry, VP Corporate Support - **Board Action**

Break (10:00– 10:15 a.m.)

II. Ratemaking Decisions for July 1, 2016 to July 1, 2017 – Continued (10:15 a.m.)

- F. Additional Ratemaking Decisions – Christy Weikart, Underwriting Services Leader – **Board Action on Items 1-8**
 - 1. Scheduled Rating
 - 2. Anniversary Rating Date
 - 3. Employer's Liability
 - 4. Deposit
 - 5. Short Rate Premium
 - 6. Payroll Versus Per Capita for Domestic Workers

7. Volume Discount
8. Retrospective Rating Plan Factors – Dan Gengler, Internal Actuary

- G. Construction Credit Eligible Class Codes – Christy Weikart, Underwriting Services Leader – **Board Action**

III. Actuarial Report – Russell Greig, Director and Leslie Vernon, Senior Consulting Actuary – Willis Towers Watson (11:00 a.m.)

IV. Ratemaking Decisions for July 1, 2016 to July 1, 2017 - Laurence Hubbard, President/CEO (11:30 a.m.)

- A. Recommendation on Contribution to Equity
- B. Loss Cost Multipliers and Components - Dan Gengler, Internal Actuary
- C. Adopt Loss Cost Multipliers for new and renewal policies effective July 1, 2016 to July 1, 2017 - **Board Action**

Lunch Break (12:15 – 1:00 p.m.)

V. Reserve and Financial Reports – Montana State Fund (1:00 p.m.)

- A. Introduction - Laurence Hubbard, President/CEO
- B. Montana State Fund FY15.5 Reserve Report – Russell Greig, Director and Leslie Vernon, Senior Consulting Actuary, Willis Towers Watson
- C. Montana State Fund FY15.5 Reserve Recommendations – Laurence Hubbard, President/CEO
- D. FY15.5 Preliminary Financial Report – Mark Barry, VP Corporate Support
- E. Adoption of Montana State Fund FY15.5 Unpaid Loss and Loss Adjustment Expense Reserve Estimate - Laurence Hubbard, President/CEO – **Board Action**

VI. Public Meeting on FY15.5 Annual Business Plan (2:00 p.m.)

- A. Presentation of Results – Shannon Copps, Director of Enterprise Strategy and Project Management

VII. General Counsel’s Office – Curtis Larsen, Interim General Counsel (2:25 p.m.)

- A. Administrative Rules – Proposed Amendment to ARM 2.55.502 – Individual Loss Sensitive Dividend Distribution Plan - **Board Action**
- B. Amend Board Policies, Procedures, Rules and Guidelines – Rule 14 - Individual Loss Sensitive Dividend Distribution Plan – **Board Action**

VIII. Miscellaneous – Laurence Hubbard, President/CEO (2:45 p.m.)

- A. Miscellaneous
- B. Report of Internal Auditor – Patti Grosfield, Internal Auditor
- C. Potential Purchase of Parking Structure from City of Helena – Mark Barry, VP Corporate Support – **Board Action**
- D. Budget Variance Reports as of December 31, 2015 – Rene Martello, Controller

IX. Old Business/New Business (4:00 p.m.)

X. Public Comment (4:05 p.m.)

Times are approximate and items may be on the agenda earlier or later than stated.

The Montana State Fund makes reasonable accommodations for any known disability that may interfere with a person’s ability to participate in state government. Persons needing accommodations must contact Ms. Verna Boucher at the Montana State Fund no later than March 7, 2016 by calling 495-5000 (TTD 495-5030) or writing to Montana State Fund Executive Offices, P.O. Box 4759, Helena, MT 59604, to allow adequate time to make arrangements.