

Montana State Fund
Operational Excellence Committee Charter
Approved: [date]

Purpose of Committee

The purpose of the Operational Excellence Committee is to discharge the Board's responsibilities relating to claims, customer and agent service, technology, and other operational matters.

Committee Membership

The Committee shall consist of three Board Members.

Members shall be appointed by the Board Chair who shall notify the Board of all appointments as they are made. The Chair shall appoint for membership to the Committee only those individuals who the Chair believes in his/her judgment are qualified to perform the duties of the Committee as set forth in this charter. The Chair may remove a committee member at any time and appoint a replacement, provided the Chair notifies the Board of the removal and the reasons at the time of the removal.

Committee Structure and Operations

The Chair shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically as it deems necessary or appropriate, and at least two times per year, at a place and time determined by the Committee chairperson.

The Committee may invite such staff to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of personal health information ("PHI") business trade secrets, performance, and potential litigation discussions. Staff members should not attend any meeting unless specifically invited by the Committee. Meetings will always be publicly noticed, and will normally open to the public, but may from time to time be closed to the public, upon agreement of counsel, if the matters being discussed so require (the maintenance of the confidentiality of trade secrets, litigation strategy, ongoing or past fraud investigations, fraud prevention tactics and processes, and staff performance discussions, and other such matters where counsel agrees it is legally justified to do so).

If one member of the Committee cannot attend a meeting, the remaining two members of the Committee, acting unanimously, shall have the power to take any action necessary or convenient to the efficient discharge of its responsibilities. No action of the Committee shall be valid unless approved by at least two members of the Committee.

Committee Duties and Responsibilities

The following are the general duties and responsibilities of the Committee:

- In consultation with the CEO, establish and periodically review the general operational, customer service, and claims policies, and to oversee the development of quality metrics and quality improvement programs.
- Review consumer, agent, regulatory and other complaints or appeals as appropriate.
- Review litigation, litigation strategies and potential operational deficiencies and threats to the company.
- Review and approve goals and objectives relevant to the operations and quality improvements, discuss metrics directly with staff.

- Review and advise the Board concerning industry best practices.
- Prepare and deliver to the Board, at such time as the Board shall request, reports concerning the activities and recommendations of the Committee and disclose the results of Committee findings.
- In consultation with the CEO, review regulatory compliance with respect to company operations.
- Any other duties or responsibilities expressly delegated to the Committee by the Board or its Chair from time to time relating to operational matters.

Committee Reports

The Committee shall produce the following reports and provide them to the Board.

- The Committee will keep the Board informed on a timely basis either verbally or in writing on all matters related to its duties and purpose. The Committee has the discretion to keep specific litigation or PHI matters within the Committee or, if required by the Board, to report on any such matter in Executive Session of the Board. At least once every two years, the Committee shall review its Charter and either recommend changes, or recommend no changes, to the full Board.

Resources and Authority of the Committee

The Committee shall request the resources, and hold authority, appropriate to discharge its duties and responsibilities.