



855 Front Street • P.O. Box 4759 • Helena, MT 59604-4759

Customer Service: 1-800-332-6102

Fraud Hotline: 1-888-682-7463 (888-MT-CRIME)

**MONTANA STATE FUND  
BOARD OF DIRECTORS MEETING  
June 10, 2022**

The Montana State Fund (MSF) Board of Directors meeting was held June 10, 2022 in the Board Room of Montana State Fund, 855 Front Street, Helena, Montana 59601 and via Zoom.

**Directors Attending**

Richard Miltenberger, Clancy  
Jack Owens, Missoula  
Michael Marsh, Billings

Jan VanRiper, Missoula – via Zoom  
John Maxness, Helena  
Dexter Thiel, Sidney

**State Fund Staff**

Laurence Hubbard, President/CEO  
Verna Boucher, Special Asst to Pres/CEO  
Kevin Braun, General Counsel  
Mark Burzynski, Corporate Support VP  
Julie Jenkinson, Operations VP  
Matt Mandell, Interim Operations Support VP  
Rick Duane, Human Resources VP

Rene Martello, Controller  
Patti Grosfield, Internal Auditor  
Kurstin Adamson, Director, ESPM  
Matt Coy, CIO  
Will Anderson, Interim Operations VP  
Holly O'Dell, Incoming President/CEO

**Others Attending**

Bob Biskupiak, CSI  
Peter Strauss, Montana Self Insurers' Assn.

Troy Smith, CSI

**I. Meeting Preliminaries**

*A. Call to Order*

Chair Miltenberger called the meeting to order at 8:35 a.m. and welcomed attendees. He reminded members of the public who were live streaming that their input was welcomed during the course of the meeting and to follow the instructions on-line to do so.

*B. Board Introduction of Holly O'Dell, Incoming President/CEO*

Chair Miltenberger introduced incoming President/CEO Holly O'Dell. He noted that she is moving to Helena from Beaverton, Oregon. He thanked her for being part of the process and taking on this responsibility. He said Ms. O'Dell comes with a wealth of experience and brings both a nursing and legal perspective to the position and the Board is delighted to be working with her in the future.

Chair Miltenberger noted the position drew over 300 applications with a wide range of very qualified applicants. He thanked the internal staff members that applied as well as the external people who took the time to apply.

President Hubbard also took a moment to welcome Ms. O'Dell.

*C. Approval of March 11, 2022 and April 5, 2022 Board Meeting Minutes*

Chair Miltenberger called for a motion to approve the minutes as presented.

*Mr. Owens made a motion to approve the March 11, 2022 and April 5, 2022 minutes as presented. The motion was seconded by Ms. VanRiper. Chair Miltenberger called for any questions or comments from the Board.*

Mr. Marsh indicated that his personal notes of the March 11, 2022 meeting reflected a different statement than what the minutes stated on Page 9 paragraph 5. His notes indicated that the expense constant as a premium charge applied to “all” policies and the minutes reflect that they apply to “each” policy which is a correct statement from what the statute says; however, he recalled that differently from what was stated in the meeting. He said he would vote for the approval of the minutes but he wanted to make that point of clarification because he had a misunderstanding of what was said at the meeting.

Chair Miltenberger asked if Ms. Boucher could use the break to review the recording to confirm what was actually stated and the Board could then address the approval process later in the meeting.

*Mr. Owens amended the motion to approve only the April 5, 2022 minutes as presented. Ms. VanRiper seconded the motion. Chair Miltenberger called for further discussion; there was none. He called for the vote and the motion passed unanimously.*

#### D. Committee Reports

Chair Miltenberger called for the Committee reports

##### 1. **Finance and Audit Committee – John Maxness**

###### i. Audited Calendar Year 2021 Statutory Financial Statements

Mr. Maxness reported that Eide Bailly presented the Calendar Year 2021 Statutory Audit Financial Statements and noted that there were no findings or recommendations. The Finance and Audit Committee reviewed, discussed and recommended approval by the Board.

*Mr. Owens moved the Board approve the statutory-basis financial statements as audited by Eide Bailly for inclusion in the Calendar Year 2021 Annual Report, along with a reconciliation of the audited statutory policyholder equity as compared to GASB net position, subject to audit. Mr. Marsh seconded the motion. Chair Miltenberger called for further discussion; there was none. He called for input from the public or staff; there was none. He called for the vote and the motion passed unanimously.*

###### ii. Premium/Loss Valuation Date for Board Dividend Policy

Mr. Maxness reported that Ms. Martello explained the proposed Board dividend policy change to the Committee and noted that the same motion had been passed for 14 years and this change simply makes this action, going forward, only necessary should the Board choose to adopt a different time frame:

(THIS IS THE SPECIFIC AMENDMENT TO THE DIVIDEND POLICY TO BE CONSIDERED)

4. “Loss Valuation Dates are considered final for dividend declaration purposes with respect to premium and the incurred losses for the period adopted by the Board after the close of the dividend year being reviewed. Unless the Board adopts a different time frame, the valuation date for a given dividend year will be June 30, two years following the end of the applicable dividend year.”

*Mr. Marsh made a motion for the Board to approve an amendment to the Dividend Policy to establish the valuation date for premium and incurred losses for a given dividend year to be June 30, two years following the end of the applicable dividend year. Ms. VanRiper seconded the motion. Chair Miltenberger called for discussion*

*from the Board; there was none. He called for input from the public or staff; there was none. He called for the vote and the motion passed unanimously.*

- iii. Data Measurement Criteria for Premium & Incurred Losses for Potential Dividend Declaration – Mr. Maxness explained that no action was necessary on this item as the previous motion established a new process.
- iv. Old Fund FY 2023 Funding Estimate  
Mr. Maxness said the Committee discussed the Old Fund funding estimate. The “Old Fund” includes all workers’ compensation claims that occurred before 7/1/1990 and is a liability of the State of Montana; therefore activity is tracked on the state’s fiscal year cycle ending June 30th. The following funding estimate is for the period of July 1, 2022, through June 30, 2023. This funding estimate will be provided to the Governor’s Office of Budget and Program Planning. All expenditures are funded from the General Fund and MSF administers the claims as required by law. The Committee recommended the passage of this motion.

Mr. Marsh asked what steps would need to be taken should there be more settlements than are included in this estimate?

President Hubbard noted in that case a budget amendment request would be submitted to the Governor’s Budget Office for approval for any additional amounts.

*Mr. Marsh made a motion for the Board to approve management’s recommendation of \$6,985,467 for the FY23 Old Fund estimated benefit payments and administration costs for reporting to the State of Montana for funding from the general fund. Mr. Owens seconded the motion. Chair Miltenberger called for Board discussion; there was none. He called for public and staff input; there was none. He called for the vote and the motion passed unanimously.*

Mr. Maxness reported on the presentation from the Board of Investments (BOI) Representatives, John Putnam, Chief Investment Officer and John Romasko, Director of Fixed Income. He said they provided their annual update regarding MSF’s investment portfolio to the Finance and Audit Committee members. Their presentation has been distributed to the Board. In summary:

- State Fund Investment Pool continues to perform well despite volatile markets.
- BOI will continue to diversify the portfolio over time.
- BOI takes a long-term view of the portfolio with a focus on managing downside risk presentation at the Finance and Audit Committee.

- v. Board Equity Target Range  
Mr. Maxness reported that Mr. Burzynski presented management’s rationale on the proposal to adopt the new reserve-to-policyholder equity ratio level. He specified that other state funds and carriers have been working at lowering that ratio and have capitalized on the strong investment markets in doing so and MSF has been slow in taking that same step. He said the Committee reviewed discussed and recommended to the full Board the passage of this proposal. He said it was important to note that this would not result in an immediate change and the process to achieve the lower ratio would be gradual and take time.

Chair Miltenberger called for discussion.

Mr. Marsh asked if there was any material operational impact to adjusting this ratio for our equity target? He asked since rates cannot generate into surplus how does that relate to this?

President Hubbard stated that the reserve to equity target ratio is a benchmark financial measure for the level of equity the Board wants to maintain vis-a-vis the reserves, to support the loss reserves. MSF's financial health is driven by the rates charged to policyholders and MSF has no other method to raise capital. Lowering the ratio will gradually increase MSF's equity level to assure MSF's solvency going forward. Operationally, this could affect the Board's discussion and decisions on dividends should those issues arise.

Chair Miltenberger called for additional questions; there were none.

*Mr. Owens made a motion for the Board to approve the adoption of a loss and loss adjustment expense (LAE) reserve to policyholder equity ratio targeted range of between 1 to 1 and 2 to 1; meaning the Montana State Fund should try to maintain a target range where every 1 to 2 dollars of loss and LAE reserves would be supported by one dollar of equity. The motion was seconded by Ms. Van Riper. Chair Miltenberger called for further input from the Board; there was none. There was no public input either. He called for the vote and the motion passed unanimously.*

Mr. Maxness reported that the whistleblower protections presentation was done by Kevin Braun and Patti Grosfield. They provided a review of the whistleblower opportunities that currently exist for employees to report any issues of concern as well as research on third party vendors that the Board had requested be completed. Chair Fagg and Committee members asked staff to develop a procedure, cost of, and reporting plan and provide that information to the Finance and Audit Committee meeting that will be held prior to the September 9, 2022 Board meeting for possible approval/referral to the Board.

Chair Miltenberger noted that MSF has, for many years, participated in a whistleblower program through the State of Montana. He noted that it does not provide a conduit for every type of input and does not circle back to this Board. He said it is most common in this industry for the Chair of the Board and the Chair of the Finance and Audit Committee to receive these kinds of confidential inputs if an employee feels something is awry. He said the Board is looking for a program that is specific to MSF.

Mr. Maxness reported on Mr. Marsh's Kids Chance endowment proposal. He said that Mr. Marsh, currently a board member of Kids Chance of Montana, said he would be abstaining from voting should this issue require a vote from the Board in the future. This program, now offered in all 50 states, offers scholarships to the children of severely injured or deceased workers for post K-12 education. He said \$16 million has been granted nationally and Montana has granted \$143,000 in scholarships since 2018 with an additional approval for the 2022/2023 year of \$43,000. Mr. Marsh proposed that MSF donate a \$1 million allotment into the endowment of Kids Chance of Montana. Chair Fagg and the Committee members requested more information from the Kids Chance program regarding where the monies have been spent and future intent

for utilization. They also requested more information on MSF's internal scholarship program that provides similar scholarships to the children of deceased workers.

Chair Miltenberger noted that MSF has contributed to Kids Chance in the past and said he was hopeful this would be reviewed and pursued over the coming months. He said Kids Chance is a great organization and a financial contribution is well worth consideration.

President Hubbard noted that MSF, for many years, has maintained charitable contributions throughout Montana through the Assisting Charitable Endeavors (ACE) program which assists non-profits to improve safety in their worksites. MSF also has a scholarship program for the children of deceased workers which has been on-going for many years. He noted that MSF is already the single largest contributor to Kids Chance Montana with over \$80,000 since 2017 and remains very involved with this program including a staff member serving on the Board.

**2. Operational Excellence Committee – Dexter Thiel**

Mr. Thiel reported the evening before the June 3 Committee meeting in Billings, a dinner was held at the Windmill which was announced and posted.

1. Kurstin Adamson provided an Enterprise Risk Management Report in response to questions posed by Mr. Marsh and Chair Thiel at the December 10, 2021 Board meeting regarding risks related to customer service and remote work and MSF's response to the increased need during COVID for work-from-home employees. She reported on the service risks; agent relationships, pricing and policies and customer service and claims. She also reported on the risk-mitigating projects that have been put in place to address the service risks: PBRI, WorkSafe Champions, Growing a Safer Montana and the Producer Portal Accelerator.
2. In the Structural Discussion, Ms. VanRiper prepared and shared her recommended changes to the Charter of the Operational Excellence Committee that was proposed and adopted October 15, 2021. She reported that her intent was to narrow the scope of the Committee's structure to make it easier on MSF staff and the Committee members because she felt more of a process outline/procedure was needed. Chair Thiel noted this item will be the first topic of discussion at the next Operational Excellence Committee meeting.
3. Chair Thiel asked staff to describe what steps or actions are being taken to address smaller, rural agents and agencies. Julie Jenkinson, Executive Vice President reported that the Public Risk Insurance Management (PRIM) program, which is administered by Kerri Emmons, allows agents to access MSF policies without having to obtain an appointment which requires a higher level of secured premium.
4. Introduction to Actuarial Principles Regarding Ratemaking, Pricing Equity and Dividends – Russell Greig, WTW provided a Montana Workers' Compensation Ratemaking 101 presentation. Darcie Dunlap, Internal Actuary, provided presentations "From Rates to Premium – Equity in Pricing Programs" and "MSF Dividends." These presentations were provided based on questions from Ms. VanRiper and Mr. Marsh regarding the pricing equity, ratemaking and proposed changes to the dividend table. Staff and Mr. Greig answered a number of

Committee member questions that assisted in clarifying the reasoning and requirements for the processes that the members had questions about.

5. Management Process – Michael Marsh  
Mr. Marsh thanked MSF staff for a superior job answering the questions and additional questions that he had placed on the Committee agenda at recent Committee meetings. He indicated that he had not yet had the opportunity to review all of the responses but would do so.
6. Policy Underwriting and Billing System – Julie Jenkinson, Executive VP  
Ms. Jenkinson reported the policyholder and customer portals are on target to be implemented in September. The agent portal will launch first in August 2022 before launch to the customers/policyholders so the agents know the system when their policyholders begin using it and may have questions. The portals will contain all functionality that is currently provided by phone calls to our Customer Service Specialists, although the portals will still not be able to provide the quote function.
7. Executive Session  
The Committee went into closed session and received an update on the status of the PBRI Contracts – there was no report for the closed session.

Mr. Theil thanked staff for their good presentations and all their hard work.

Chair Miltenberger noted that the Operational Excellence Committee is the catch all committee for everything else. He thanked Mr. Thiel for his leadership.

A brief recess was taken to check the audio of the minutes from the March 11, 2022 minutes. Mr. Marsh indicated that Ms. Boucher confirmed it was “all”, consistent with Mr. Marsh’s notes.

*Mr. Marsh made a motion for the Board to accept the March 11, 2022 minutes as amended. Mr. Maxness seconded the motion. Chair Miltenberger called for discussion; there was none. He called for the vote and the motion passed unanimously.*

### **3. Human Resources and Compensation Committee**

- i. Ratify the Employment Contract with New President/CEO O’Dell – Board Action –  
Chair Miltenberger noted that the Board was advised by legal counsel to have an employment contract for the President/CEO position and the Human Resources Committee recommends the Board approve and ratify the contract.

Chair Miltenberger called for discussion or questions from the Board; there was none.

*Mr. Maxness made a for motion to the Board approve and ratify the employment contract with Holly O’Dell to serve as the President and CEO of the Montana State Fund. Mr. Marsh seconded the motion. Chair Miltenberger called from input from the Board and the public; there was none. He called for the vote and the motion passed unanimously.*

- a. Budget amendment for the Calendar Year 2022 – Board Action  
Chair Miltenberger explained the need for the budget amendment based on the contract motion that was just passed.

*Mr. Owens made a motion for the Board to approve the budget for Calendar Year 2022 be amended to include the compensation and benefits paid for Holly O'Dell for the period from May 16 through July 30, 2022, the period of time the CEO position was double filled. The motion was seconded by Ms. Van Riper. He called for Board discussion; there was none. He called for public input; there was none. He called for the vote and the motion passed unanimously.*

ii. President Hubbard's Compensation Review

Chair Miltenberger explained that the Board reviewed an adjustment to the base pay of President Hubbard. He thanked President Hubbard for his ever-present consideration of best practices for MSF and for giving the Board a full year to work on the succession plan for his retirement. He noted that the salary for this position, in a highly specialized field, is often questioned due to MSF being designated as administratively attached to the State of Montana.

a. Introduction – Notice of Closure of Meeting – Richard Miltenberger, Chair of the Board

Chair Miltenberger asked if President Hubbard would like to waive his right of privacy.

President Hubbard said he would not, with the exception of Mr. Braun and Mr. Duane if the Board so chose.

Mr. Miltenberger closed the session at 9:47 a.m.

b. Meeting Closed to the Public

c. President/CEO Hubbard's Compensation Review

iii. President/CEO Hubbard's Compensation

a. Introduction – Richard Miltenberger – Chair of the Board

The Meeting was reopened at 9:57 a.m. by Chair Miltenberger.

b. President/CEO Hubbard's Annual Compensation

Chair Miltenberger said the Board had been delighted with President Hubbard's performance over the past year and thanked him for his exceptional leadership. He called for a motion.

*Mr. Marsh made a motion that the Board approve an adjustment to the annual base compensation of Laurence Hubbard, President and CEO of Montana State Fund, be set at four % increase over the current salary, effective March 12, 2022. Mr. Maxness seconded the motion. Chair Miltenberger called for discussion from the Board and for public input; there was none. He called for the vote and the motion passed unanimously.*

c. Budget Amendment for the Calendar Year 2022

*Mr. Owens made a motion that the Board approve that the budget for Calendar Year 2022 be amended to acknowledge the Board-approved adjustment to the President/CEO's base compensation. The motion was seconded by Ms. VanRiper. He called for comments, conversation, discussion or input from the public; there was none. He called for the vote and the motion passed unanimously.*

**II. Miscellaneous – Laurence Hubbard, President/CEO**

*A. Miscellaneous*

President Hubbard took a moment to thank the Board and to address the attendees of his last Board meeting. He expressed excitement and sadness over the process of retiring from MSF. He said he stood on the shoulders of a lot of fine people that got MSF where it is today, such as Nancy Butler, MSF General Counsel and Mark Barry, MSF CFO. He noted that Ms. Butler was a remarkable mentor for him over the years and that he owed her a huge debt of gratitude. He added that Mr. Barry, MSF’s CFO for 25 years was also fundamental in building this company financially as well as the MSF building. He said he was hopeful that the spirit and culture that was built in this company will continue in the future for the staff and people that work in this building. He said he was very proud of the Executive Team and encouraged to see them carry on MSF’s legacy. He added that he believed MSF is here for the long haul and should always take the long view. He encouraged the Board of Directors to support Ms. O’Dell as she takes the helm and continues to support the management team at MSF. He also took a moment to recognize and thank Bob Biskupiak, Deputy Insurance Commissioner at CSI for his years of collaboration and support.

Chair Miltenberger thanked President Hubbard for giving his heart and soul to this organization for decades and he said it was very much appreciated. He presented Mr. Hubbard with a rendering of the MSF building and a gift basket on behalf of the Board of Directors.

Chair Miltenberger noted that President Hubbard will be continuing in this role for the next six or seven weeks.

*B. Annual Business Plan Update – Kurstin Adamson, Enterprise Risk Management Officer*

Ms. Adamson noted that she, on a temporary basis, would be providing the annual business plan updates along with Verena Maeder.

She provided the Key Success Measures as reflected in the graph below. The variances are due to lower-than-expected capital gains due to historically low interest rates and equities markets not increasing in value as expected. She said the three percent rate reduction and slight uptick in claim frequency and severity were not in the original plan projections. Despite the variances, MSF remains in a very strong equity position that protects it from volatility such as this.

*Key Success Measures*

| KSM                                      | 2022 Plan | 2022 Projection |
|--|-----------|-----------------|
| Net Earned Premium                       | \$159.1M  | <b>\$159.9M</b> |
| Loss Ratio                               | 64.9%     | <b>67.7%</b>    |
| Expense Ratio                            | 42.7%     | <b>42.7%</b>    |
| Investment Income                        | \$50.5M   | <b>\$31.9M</b>  |
| Income Earned                            | \$35.5M   | \$33.3M         |
| Realized Capital Gains (losses)          | \$15M     | (\$1.4)         |
| Net Operating Income (prior to dividend) | \$34.9M   | <b>\$11.9M</b>  |
| Achieve Enterprise-Wide Initiatives      |           |                 |

She said the Policy and Billing Replacement Initiative (PBRI) project is a multi-year project to replace the legacy policy and billing systems and this year the team is working on decommissioning the old system along with launching the customer and agent portals which include training of our agency partners. This project is on track to complete all deliverables for the year.



Worksafe Champions is a multi-year initiative with policyholders to build the safety culture for MSF's customers. There are three components to this program 1) a nine-module on-site class for employers that will commit three or more people and this year MSF is partnering with 14 companies for this project. There has been an increased interest from the counties in this program and on the eastern half of the state. 2) Centralized classes for smaller employers to send one or two employees to take the courses. 3) Worksafe Champions Elite for graduates of the program which provides them with safety equipment of up to \$3,000.

Ms. Adamson said the Growing a Safer Montana program awards personal protective equipment (PPE) to eligible middle and high schools throughout Montana. This program also awards scholarships for participants in targeted trade and safety health programs beyond high school. She noted the project team is in the process of reviewing the applications for PPE awards and have received requests from 87 eligible high schools and 20 eligible middle schools, which is higher than the 40 and 15 respectively planned for this year. The team is evaluating how best to meet the interest in the program and how to expand for further years. This project is also on track to meet all established deliverables for the year.

Chair Miltenberger called for questions from the Board and members of the public; there were none.

### **III. Corporate Support – Rene Martello, Controller**

#### *A. First Quarter Financial Report – Calendar Year 2022*

Ms. Martello presented the results of the first quarter financial report and the budget variance report as of March 31, 2022. She reported that total admitted assets at the end of December 31, 2021 were \$1.734 billion and in the first quarter of 2022 has seen a \$13 million decrease thus far. The key variance was in unrealized losses of MSF's equities securities holdings which was down \$10.4 million. She said that there was also one fiscal quarter of building depreciation at \$132,000 and cash and short-term investments were down \$5 million. Overall total cash and invested assets were down \$6.4 million and other admitted and invested assets were down \$6.5 million. She added the largest part of that is the premium receivable, which is cyclical in nature and typically is down in the first quarter of the year.

She noted that total liabilities were down \$14.5 million to just under \$1 billion and total liabilities and policyholder equity were down approximately \$13 million. The first quarter income statement reflected projections for year end 2022 of net earned premium at \$159.9 based on continued wage growth in payroll for the state of Montana. She provided the Board with a review of the gains and losses on the income statement and noted that net investment income earned is projected to be \$33.2M, down slightly due to the interest-rate environment and the result of purchasing bonds with very low coupon rates. Overall net income before dividend is projected to be at \$11.9 compared to \$81.6 million at the end of 2021.

Ms. Martello reported that policyholder equity is projected to be \$648 million; however, that does not reflect any dividend that may be declared in the fall or any unrealized gains or losses due to changes in equities markets subsequent to March 31, 2022.

She provided a review of the 2022 projections versus the Annual Business Plan and noted that the net earned premium was up slightly, net investment income earned was below plan by \$2.1 million and net realized capital gains were under by \$16.4 million and the loss ratio was higher than projected at 67.7 percent.

#### *B. First Quarter Budget Variance Report - Calendar Year 2022*

Ms. Martello said overall claim benefit payments were projected to be trending favorably for the year and projected to be \$1.4 million under budget. Claim benefit payments reflect that indemnity payments are \$912,614 over budget and medical claim payments are approximately \$2.3 million under budget which is a result of fewer medical settlements in the first quarter. Operational expenditures, which are personal services, operating expenses, transfers and capital outlays, are trending unfavorably and projected to be \$908,000 over budget. She explained that the variances for operational expenditures reflect personal services (all employee compensation, taxes and benefits) being over budget by \$956,935, operating expenses and transfers over by \$360,723 and capital expenditures over by \$45,960, although the allocated loss adjustment expense (ALAE) is under budget by \$455,104.

She noted that the personal services overage is reflected in a pay increase for approximately 40 employees after a wage market comparison determined that claim examiner compensation was not meeting the demands of the existing labor market. That resulted in a \$314,000 increase that was not planned for in the 2022 budget. Four non-budgeted retirements have occurred and the projected increase for those is \$110,000. The 2022 budget does reflect eight planned retirements at \$364,000. She said the "Net of All Other" was a combination of a number of items which reflect a vacancy savings reduction of four percent or \$1,368,000 from the previous budget and a 10 FTE reduction in the 2022 budget. There were also terminations with payouts, temporary duty assignments and salary adjustments as well as fewer vacant positions for shorter time periods.

Ms. Martello reported that agent commissions are expected to be over by \$433,704, recruitment costs and job candidate expenses are projected to be over by \$80,000, a fire panel update is over projection by \$45,960 and the Market Conduct Exam is over budget by \$40,000, resulting in total operating expenses projected to be \$406,683 over. She also noted that the remote work stipend was discontinued.

She said the overall total budget is under by \$520,000 and a budget amendment is not expected to be needed at this time.

Chair Miltenberger asked if the \$314,000 for Claims Examiner (CE) salary increase was an across-the-board ten percent increase or how was that determined?

Ms. Jenkinson responded that MSF pays according to classification in pay bands and this action identified the friction points for talent retention and an entire band was shifted. She said once the band was shifted, individual pay was recalculated according to where it fit with job experience in the band. She said this was not an across-the-board percentage; however, adjustments were made and then evaluated to assure those changes were applied fairly. She noted that MSF has 56 CE positions and currently 45 of those positions are filled. She noted that the Claims Examiner Trainee positions, which are part of a two-year program, were not adjusted.

Chair Miltenberger called for additional questions; there were none.

#### **IV. Old Business/New Business –**

Chair Miltenberger called for old or new business.

Mr. Thiel took a moment to compliment Chair Miltenberger, noting that the Board meeting was shorter, though there seemed to be more Board hours invested which he believed was a really good deal.

He also took a moment to supply the incoming President/CEO, Holly O'Dell with a number of items to assist her in her travels to visit Mr. Thiel and various policyholders and legislators in Sidney, Montana later in the month.

Chair Miltenberger called for additional old and new business; there was none.

**V. Public Comment**

Chair Miltenberger offered President Hubbard, as an ex-officio member of the Board, an opportunity to close out his last Board meeting.

President Hubbard called for any public comment.

Mr. Biskupiak, Deputy Insurance Commissioner, reported that he began working with MSF in 1998 when he worked on the agency side and was able to build strong partnerships and relationships at that time. He said in 2008, he took over as the Executive Director and CEO of the Independent Insurers Association of Montana and the relationship with MSF continued to prosper and grow. In 2017, he moved to the regulatory side and found that the passage of Senate Bill 123 in 2015, further supported his relationship with MSF in his new role. He said throughout his career, his focus had always been on the consumers and in workers' compensation that is the employers and injured workers. He said his experience working with President Hubbard and the MSF team is that the culture of continuous improvement has always been evident. He thanked President Hubbard and said due to that, he looks forward to continuing to work with the MSF team and Ms. O'Dell.

Chair Miltenberger called for further public comment.

The meeting was adjourned by President Hubbard at 10:50 a.m. The next scheduled Board Meeting will be held on Friday, September 9, 2022 at 8:30 a.m. in the Board Room at Montana State Fund, 855 Front Street, Helena, Montana.

Respectfully submitted,

*Verna M. Boucher*  
*Special Assistant to the President/CEO*