

Montana State Fund Rate Facts

2018 marks the twelfth consecutive year MSF rates have remained flat or decreased. Good news for Montana businesses, their employees and the Montana economy.

- 2007: -1%
- 2008: -3%
- 2009: 0%
- 2010: -4%
- 2011: -20%
- 2012: 0%
- 2013: -6%
- 2014: 0%
- 2015: -5%
- 2016: 0%
- 2017: -5%
- 2018: -8%

Total: -52 percentage points

- With Friday's rate reduction taking affect July 1, 2018, the rates charged by MSF will now be lower than when Montana State Fund was formed in 1990 (by almost 3%).
- At one time, Montana had the highest workers' compensation insurance rates in the country. However, in recent years, Montana is experiencing a steady decline. This is attributed, in part to the bipartisan legislative reforms in 2011, as well as an improvement in workplace safety reflected by fewer accidents. Montana is now *only* 14% higher than the median of all 50 states.
- Continuing to improve workplace safety and returning injured employees to work will result in opportunities for continued rate decreases. Fewer and less costly accidents means lower premiums. Improving Montana's workplace safety culture will require a collaborative effort by employers and their employees.
- While MSF is only one of 76 companies writing workers' compensation insurance in Montana, it must insure any employer that needs insurance (i.e. "guaranteed market").
- The NCCI (National Council on Compensation Insurance) recently filed a 10.7% loss cost reduction with the Commissioner of Securities and Insurance. The filing was approved last week.
- The NCCI filing is the estimated amount needed to cover losses and claim management expenses. Insurance companies then factor in their other expenses or provisions such as expected profit, in managing their organization in order to determine their overall rate level.
- The additional expenses or other provisions are different for every insurance company so there are differences from carrier to carrier in their overall rate level decisions.
- Like other insurers, in addition to considering the NCCI loss cost filing, MSF considers other expenses, underwriting programs and investment market returns in the formula to determine any final rate level adjustment for MSF policyholders.