MONTANA BOARD OF REGENTS OF HIGHER EDUCATION Policy and Procedures Manual

Board Policy:

A. The Board of Regents hereby authorizes the commissioner of higher education (CHE) and the respective administrations of the campuses to establish a self-insured (administrative services only) group insurance plan. The plan will be administered by the CHE with the assistance of recommendations from an inter-unit advisory committee. The plan will be administered as an enterprise fund in the state fund structure contingent upon the group plan reserves being allowed to retain interest earnings.

B. All costs associated with the administration of the plan shall be paid from insurance premiums collected and interest earned on reserve balances. All other interest earned plus premium tax savings shall be credited to the plan reserves. Reserve balances shall be retained and carried over from year to year.

C. The CHE shall be authorized up to 5.0 full-time equivalent employees to provide administration of the plan. In no case shall administrative costs exceed the administrative expenses that would have been charged under conventional insurance, amount of premium tax savings that would be incurred under a conventional group plan plus any interest earned on reserves. It is the intent that the plan be more cost efficient than conventional insurance.

D. The CHE is authorized to approve the inclusion of component units of the Montana University System (MUS) campuses, such as campus-affiliated foundations, into the MUS self-insured group insurance plan, subject to an agreement between the CHE and the component unit setting forth the terms and conditions of such participation.

History