

January 14, 2026

ITEM 222-101-R0126

Request for Authorization to Transition from Self-Insured Workers' Compensation Structure to Montana State Fund Coverage

THAT

The Board of Regents of Higher Education authorizes the Montana University System to elect Plan 3, state fund, workers' compensation coverage for units of the Montana University System and agencies.

EXPLANATION

1. MCA 39-71-403 allows the Montana University System (MUS) to elect workers' compensation coverage under compensation Plan 1, Plan 2, or Plan 3. Plan 1 is self-insurance, Plan 2 is coverage by a private insurance carrier, and Plan 3 is coverage through the Montana State Fund.
2. In March 2003 the Board of Regents authorized the MUS to proceed with the establishment of a self-funded workers' compensation program and created a 9-person Workers' Compensation Committee. The program has seen strong financial performance while prioritizing return-to-work outcomes and a strong safety culture.
3. In September 2025, amid insurance market volatility, other-states exposure and compliance requirements, and broader questions about program liability and service, the University System engaged a consultant to evaluate workers' compensation coverage options.
4. Based on the evaluation, shifting risk to the Montana State Fund would reduce costs and the University System's risk exposure, while providing access to additional services that support employee outcomes.

This transition will preserve the strong work and oversight of the Workers' Compensation Committee, maintaining a worker-centered approach, transparent communication, and ongoing partnership with campuses, while continuing to invest in loss prevention, risk management, and safety activities.

ATTACHMENTS

None