



ADMINISTRATIVE RULES OF MONTANA

2.55.311 MULTIPLE RATING TIERS

- (1) Multiple rating tiers may be applied to new and renewal policies during each fiscal year, beginning July 1, 2002.
- (2) The State Fund, upon approval of the board, must establish multiple rating tiers for the following fiscal year, to be applied to all classification rates with assignment of individual policies to a tier based on factors as approved by the board. Factors utilized by the board may include but are not limited to:
 - (a) loss experience;
 - (b) premium size;
 - (c) the policyholder's experience modification factor;
 - (d) length of coverage with the State Fund;
 - (e) number of losses;
 - (f) expense;
 - (g) management;
 - (h) loss experience of a premium segment;
 - (i) location of the insured; and
 - (j) type of industry.
- (3) An analysis shall be conducted upon policy renewal, or upon enrollment for new policies, and will result in placement of insureds into a rating tier for the policy period for policies with new or renewal effective dates in the fiscal year (July 1 through June 30) .
- (4) Notwithstanding placement in a rating tier under (2) , a policyholder may be placed in a higher or lower rated tier based on underwriting criteria including, but not limited to:
 - (a) industry type;
 - (b) the prior insolvency of the insured or any of the insured's principals;
 - (c) determination that the insured is an increased or decreased risk pursuant to a State Fund evaluation;
 - (d) the work is primarily performed at locations other than the insured's principal job site or place of business and the insured does not have control over the job site or place of business;

- (e) the insured has a history of preventable losses;
 - (f) an employer's history and experience with any other insurer; or
 - (g) new business without workers' compensation experience history.
- (5) This rule is to be effective July 1, 2002.

Authorizing statute(s): 39-71-2315, 39-71-2316, MCA

Implementing statute(s): 39-71-2311, 39-71-2316, 39-71-2330, MCA

History: NEW, 2002 MAR p. 164, Eff. 7/1/02.