

MT MONTANA

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 1 of 2

Identifying Information:

Grant Opportunity: HHS Health Insurance Rate Review Grants-Cycle I

DUNS #: 082406534

Grant Award: \$1 million

Applicant: State Auditor, Montana

Primary Contact Person, Name: Christina L. Goe, General Counsel

Telephone Number: (406) 444-2040

Fax Number: (406) 444-3499

Email address: cgoe@mt.gov

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 2 of 2

REQUIRED CONTENTS

A complete proposal consists of the following material organized in the sequence below:

- Please ensure that the project narrative is page-numbered. The sequence is:

X Cover Sheet

X Forms/Mandatory Documents

The following forms must be completed with an original signature and enclosed as part of the proposal:

X SF-424: Application for Federal Assistance

X SF-424A: Budget Information

X SF-424B: Assurances-Non-Construction Programs

X SF-LLL: Disclosure of Lobbying Activities

X Additional Assurance Certifications

• X Required Letter of Support

X Applicant's Application Cover Letter

X Project Abstract

X Project Narrative

X Work Plan and Time Line

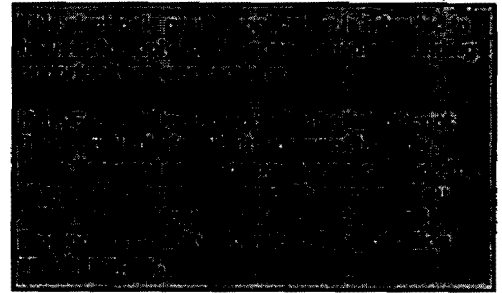
X Proposed Budget (Narrative/Justifications)

X Required Appendices

X Resume/Job Description for Project Director and Assistant Director

•

Opportunity Title:	"Grants to States for Health Insurance Premium Review-C
Offering Agency:	Ofc of Consumer Information & Insurance Oversight
CFDA Number:	93.511
CFDA Description:	Affordable Care Act (ACA) Grants to States for Health I
Opportunity Number:	RFA-FD-10-999
Competition ID:	ADOBE-FORMS-B
Opportunity Open Date:	06/07/2010
Opportunity Close Date:	07/07/2010
Agency Contact:	Gladys Melendez-Bohler Grant Specialist E-mail: Gladys.Melendez-Bohler@fda.hhs.gov Phone: 301-827-7168



This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name:

Mandatory Documents

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

Application for Federal Assistance (SF-424)

Attachments

Objective Work Plan

Project Abstract

~~Application for Federal Assistance (SF-424)~~

Budget Narrative Attachment Form

Budget Information for Non-Construction Program

Optional Documents

Basic Work Plan

Project Abstract Summary

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

Other Attachments Form

1 Enter a name for the application in the Application Filing Name field.

- This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
- You can save your application at any time by clicking the "Save" button at the top of your screen.
- The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.

2 Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

- It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
- The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
- To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
- All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.

3 Click the "Save & Submit" button to submit your application to Grants.gov.

- Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
- Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
- The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
- You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
* 3. Date Received: Completed by Grants.gov upon submission.	4. Applicant Identifier: _____	
5a. Federal Entity Identifier: _____	5b. Federal Award Identifier: _____	
State Use Only:		
6. Date Received by State: _____	7. State Application Identifier: _____	
8. APPLICANT INFORMATION:		
* a. Legal Name: State Auditor, Montana		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 810302402	* c. Organizational DUNS: 0824065340000	
d. Address:		
* Street1: 840 Helena Avenue	Street2: _____	
* City: Helena	County/Parish: _____	
* State: MT: Montana	Province: _____	
* Country: USA: UNITED STATES	* Zip / Postal Code: 59601-3423	
e. Organizational Unit:		
Department Name: Montana Dept. of Insurance	Division Name: Rates Division	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: _____	* First Name: Christina	
Middle Name: L.	* Last Name: Goe	
Suffix: _____	Title: General Counsel	
Organizational Affiliation: _____		
* Telephone Number: (406) 444-1942	Fax Number: (406) 444-3499	
* Email: cgoe@mt.gov		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

•

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.511

CFDA Title:

Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

*** 12. Funding Opportunity Number:**

RFA-FD-10-999

*** Title:**

"Grants to States for Health Insurance Premium Review-Cycle I" Office of Consumer Information and Insurance Oversight (OCIO)

13. Competition Identification Number:

ADOBE-FORMS-B

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Premium Rate Grant

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number:

Fax Number:

* Email:

Susan Paulson-Davis

7/7/2010

* Signature of Authorized Representative:

* Date Signed:

Key Contacts Form

* Applicant Organization Name:

State Auditor, Montana

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 2 Project Role: Assistant Project Director

Prefix:

* First Name: Mari

Middle Name:

* Last Name: Kindberg

Suffix:

Title:

Organizational Affiliation:

* Street1: 840 Helena Ave.

Street2:

* City: Helena

County:

* State: MT: Montana

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 59601

* Telephone Number: (406) 444-2040

Fax:

* Email: mkindberg@mt.gov

Delete Entry

Previous Person

Next Person

Key Contacts Form

* Applicant Organization Name:

State Auditor, Montana

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 3 Project Role: Fiscal Contact

Prefix:

* First Name: Sharon

Middle Name:

* Last Name: McCabe

Suffix:

Title:

Organizational Affiliation:

* Street1: 840 Helena Ave.

Street2:

* City: Helena

County:

* State: MT: Montana

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 59601

* Telephone Number: (406) 444-2040

Fax:

* Email: smccabe@mt.gov

Delete Entry

Previous Person

Next Person

Key Contacts Form

* Applicant Organization Name:

State Auditor, Montana

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 4 Project Role: Legal Contact

Prefix:

* First Name: Christina

Middle Name: L.

* Last Name: Goe

Suffix:

Title:

Organizational Affiliation:

* Street1: 840 Helena Ave.

Street2:

* City: Helena

County:

* State: MT: Montana

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 59601

* Telephone Number: (406) 444-2040

Fax:

* Email: cgoe@mt.gov

Delete Entry

Previous Person

Key Contacts Form

* Applicant Organization Name:

State Auditor, Montana

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 1 Project Role: IT Contact

Prefix:

* First Name: Ken

Middle Name:

* Last Name: Kops

Suffix:

Title:

Organizational Affiliation:

* Street1: 840 Helena Ave.

Street2:

* City: Helena

County:

* State: MT: Montana

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 59601

* Telephone Number: (406) 444-2040

Fax:

* Email: kkops@mt.gov

Delete Entry

Next Person

Project/Performance Site Location(s)

Project/Performance Site Primary Location I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:



Project/Performance Site Location 1 I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code: * Project/ Performance Site Congressional District:



Additional Location(s)

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 4040-0006

Expiration Date 07/30/2010

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Actuarial and Market Data Review and Analysis	93.511	\$	\$	633,000.00	\$	633,000.00
2. Information Technology and Web Enhancements	93.511			210,000.00		210,000.00
3. Consumer Education and Outreach	93.511			88,192.00		88,192.00
4. Filing and Reporting	93.511			68,808.00		68,808.00
5. Totals		\$	\$	1,000,000.00	\$	1,000,000.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Actuarial and Market Data Review and Analysis	(2) Information Technology and Web Enhancements	(3) Consumer Education and Outreach	(4) Filing and Reporting	
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel	5,000.00	5,000.00	5,192.00		15,192.00
d. Equipment					
e. Supplies			6,000.00		6,000.00
f. Contractual	623,000.00	200,000.00	66,000.00	68,808.00	957,808.00
g. Construction					
h. Other	5,000.00	5,000.00	11,000.00		21,000.00
i. Total Direct Charges (sum of 6a-6h)	633,000.00	210,000.00	88,192.00	68,808.00	\$ 1,000,000.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 633,000.00	\$ 210,000.00	\$ 88,192.00	\$ 68,808.00	\$ 1,000,000.00
7. Program Income	\$	\$	\$	\$	\$

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SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	Actuarial and Market Data Review and Analysis	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9.	Information Technology and Web Enhancements	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10.	Consumer Education and Outreach	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11.	Filing and Reporting	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. TOTAL (sum of lines 8-11)		\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ <input type="text" value="1,000,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>
14. Non-Federal	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. TOTAL (sum of lines 13 and 14)	\$ <input type="text" value="1,000,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>	\$ <input type="text" value="250,000.00"/>

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
17. Information Technology and Web Enhancements	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18. Consumer Education and Outreach	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. TOTAL (sum of lines 16 - 19)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges: <input type="text"/>	22. Indirect Charges: <input type="text"/>
23. Remarks: <input type="text"/>	

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p><i>Susan Coulson-Davis</i></p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Legal Office Manager</p>
<p>* APPLICANT ORGANIZATION</p> <p>State Auditor, Montana</p>	<p>* DATE SUBMITTED <i>7/7/2010</i></p> <p>Completed on submission to Grants.gov</p>

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

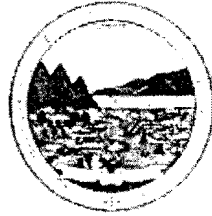
Approved by OMB
0348-0046

1. * Type of Federal Action: <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. * Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. * Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name: <input type="text" value="State Auditor, Montana"/> * Street 1: <input type="text" value="840 Helena Ave."/> Street 2: <input type="text"/> * City: <input type="text" value="Helena"/> State: <input type="text" value="MT; Montana"/> Zip: <input type="text" value="59601-3423"/> Congressional District, if known: <input type="text" value="Montan"/>		
5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime: 		
6. * Federal Department/Agency: <input type="text" value="N/A"/>	7. * Federal Program Name/Description: <input type="text" value="Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review"/> CFDA Number, if applicable: <input type="text" value="93.511"/>	
8. Federal Action Number, if known: <input type="text"/>	9. Award Amount, if known: \$ <input type="text"/>	
10. a. Name and Address of Lobbying Registrant: Prefix <input type="text"/> * First Name <input type="text" value="N/A"/> Middle Name <input type="text"/> * Last Name <input type="text" value="N/A"/> Suffix <input type="text"/> * Street 1: <input type="text"/> Street 2: <input type="text"/> * City: <input type="text"/> State: <input type="text"/> Zip: <input type="text"/>		
b. Individual Performing Services (including address if different from No. 10a) Prefix <input type="text"/> * First Name <input type="text" value="N/A"/> Middle Name <input type="text"/> * Last Name <input type="text" value="N/A"/> Suffix <input type="text"/> * Street 1: <input type="text"/> Street 2: <input type="text"/> * City: <input type="text"/> State: <input type="text"/> Zip: <input type="text"/>		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		
* Signature: <input type="text" value="Completed on submission to Grants.gov"/> <i>Susan Paulson-Davis</i> * Name: Prefix <input type="text"/> * First Name <input type="text" value="Susan"/> Middle Name <input type="text"/> * Last Name <input type="text" value="Paulson-Davis"/> Suffix <input type="text"/>		
Title: <input type="text" value="Legal Office Manager"/>	Telephone No.: <input type="text" value="(406) 444-2043"/>	Date: <input type="text" value="Completed on submission to Grants.gov"/> 7/7/2010
Federal Use Only:		Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)

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ADDITIONAL ASSURANCE CERTIFICATION

COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

July 7, 2010

Office of Consumer Information and Insurance Oversight
Mailstop 738-G-04
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Premium Rate Grant – State of Montana

To whom it may concern:

As the duly authorized representative of the applicant, I certify that the grant funds allocated under the Premium Rate Grant will not supplant existing state expenditures.

Signature of Authorized Certifying Official


Susan Paulson-Davis, AOR

Title

Legal Office Manager

Applicant Organization

State Auditor, Montana

Date Submitted

July 7, 2010

OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



JOHN BOHLINGER
LT GOVERNOR

June 30, 2010

The Honorable Kathleen Sebelius
Secretary, Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

Reference: Premium Review Grant, Affordable Care Act

Dear Secretary Sebelius:

I am pleased to endorse the request by Montana Commissioner of Securities and Insurance, Monica Lindeen for a Premium Review Grant. Commissioner Lindeen is poised to address comprehensive health care reform by partnering with the U.S. Department of Health & Human Services and all Montana agencies "that are involved in insurance oversight and other aspects of the Affordable Care Act implementation."

The Premium Review Grant will allow Montana to implement rate review processes that protect consumers from unreasonable, unjustified and/or excessive rate increases.

If there are any questions regarding the Governor's Office support, please contact Eve Franklin at (406) 444-3111.

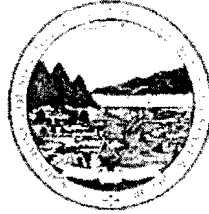
Sincerely,

A handwritten signature in black ink, appearing to read "B. Schweitzer".

BRIAN SCHWEITZER
Governor

COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

July 7, 2010

The Honorable Kathleen Sebelius
Secretary, Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

Reference: CFDA 93.511 – Grants to States for Health Insurance Premium Review

Dear Secretary Sebelius:

I respectfully submit this application as Montana's Commissioner of Securities and Insurance to establish a process for the annual review of health insurance premiums. It is our intent to enhance the existing rate review process for health insurance premiums. We look forward to partnering with the U.S. Department of Health and Human Services. The title of the proposed program is "Premium Review Grant."

This office has the authority granted by the Montana Code and related administrative rules to regulate insurance and implement the proposed plan. The Insurance Commissioner in Montana is charged with protecting the interests of insurance consumers in Montana and enforcing the insurance laws of this state. [§ 33-1-311, Mont. Code Ann.] We have continually demonstrated leadership by convening a diverse mix of groups to address a wide variety of insurance issues and will be able to convene a suitable working group when necessary to carry out the goals of this grant.

Robert W. Moon, Deputy Insurance Commissioner, will be listed as the Project Director. He can be contacted at (406) 444-2041 or emailed at rmoon@mt.gov. The Assistant Project Director will be Mari Kindberg who may be contacted at (406) 444-5220 or at mkindberg@mt.gov. If questions arise during the review of the application, please contact Christina L. Goe, General Counsel at (406) 444-1942.

We understand the application is due on July 7, 2010. The award will be issued on August 9, 2010, allowing for a grant cycle extending through September 30, 2011.

Sincerely yours,



MONICA J. LINDEEN

Commissioner of Securities and Insurance

Project Abstract

The Project Abstract must not exceed one page and must contain a summary of the proposed activity suitable for dissemination to the public. It should be a self-contained description of the project and should contain a statement of objectives and methods to be employed. It should be informative to other persons working in the same or related fields and insofar as possible understandable to a technically literate lay reader. This Abstract must not include any proprietary/confidential information.

* Please click the add attachment button to complete this entry.

Add Attachment

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MONTANA PREMIUM RATE GRANT PROJECT ABSTRACT

The goal of this project is to improve and enhance the enforcement of existing rating rules in Montana and also to expand and implement major medical health insurance rate review and approval authority in Montana. The main purpose of this enhancement and expansion is to comply with new federal rating rules, rate data reporting requirements, and consumer education and transparency requirements in the Patient Protection and Affordable Care Act [PPACA], and to improve health insurance rate regulatory authority in Montana. The budget for this project is \$1,000,000.

The first task will focus on collecting and analyzing health insurance rate data that must be transmitted to the Secretary of Health and Human Services (HHS) pursuant to Section 2794 of the PPACA. The Office of the Commissioner of Securities and Insurance in Montana (CSI) will enhance its current computer systems to enable it to collect the rating data elements required by HHS, and it will contract with a consulting actuary to assist CSI in rate analysis and identifying rating trends that need to be reported to HHS. Currently, Montana law does not require health insurers to file their rates with the CSI, and the CSI has no authority to approve rates. Therefore, the CSI will use its existing investigative authority to collect this data.

The second task is to draft a bill to present to the Montana legislature in 2011 that will grant the CSI rate review and approval authority over major medical health insurance rates. The proposed law will incorporate the new provisions affecting health insurance rates that are contained in PPACA, so that the CSI can effectively enforce the minimum federal standards. If that legislation passes, the CSI would utilize the money from this grant to begin enforcing the new law beginning in April 2011, including additional IT enhancements and additional contracted actuarial services.

The third task will be to promote improved access to rating information for consumers. This will involve public outreach, consumer education, and improvement to the CSI website so that the rate data that is reported to HHS can also be accessible to consumers on the CSI website to the extent that the information is public. The CSI will conduct public meetings to reach out to consumers in all parts of the state, informing them of the benefits of rate regulation and directing them to the additional information about health insurance rates and options that will be available to them on both state and federal websites. Consumer educational materials will be developed and assistance from other consumer advocacy groups will be recruited.

The fourth task will be to improve enforcement of Montana's existing rating laws. The CSI will use the services of a contract actuary to do this, as well as making improvements to its IT systems. The CSI will use its existing authority to best advantage by using the market conduct team and the current rates and form approval divisions. Any rate filings that indicate compliance issues can be further investigated by the market conduct team. The forms division will improve consumer disclosures about rating requirements in the outline of coverage forms, and the rates division will be engaging in additional training and also spending more time reviewing small group rate actuarial certification and small group rating manuals. The CSI believes that this grant opportunity will provide a solid beginning for improved health insurance rate regulation in Montana

Project Narrative File(s)

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1. PROJECT NARRATIVE

(a) CURRENT HEALTH INSURANCE RATE REVIEW CAPACITY AND PROCESS.

- **General health insurance rate regulation information**

The Commissioner of Securities and Insurance, Office of the Montana State Auditor (CSI), licenses and regulates all types of health insurance products, including small group, large group, individual market, HMOs and nonprofit health service corporations.

Montana's current rating laws are as follows:

- 1) **Small group market.** Since 1993, Montana has had the "old model" small group rating bands, which provide that for each class of business, the rates charged to employers with similar case characteristics for the same or similar coverage may not vary from the index rate by more than 25% of the index rate. In addition, renewal rates cannot exceed 15% annually because of claims experience, health status, or duration of coverage of the employees or dependents of the small employer. Other demographic factors can result in higher rate increases (size of group, age of group members, etc). This law has many complexities and can be found in its entirety at § 33-22-1809, Mont. Code Ann.
- 2) **Large group market.** Montana has adopted the HIPAA nondiscrimination requirement, which provides that employer group health plans may not require an individual "to pay a premium or contribution that is greater than the premium or contribution for a similarly situated individual enrolled in the group health plan on the basis of any health status-related factor of the individual" § 33-22-526, Mont. Code Ann.
- 3) **Individual market.** Section 33-22-243, Mont. Code Ann. states that "Increases in premium, certificate, or contract charges for individual policies, certificates, or contracts previously issued by that insurer, based on factors other than attained age, must be distributed proportionately across the block of business." A "block of business" is defined as a policy or certificate form, approved by the commissioner, and written and sold by an insurer to a defined set of individuals. All individuals covered by that form are considered to be within a block of business.
- 4) **All health insurance—unfair discrimination and discrimination based on gender, marital status, genetic condition or developmental delay is prohibited.** Section 33-18-206, Mont. Code Ann. prohibits discrimination between individuals of the same class and of essentially the same hazard in setting rates or benefits payable in any health insurance contract. That statute also prohibits discrimination based on

genetic condition or developmental delay. Section 33-18-903, Mont. Code Ann. prohibits charging a higher rate on the basis of a person's genetic traits. Section 49-2-309, Mont. Code Ann. prohibits insurers from discriminating on the basis of sex or marital status in the issuance of any insurance product, including discrimination regarding rates or payment of benefits.

- **Health insurance rate review and filing requirements including**

- **a description of the type of data included in insurers' rate filings; description of rate review process; legal authority for rate review; grounds for rate approval; how rates are approved or rejected (MLR); factors that trigger retrospective review, rebates.**

Montana does not have any legal authority that requires any type of major medical health insurance rates to be filed with the CSI or regularly reviewed by the CSI. Montana will be seeking that authority.

- **If the applicant lacks explicit statutory or regulatory approval authority, evidence of instances where requested rate modification and/or negotiation resulted in demonstrably lower rates. Discussion of rate modifications should include additional contextual information such as the market share of the insurance product and the number of affected policyholders.**

Although Montana does not have specific rate review authority, the CSI is monitoring health insurance rates in several ways. First of all, the small group rating law requires companies to file actuarial certifications with the CSI every March, certifying that the small group carrier is in compliance with the rate band law described in § 33-22-1809, Mont. Code Ann. Supporting data must be filed with those certifications. The health insurance actuary reviews those certifications and investigates any irregularity. Companies have been required to rebate premium money to small employers that were rated outside the allowable rate bands. In addition, each small group carrier must have a rating manual that describes its rating practices and renewal underwriting practices, including documentation that demonstrates that its rating methods and practices are based upon commonly accepted, actuarial assumptions and are in accordance with sound actuarial principles. The CSI may review this rating manual at any time.

Three domestic health insurers (including two nonprofit health service corporations), which do business only in Montana, have approximately 76% of the major medical health insurance market in Montana. The CSI's market conduct team examines those insurers at least every four to five years. At that time, the rating practices of the companies are examined to determine if the company is in compliance with the rating laws cited herein above. In certain cases, companies have been subject to

corrective action for rating small groups outside of the allowable rating bands or using software that does not correctly calculate rates in compliance with Montana law, and have been required to make restitution to those small employer groups. In 2008, one of those companies was required to reimburse \$210,126 to 138 groups. This company had a market share of approximately 55% at the time of the examination.

The CSI's policyholder services division handles complaints from consumers about rate increases. It investigates those complaints to determine if a company is in compliance with the rating laws described herein. The CSI has the authority to compel the production of records, books, papers, contracts and other documents in connection with any examination or investigation by the CSI, and, therefore, can request information about a company's rates and rating practices at any time. A knowing failure to produce the requested information or to answer any material inquiry of the CSI may result in a \$25,000 fine per incident and is considered to be a separate violation of Montana's insurance code.

In addition to these enforcement activities, the CSI must specifically approve any rate increases proposed by the Montana Comprehensive Health Association (high risk pool and portability plans) with regard to any of the plans it operates. On many occasions, the CSI has successfully negotiated a lower rate increase for those pools. There are about 3000 participants in those pools. (For instance, a proposed 15% rate increase was negotiated down to a 5% rate increase; a proposed 10 % rate increase was negotiated down to a 5% rate increase.) Also, the CSI oversees the activities of the Insure Montana program, which is a purchasing pool for small employer groups that are eligible for premium subsidies funded by tobacco tax dollars. On several occasions the CSI has assisted the Insure Montana Board in negotiating lower rates for that pool (30% proposed lowered to 12.5% and 7% proposed lowered to 4.5%.) There are about 3530 lives covered in that pool.

- **Explain the current level of resources and capacity for reviewing health insurance rates - IT and systems capacity.**

The CSI has an Oracle database that handles nearly every aspect of its business operation. One segment of the database is a tracking and reporting system for rate filings. The CSI actuarial staff reviews SERFF Medicare supplement and long term care rate filings and analyzes the justification materials associated with those filings. This process is conducted using EXCEL spreadsheets that have been developed by the CSI staff.

Another software tool that the CSI uses is HEALTHMAPS, purchased from Towers- Watson, which tests the reasonableness of health insurance premium rates. The resulting approvals and disapprovals are tracked with the Oracle database (SAO Prod). The CSI has a number of custom reports that have been developed that can list rate filings and dispositions.

- ○ **A description of the extent to which current IT systems such as SERFF support the state's rate review process, cross-referencing planned systems enhancements proposed elsewhere in the application.**

The CSI uses the Oracle database only as a record-keeping function and includes information such as the product type, the rate increase requested and the one approved or accepted, dates of company or department action, and loss ratio information. Most rate filings currently reviewed are sent via SERFF. HEALTHMAPS is currently used to check reasonableness of premium rates in cases of policyholder complaints about rate levels or rate increases on a major medical health insurance product. The analysis is done currently only in response to consumer complaints.

- **Explain the current level of resources and capacity for reviewing health insurance rates: *Budget and staffing.***
 - **A description of annual overall total budget and revenue for the Insurance Department.**

Total Insurance Budget:

- Total Insurance Department Revenue -- \$31,382,811
- Total Insurance Department Expenses -- \$14,098,571

- **Budgetary breakdown for resources allocated to rate review for health insurance coverage in the individual and/or group markets (FY 2010).**

Total Rates Budget: \$228,844

- Margaret Miksch's time on rate review: 12% of time on health rate review X $(\$228,844/2) = \$13,731$
- Mari Kindberg's time on rate review: 5% of time on overseeing health rate review X $(\$228,844/2) = \$5,721$

Total PHS/Market Conduct Budget: \$694,583

PHS/Market Conduct time on rate review: \$33,000

Dollars Allocated to rate review = \$52,452 $(\$13,731 + \$5,721 + \$33,000)$

- **A description of the qualifications of the Insurance Department staff responsible for rate review. Provide description of contract actuarial services.**

Mari Kindberg, FCAS, MAAA, and Margaret Miksch, ASA, MAAA, are responsible for the rate reviews that are currently being done, along with a review of health rates by Carol Roy, AIE, MCM, during market conduct examinations.

Margaret Miksch, ASA, MAAA, the CSI's life and health actuary, reviews the small employer group health insurance actuarial certifications, assists with premium rate portions of market conduct examinations and assists the legal division and/or policyholder services on health insurance rate increase issues. Mari Kindberg, FCAS, MAAA, the CSI's Rates Bureau Chief, oversees these activities. The CSI performs market conduct reviews of its domestic health insurance companies, which include some review of health insurance rates. Carol Roy, AIE, MCM, the Chief Market Conduct Examiner is charged with this responsibility.

The rate review portion of market conduct examinations is sometimes completed by various independent contractors, including Huff Thomas. The CSI is not currently using contract actuarial services except on rare occasions for specific projects.

- **The number of major medical health insurance rate filings that are received for the individual market and/or group market annually and the average amount of time required to complete the review process.**

The only major medical rate reviews that are currently done are reviews of small employer group rate actuarial certifications. There are 14 small group actuarial certifications on average that are reviewed each year. This activity takes up to 104 hours of Margaret's time each year. Margaret assists on the rate review functions during market conduct examinations which takes up to 104 hours of her time each year. Margaret spends up to 42 hours of her time each year assisting on consumers' individual health insurance rate complaints.

The market conduct examiners spend 130 hours per year on average on health insurance rate review.

The policyholder services bureau spends 230 hours on average on major medical insurance premium increase complaints.

- **Consumer Protections**

- **Are rate filings publicly disclosed? If so, what is the mechanism for public access to rates and rate filings?**

Rate information is seldom disclosed because the insurers do not file rates with the CSI.

- **Describe the State laws and regulations that govern disclosure and public access to rate filings.**

Health insurance rates are not currently required to be filed with the CSI. However, small employer group rates can be viewed by the public at the office of the small employer carrier upon request, pursuant to § 33-22-1809, Mont. Code Ann. Small group rating manuals are specifically protected as trade secrets. Working papers from a market conduct exam are kept confidential pursuant to state law. Corporations do not have individual privacy rights in Montana; however, information that meets the state definition of "trade secret" must be protected.

- **Describe public access to the Insurance Department in general.**

The CSI is open to the public Monday through Friday from 8 A.M. to 5 P.M. The CSI has a toll-free telephone number, 800-332-6148, so that Montana residents may call the office to discuss their insurance problems or to ask questions about insurance. The CSI also has a website at www.csi.mt.gov at which consumers can obtain a great deal of information about insurance, file a complaint, read or download and print a rate comparison guide or a buyer's guide to a specific line of insurance (Medicare supplement or long term care), or check the licensure of their insurance company, agency, or producer. There is also a link to the high risk health insurance pool at www.mthealth.org as well as to the National Association of Insurance Commissioners website at www.naic.org with a reference to Insure U for more educational materials and information.

- **Are summaries of rate changes offered in plain language for consumers? Provide an example.**

Currently Montana consumers have limited access to detailed information about rate increases and rating trends in the major medical health insurance market. Montana has one consumer disclosure law that requires some rating disclosures in the outline of coverage (to be delivered at the time of application): "a statement of the estimated periodic premium to be paid by the insured." §§ 33-22-244(d) and 33-22-521(d); "a general description of the factors or case characteristics that the insurer may consider in establishing or changing the premiums and, if applicable in determining the insurability of the applicant." §§ 33-22-244(e) and 33-22-521(e); and "a general description of the trend of premium increases or decreases for comparable policies issued by the insurer during the preceding 5 years, if trend data is available." §§ 33-22-244(h) and 33-22-541(h). These disclosures are required for

both group and individual health insurance. The new rate reporting requirements in PPACA will help the CSI forms division enforce these disclosure provisions relating to rates even more effectively because the CSI will be receiving more analysis relating to rating trends. Outline of coverage documents must be filed and approved by the CSI before issuance.

○ **How much advanced notice is given to consumers prior to proposed rate changes?**

Montana law requires that individual policyholders receive 45 days and group policyholders and certificate holders receive 60 days advance notice of rate increases or a change in terms or benefits.

Rates are allowed to be increased only once in 12 months. § 33-22-107, Mont. Code Ann.

Are consumers provided with official comment periods to review and comment on proposed rate changes?

No.

○ **What processes exist for public meetings and/or hearings on rate filings?**

Currently, health insurance rates are not filed or reviewed by the CSI, so there is no process for hearings or public meetings.

○ **Provide the number and summarize the nature of consumer inquiries and complaints related to health insurance rates that have been received for the past two years.**

Because Montana does not have rate review authority and can do little to resolve complaints, consumers are not likely to make formal written complaints about premium increases. Only since April of this year has the CSI begun tracking less formal complaints made over the phone or web page. There have been more than 65 such complaints. In 2008 there were 15 formal individual health insurance premium increase complaints and five group insurance complaints for a total of 20 written complaints. In 2009 there were nine formal individual health insurance premium increase complaints and eight group insurance complaints for a total of 17. As of June 9, 2010, there were 12 formal individual insurance complaints and two group insurance complaints for a total of 14 written complaints so far in 2010. The insurance companies were contacted in each of the above complaints and an explanation of the rate increase for the particular insured or group was provided. Some of the most recent group health insurance premium increases involved multiple employer welfare arrangements (MEWA) that were operating on a slim margin. These groups implemented some large

increases. Other individuals complained about an insurer who increased their premiums without notice.

- **Examination and oversight**

- **Describe actions taken against insurance companies over the past two years regarding health insurance rates; include in the description a discussion of the market share and the number of affected policyholders for the cited insurance company.**

Montana does not currently require rates to be filed and reviewed and thus few actions have been taken. The CSI does require filing and prior approval of all policy forms, outlines of coverage, applications, riders, endorsements, and certificate forms. The Market Conduct Examination Bureau of the CSI conducts regular examinations of domestic insurance companies. During an examination it was found that a health insurer was not accurately applying the rating factors and rating bands to small employer groups at renewal. The mistake was found to be a factor in the formula. The formula was corrected so that additional renewal cycles could be processed correctly and the company refunded premiums of \$210,126 to 138 groups. This company had a market share of approximately 55% at the time of the examination. There have been other findings in market conduct examinations relating to rating, particularly small group rates, but those actions are more than two years old. The CSI does not have current authority to disapprove rates and health insurance rates are not filed with the CSI.

- **Describe formal hearings held over the past two plan years regarding health insurance rates.**

There have been no formal hearings.

b) PROPOSED RATE REVIEW ENHANCEMENTS FOR HEALTH INSURANCE

- **Expanding the scope of current review and approval activities.**

Montana's state legislature meets every other year for four months. The next session begins January 2011. The CSI will introduce legislation that provides this agency with the authority to require that all lines of major medical health insurance rates be filed, reviewed and approved by the CSI. The proposed rating law will enable the CSI to enforce all rating protections that exist in PPACA between now and 2014, such as the MLR requirements, a ban on "excessive" rate increases, and additional transparency for consumers concerning the rating process for health insurance. The adjusted community rating requirements will go into effect in 2014. In addition to adopting the definition and percentages set in federal law for the MLR, Montana's proposed rating

filing law may include other factors such as whether or not rates are actuarially sound; reasonable and not excessive, inadequate or unfairly discriminatory; and based upon reasonable administrative expenses.

The CSI is very concerned about transparency and consumer input in the rate review process. Therefore, the proposed rating law will have a consumer comment period built into the process. Consumers will be able to comment on the website, by mail or telephone. If enough consumers request one, a public hearing will be held. In addition, the CSI website will contain detailed information about requested rate increases. The proposed law will clarify what filed rate information can be publicly disclosed and what information is protected by trade secret laws.

Insurers will have an opportunity to request an administrative hearing to review any disapproval of a filed rate. Rates filings will be accompanied by an actuarial certification indicating that the applicable minimum loss ratio has been met and that the rate is not inadequate, excessive, or unfairly discriminatory, and also that it complies with applicable state and federal laws. The proposed law and/or subsequent rules will define the type of information that must support the rate filing. The actuarial certification will later be reviewed by an independent actuary hired by the CSI, but paid for by the insurer in the same way that market conduct examiners are paid. Rebates will be required if the audited MLR is above the statutory minimum levels. The CSI will seek the earliest possible effective date for that legislation.

In the event that no rate review authority is granted to the CSI by the legislature, this grant money will be used to improve enforcement of its existing rating laws and new federal laws by expanding targeted market conduct examinations based on suspected or identified rating problems; doing more in-depth analysis of small group actuarial certifications and rating manuals; improved access to rating information for consumers on the CSI website; and improved enforcement of rating disclosure provisions contained in outline of coverage forms. Using its existing authority to investigate and protect consumers, the CSI will conduct additional analysis of the rate data that must be collected and transmitted to the HHS Secretary. The additional understanding that CSI gains from analyzing rating trends in Montana can be used to provide beneficial information to consumers and to target areas that need additional investigation and improvement.

- **Improving rate filing requirements.**

Montana's proposed rate review law will be able to take advantage of the best legislative examples available from other states, as well as the new federal laws, so additional improvements will not be needed for

some time (except for required federal changes that become effective in 2014). The proposed law is described in detail in the bullet above, as well as improvements that can be made in enforcing existing laws.

- **Enhancing rate review process—Staffing.**

The CSI will use part of this grant money to hire contract actuaries that will assist the CSI's existing actuarial staff with analyzing rating data that will be transmitted to HHS. In addition, contract actuaries can be used to provide greater in-depth analysis of small group rating practices in Montana. The CSI already reviews and acknowledges property and casualty rates, as well as Medicare supplement and long term care rates, so the CSI staff has experience with rate review. If rate review authority is obtained from the legislature, contract actuaries will be used until and unless the legislature approves permanent FTEs.

- **Enhancing rate review process—IT capacity.**

This proposal includes substantial funding for IT enhancements. The CSI will work with SERFF to shortcut this process and save money. The CSI will need to develop IT enhancements to collect and analyze the rate data that must be transmitted to HHS or work with the NAIC to achieve that goal. Even more IT enhancements will be needed if rate review and approval authority is granted by the legislature in 2011. The IT division of the CSI consists of 2.5 FTEs that support an agency that not only regulates insurance, but securities as well. The CSI programming staff has developed and maintains an integrated Oracle database that handles most functions of the agency.

The CSI proposes spending some grant funds to make improvements to the rate filing segment of the Oracle database. Using CSI staff or an outside contractor, the CSI can analyze the current system and perform an upgrade to improve the data manipulation and reporting capabilities of that application. Montana uses the existing system to track rate filing information about certain lines of insurance. The CSI would use Cycle I grant funds to enhance its health insurance rate data collection capabilities and to store and transmit the data elements that would be required to build useful structures for major medical health insurance rate review and approval, transmission of rate data to the secretary of HHS, and the publication of proposed health insurance rate increases and other rating information so that it is more accessible to consumers. Sharing this information with Montana's consumers would add transparency to the rate filing process.

One of the requirements of the grant is to provide health insurance rate data to fill in the uniform data reporting template required by the Secretary of HHS. This process has been simplified by the recent proposal

from the NAIC to provide a shared solution that would include a minimal cost for each participating state. By standardizing the data collection and reporting using SERFF, there will be more uniformity of rate data reporting, especially if HHS accepts reports directly from SERFF. While SERFF would provide its services at a fixed cost, the CSI anticipates additional costs relating to participation in this project and selectively choosing data elements that could be imported into the CSI's Oracle database. The current IT staff has a great deal of experience working with the NAIC to map and transfer standardized data in a number of insurance-related areas. CSI staff would handle the data transfers that arise from any changes to SERFF that are a result of the leveraged SERFF solution. Using agency IT staff or outside contractors, data elements collected by SERFF can be imported into the CSI's database and analyzed. Existing IT staff would need the expertise of contracted IT services in order to develop the rate review and approval applications that would be needed. In addition, the CSI will purchase software that will aid in the analysis of health insurance rate data. Even with outside technical assistance, the CSI staff will be engaged in the process and will accrue considerable internal staffing costs.

The CSI will be constantly analyzing the SERFF leveraging project as it develops. Depending on the final modifications to SERFF, the IT staff and/or the Rates staff may need additional training to use enhanced SERFF products for rate filings. Usually the NAIC will offer this training at its headquarters in Kansas City, Missouri.

Grant monies will also be used to pay for a bi-annual renewal of "HEALTHMAPS" software. This software license normally is renewed in even-numbered years. This software is used by CSI actuarial staff to verify the validity of rate changes.

In addition, grant monies will be used to develop, or pay for development of, software that could be used in the agency to calculate the appropriate rate increase for all individual and group health insurance rate filings, based on the minimum loss ratio required for each case and on the legal definition of a reasonable versus an unreasonable rate increase.

- **Enhancing consumer protection standards.**

Using an excellent website model provided by the state of Oregon, the CSI proposes to construct an additional section to the website that delivers consumer information concerning rate increases and rating trends. This web application would distill the rate information that is received from SERFF into a consumer-friendly web application that would allow Montana consumers to make comparisons between insurance vendors. The entire website will be made more user-friendly for consumers. As part of this effort, the CSI would provide consumer

education material which would explain the rate review process. Again, this application could be developed by CSI IT staff or by using an outside contractor.

The goal is to provide major medical health insurance rate information for agency and consumer use. CSI staff can produce consumer-friendly web pages that explain Montana's rate review process with respect to health insurance. These pages can be changed as changes occur because of rate review and approval enhancements and as the CSI's data collection and reporting capabilities are modified. These web pages will have hit counters which will measure participation and a survey can be set up to measure consumer usage/interest in the content that is delivered. In addition, healthcare rate comparison guides, available on the web and in hard copy form, can be produced.

A general information web page will be developed that will publish any available public information about health insurance rates. If the CSI is granted rate approval authority, the website will be enhanced with more details about rate increases.

Deliverables:

- 1) Implementing the leveraged SERFF solution;
- 2) Implementing additional rate analysis capabilities; and
- 3) Publishing rate increases and rating trend information on the website.

In anticipation of implementing more regulatory review of rates and more transparency about rates, the CSI will begin outreach efforts to educate consumers across the state. Those outreach efforts will explain the new and proposed regulations and also the efforts to make the rating process more transparent to consumers. This educational campaign will consist of website enhancements, educational materials, and public meetings across the state. The CSI plans to schedule at least seven public awareness events in seven different communities across the state. The CSI may contract with a public relations firm to help plan those events.

In order to enhance transparency in the rate filing process, the CSI may subcontract with consumer advocacy groups to engage in additional outreach and education. Many of these groups have been actively involved in health care reform and have built impressive grassroots networks to which the CSI would not otherwise have access. In addition, these groups can tailor the basic materials and messages to specific populations with specific interests and needs, and reach their constituencies on a one-on-one basis. Small

contacts (\$5,000 - \$10,000) will be awarded only after a process is implemented to ensure accountability to specific goals and objectives to align with the purposes of the proposal to enhance transparency for consumers.

The proposed legislation discussed in the paragraphs above will provide for an opportunity for consumers to comment on all rate filings and attend public hearings, when appropriate, as well as public, administrative hearings on any disputed rate filing rulings.

Consumers will also benefit from new information about rating practices through disclosures in their outline of coverage document. These disclosures are currently required by Montana law at the time of application. Because additional information about rating trends will be available as a result of new reporting requirements, CSI will require it on the outline of coverage documents. Substantial advance notice of rate increases and a 12-month rate guarantee is already part of Montana law, as described in more detail above.

Additional Information: Choices in the marketplace:

Currently, the major medical health insurance market in Montana (individual and group) is controlled (@76%) by three domestic (Montana-only) health insurers. Two of them are "nonprofit" health service corporations. One national carrier has a significant market share in the individual and, to a lesser extent, small group market. Even though this number is not large, these carriers appear to be supplying sufficient choice and competition in the marketplace.

c) REPORTING TO THE SECRETARY ON RATE INCREASE PATTERNS

The CSI has not reviewed any major medical health insurance rates prior to 2010 because it has not been legally required to do so. Therefore, the CSI cannot provide specific health insurance rating trends in this grant application. However, it proposes to use these funds to begin collecting and analyzing health insurance rating data.

The CSI hereby attests that it will comply with the reporting requirements outlined in statute in the format requested by HHS for each rate filing. The CSI hereby attests that it will comply with the reporting requirements outlined in statute and regulations in the format requested by HHS for aggregate data for rate filings.

The following is a brief description of how the CSI plans to collect and provide to the Secretary the rate data and analysis required by the outline of requirements in the Special Terms and Conditions for grant recipients.

Process that will be used to collect and provide data to the Secretary.

The CSI proposes to spend grant funds to develop and implement a system for rate data collection and reporting required by Section 2794. The CSI will create its own database in which to store the data. If the CSI enhances its current Oracle database to store these records, the total projected cost is \$160,000. These costs include the data exchange capabilities needed to provide the data to the Secretary.

In addition, the CSI will coordinate with SERFF to collect the health insurance rate data. The NAIC is in the process of changing its current data collection forms to comply with additional data items that HHS is requesting. Montana's portion of the estimated SERFF costs is estimated to be \$18,800.

The NAIC B committee will approve a new rate filing disclosure form that will comply with the federal requirements. The CSI will use that disclosure form, if it is approved by HHS. If it is not approved by HHS, the CSI will use the data reporting process that is required by HHS. The disclosure form will incorporate any relevant definitions of "unreasonable rate increases" that need to be reported to the Secretary, as well as other rating information that HHS requests and the CSI needs to collect.

In addition to the support that the CSI may receive from SERFF and the NAIC for health insurance rate data collection, reporting and analysis, it will also contract with an actuarial firm to aid in analyzing this data in order to identify rating trends and to determine which rate increases meet the HHS definition of "unreasonable." In addition to the data elements identified by HHS, the CSI would probably ask for data relating to the percentages used for age band spreads and other factors used to set rates.

d) OPTIONAL DATA CENTER FUNDING

The CSI will enter into an agreement with the Montana Association of Health Care Purchasers (MAHCP) to develop fee schedules and other database tools that fairly and accurately reflect market rates for medical services, and to the extent possible, geographical differences in those rates. The CSI proposes MAHCP work in a collaborative relationship with the Bureau of Business and Economic Research at the University of Montana (BBER-UM).

The MAHCP operates as a nonprofit, combined public and private, membership organization governed by a volunteer board and established by-laws designed to support a mission related to providing health care data services, group purchasing and other related health care benefits, contracting and clinical services. The MAHCP operates under 501 (C) 6 IRS rules with membership parameters that require each Full Member to be independent of the private insurance and medical provider

industry. The MAHCP's eight-member Board of Directors are required to execute conflict of interest and data privacy/nondisclosure documents.

Since 2003, the MAHCP has functioned as purchaser-based health care data collection, warehouse, data analytics and reporting entity for its regionally located public and private members. The MAHCP's projects focus on creating "usual and customary" (UCR) fee schedules, fee-for-service medical service reimbursement benchmark and trending databases, provider contract pricing and other related health care cost-based data projects. In addition to cost-related data functions, the MAHCP operates industry- recognized, risk-modelling analytics for both actuarial and prevalence-based clinical projects. The MAHCP's claims database has been collected from multiple medical, pharmacy, vision and dental product insurers (data sources) and, to the CSI's knowledge, is the only such commercial insurer database of its kind in the Montana, Wyoming and Dakota region. The MAHCP has provided "de-identified" medical cost data for legislative and public purposes, including fiscal data for medical cost, clinical and other related health insurance related legislation.

Using the best available statistical methods and data processing technologies, the MAHCP will produce protocols for the development and continual update of fee schedule databases to ensure no duplicative efforts with existing fee schedule databases. The CSI will work with the MAHCP and the BBER-UM to identify data gaps and potential enhancements to help make health care cost information readily available to the public through the CSI's enhanced website. The data center would work in conjunction with the BBER-UM and the CSI to avoid recreating data functions or creating duplicative databases and corresponding analytics.

Objective Work Plan

Project:

Premium Review Grant

*** Year: * Funding Agency Goal:**

1

To enhance Montana's health insurance premium rate review process to ensure that rate increases are thoroughly evaluated in a process that is meaningful and transparent.

*** Objective:**

1. To fully exercise Montana's existing, but limited, authority to examine health insurance premium rates and enforce health insurance rating laws

*** Results or Benefits Expected:**

Montana will use current authority to investigate and examine rates in order to review rates in a more comprehensive manner.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Contract with actuaries who will analyze data; Oversee analysis of data by actuaries to examine trends by benefit category from 2009, 2010, 2011	Christina Goe, General Counsel; Mari Kindberg, Actuary, Rates Bureau Chief	08/09/2010	09/30/2011	111
Notify insurers by advisory memorandum of data required and deadline using existing investigative authority; utilize SERFF to fulfill HHS data collection requirements	Christina Goe, General Counsel; Mari Kindberg, Actuary, Rates Bureau Chief	08/09/2010	09/30/2011	0
Notify insurers of need to file new Outline-of-Coverage forms and deadline; Review Outline-of-Coverage forms for adequacy	Christina Goe, General Counsel; Rosann Grandy, Forms Bureau Chief	09/07/2010	12/21/2010	0
Conduct additional, targeted market conduct exams as needed in response to consumer complaints or other information using existing authority	Carol Roy, Chief Market Conduct Examiner, Policyholder Services	08/09/2010	09/30/2011	450

Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Collect rate data according to HHS guidelines; analyze and transmit data	M. Kindberg, Actuary, Rates Bureau Chief; M. Miksch, health actuary; K. Kops, IT Sup.	10/04/2010	09/30/2011	0
Conduct additional review of small group rates under existing authority	Mari Kindberg, Actuary, Rates Bureau Chief; Margaret Miksch, health actuary	09/07/2010	09/30/2011	140
If new authority is not granted: continue with enhanced review of forms, small group rates and market conduct review using existing authority	M. Kindberg, Actuary; C. Roy, Chief Market Conduct Exam'r; R. Grandy, Forms	05/02/2011	09/30/2011	2,100
If new authority is not granted: notify insurers of data submission requirements under existing authority; review for MLR and "unreasonable" rates in compliance with federal law; transmit information concerning noncompliance to HHS	Mari Kindberg, Actuary, Rates Bureau Chief; Christina Goe, General Counsel	05/02/2011	09/30/2011	0

*** Criteria for Evaluating Results or Benefits Expected:**

Actuaries are contracted and rates are received and reviewed for 20 health insurers; report on trend analysis is published; four targeted market conduct exams are complete or underway; HHS is notified of Montana MLRs and "unreasonable" increases.

Objective Work Plan

Project:

Premium Review Grant

*** Year: * Funding Agency Goal:**

1

To enhance Montana's health insurance premium rate review process to ensure that rate increases are thoroughly evaluated in a process that is meaningful and transparent.

*** Objective:**

2. To gain legal authority to routinely review and approve health insurance rates.

*** Results or Benefits Expected:**

Montana will gain the ability to review rates, to determine medical loss ratios, and to disapprove "unreasonable" rate increases.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Draft rate review and approval authority legislation	Christina Goe, General Counsel, Legal Division	08/09/2010	08/31/2010	0
Discuss legislation with interested parties, revise and develop support	Robert L. Moon, Deputy Ins. Comm.; Christina Goe, General Counsel, Legal Division	08/31/2010	02/01/2011	0
If additional rate review and approval authority is granted by the 2011 legislature: notify insurers of data submission requirements and deadline	Mari Kindberg, Actuary, Rates Bureau Chief; Christina Goe, General Counsel	05/02/2011	05/09/2011	0
If additional rate review and approval authority is granted by the 2011 legislature: increase rate review and conduct exam activities by contractors or staff.	Mari Kindberg, Actuary, Rates Bureau Chief	05/02/2011	09/30/2011	2,100

Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
If additional rate review and approval authority is granted by the 2011 legislature: conduct rulemaking if granted in new law	Christina Goe, General Counsel	05/02/2011	06/30/2011	0

*** Criteria for Evaluating Results or Benefits Expected:**

Legislation is passed and signed into law; Rules are adopted; Insurers submit required data; Rate Review of all major health insurers is underway; CSI uses either existing or new rating laws to enforce MLR and "unreasonable rate" provisions of PPACA.

Objective Work Plan

Project:

Premium Review Grant

*** Year:** *** Funding Agency Goal:**

1

To enhance Montana's health insurance premium rate review process to ensure that rate increases are thoroughly evaluated in a process that is meaningful and transparent.

*** Objective:**

3. To enhance Montana's capacity to report health insurance rate information to consumers and federal government in a transparent, comprehensive, and timely manner.

*** Results or Benefits Expected:**

The State of Montana will provide more information with greater transparency and accessibility to Montana consumers regarding health insurance premium rates.

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Contract for web development and data base enhancement; Develop web page to highlight rate information and attract public interest; Enhance data base for increased collection.	Jackie Boyle, Communications Director; Ken Kops, IT Supervisor	08/09/2010	10/11/2010	2,400
Contract with PR firm; Design and publish materials for public education, engage in media campaign.	Jackie Boyle, Communications Director; Christina Goe, General Counsel	08/09/2010	09/20/2010	450
Conduct public meetings in communities around the state	R. Moon, Deputy Insurance Commissioner; Jackie Boyle, Communications Director	08/09/2010	01/10/2011	0
Contract with consumer non-profits to conduct outreach and education; oversee contracts	Christina Goe, General Counsel; Jackie Boyle, Communications Director	08/09/2010	02/10/2011	750

Objective Work Plan

* Activities	* Position Responsible	* Time Period Begin	* Time Period End	* Non-Salary Personnel Hours
Upload rate information that was collected for HRS on the new web page	R.Kops, IT; Rosann Grandy, Forms; Mari Kindberg, Rates, Actuary; C.Goe, Legal	01/03/2011	09/30/2011	0
If additional rate review and approval authority is granted by the 2011 legislature: develop website so consumers can comment on rate increases	Ken Kops, IT Supervisor; Christina Goe, General Counsel.	04/04/2011	09/30/2011	100
If additional rate review and approval authority is granted by the 2011 legislature: hold public hearings on rates increases as necessary.	Christina Goe, General Counsel; Mari Kindberg, Actuary, Rates Bureau Chief	07/05/2011	09/30/2011	0
Data Center contract entered into and medical fee schedule data is made available	Christina Goe, General Counsel	08/16/2010	09/30/2011	0

*** Criteria for Evaluating Results or Benefits Expected:**

Web page is launched with helpful rate information to positive reviews; Seven community meetings are held in seven different communities with at least 500 consumers in attendance; Consumer groups provide evidence of direct contact with at least 800 constituents. Four media stories about rate issues are documented. Data Center report on fee schedules is available.

Project Timeline

Start up phase (August 9, 2010 – Sept 30, 2010)

- Contract with actuarial firm which will begin to analyze data and examine trends by benefit category.
- Contract with market conduct examiners to assist with stepped up exams
- Draft legislation for increased rate review and approval authority
- Meet with interested parties on draft legislation
- Contract with consultant for web development activities
- Contract with public relations consultant to develop themes and materials for public meetings and media presence
- Conduct first two public meetings to highlight premium rates information and new consumer resources
- Contract with non-profit consumer advocacy groups to begin outreach activities
- Contract with Montana Association of health Insurance Purchasers to develop fee schedules and other database tools that fairly and accurately reflect market rates for medical services.
- Notify insurers by advisory memorandum of data required and deadline

First Quarter (October 1, 2010 – December 31, 2010)

- Actuarial data analysis continues; examination of premium trends from 2009, 2010, and 2011
- Utilize SERFF to fulfill HHS data collection requirements
- Submission of required data to Secretary
- Notify insurers of need to file new Outline-of-Coverage forms and deadline;
- Review Outline-of-Coverage forms for adequacy
- Continue meeting with interested parties on draft legislation, revise legislation
- Conduct additional targeted market conduct exams as needed in response to consumer complaints or other information
- Conduct four public meetings to highlight premium rates and new consumer resources
- Begin data collection according to HHS guidelines

Second Quarter (January 1, 2010 – March 31, 2011)

- Actuarial data analysis continues; examination of premium trends from 2009, 2010, and 2011
- Utilize SERFF to fulfill HHS data collection requirements
- Submission of required data to Secretary
- Review Outline-of-Coverage forms for adequacy
- Present legislation to 2011 legislature for consideration
- Conduct final public meetings to highlight premium rates and new consumer resources
- Continue targeted market conduct exams
- Begin additional review of small group rates under existing authority

- Continue data collection, analysis and transmission according to HHS guidelines
- Upload rate information for consumers on web page

Third Quarter (April 1, 2011 – June 31, 2011)

- Actuarial data analysis continues; examination of premium trends from 2009, 2010, and 2011
- Utilize SERFF to fulfill HHS data collection requirements
- Submission of required data to Secretary
- Review Outline-of-Coverage forms for adequacy
- Continue targeted market conduct exams as necessary
- Continue data collection, analysis and transmission according to HHS guidelines
- Continue review of small group rates under existing authority
- If additional rate review and approval authority is granted by the 2011 legislature:
 - notify insurers of data submission requirements and deadline
 - increase rate review and approval activities
 - conduct rulemaking if granted in new law
- Update rate information on web page

Fourth Quarter (July 1, 2011 – Sept 31, 2011)

- Actuarial data analysis continues; examination of premium trends from 2009, 2010, and 2011
- Utilize SERFF to fulfill HHS data collection requirements
- Submission of required data to Secretary
- Review Outline-of-Coverage forms for adequacy
- Continue targeted market conduct exams as necessary
- Continue data collection, analysis and transmission according to HHS guidelines
- Continue review of small group rates under existing authority
- If additional rate review and approval authority is granted by the 2011 legislature:
 - Continue increased rate review and approval activities
 - Hold public meetings on rate increases as necessary
 - Develop web page so consumers can comment on rate increases
- Update rate information on web page
- Make medical fee schedule and geographic variation information that is not confidential from data center available on the web page

Budget Narrative File(s)

* Mandatory Budget Narrative Filename:

[Add Mandatory Budget Narrative](#)

[Delete Mandatory Budget Narrative](#)

[View Mandatory Budget Narrative](#)

To add more Budget Narrative attachments, please use the attachment buttons below.

[Add Optional Budget Narrative](#)

[Delete Optional Budget Narrative](#)

[View Optional Budget Narrative](#)

PROPOSED BUDGET NARRATIVE

7. Proposed budget

The estimated budget total for the grant is \$1,000,000.00. Current state funding for major medical health insurance rate review is \$52,452.00 and will be considered the Maintenance of Effort amount. This includes funding for rate review activities in both the rates and market conduct bureaus. Total estimated funding requirements for the line items included in SF424A are as follows:

Contractual Services \$957,808.00

Actuarial and Market Data Review and Analysis:

The CSI will contract with actuaries to assist the CSI's current actuarial staff with analyzing rate data, augmenting rate review processes, providing in-depth analysis of small group rating practices, and providing meaningful and transparent information to the public, enrollees, policyholders and the HHS Secretary. Actuary interns will also be hired to assist in performing these tasks. The proposed budget for the Contract Actuaries will be \$433,000.00.

Market conduct exams will be performed by contracted examiners to respond to public complaints and additional information that comes to light in rate review processes. The proposed budget for market conduct examiners is \$190,000.00.

Information Technology and Web Enhancements:

A portion of the proposed budget includes funding for IT planning and enhancements that support more robust health insurance rate review functions. It is proposed to spend a portion of the IT funding for improvements to the "rate" segment of the CSI's Oracle database. The current system will be analyzed and an upgrade will be performed to improve the data manipulation and reporting capabilities of that application. Vendors/actuarial partners will be solicited who can help produce the enhanced data reporting and analysis that will generate useful information related to rate review and trends. The proposed budget for the planning and upgrade to the Oracle database and the enhanced reporting and analysis is \$160,000.00.

IT funding will also be utilized for Web development to provide meaningful and transparent information to the public. The CSI will construct an additional section to the current agency website that delivers consumer information concerning rate increases and rating trends. Information received from SERFF will be manipulated into a consumer-friendly web application that will allow Montana consumers to make comparisons between insurance vendors. Proposed budget for web development is \$40,000.00.

Consumer Education and Outreach

A portion of Consumer Education is budgeted in Contractual Services. The CSI will contract with a public relations firm to help develop messages, plan events, and develop materials. This budget will also provide for advertising for events. The CSI plans to schedule seven public awareness events in seven different Montana communities. Proposed budget for providing a consultant for this planning process is \$36,000.00.

A portion of the proposed budget is for a contract with consumer advocacy groups (non-profit groups) to conduct outreach and education throughout Montana. The proposed budget for this is \$30,000.00

Filing and Reporting

A portion of "Other Costs" is to provide for a Data Center to collect and analyze medical reimbursement data from insurers and to update and report on cost and geographic trends. This proposed cost is \$50,000.00.

IT enhancements will include the collection and analysis of the rate data that must be transmitted to HHS. The CSI will share in the leveraged SERFF solution proposed by the NAIC. This will give the CSI the ability to file the uniform data reporting template and satisfy the requirements required to file with the Secretary. Proposed cost is \$18,808.

Travel \$15,192.00

Actuarial and Market Data Review and Analysis:

The travel request for Actuarial and Market Data Review and Analysis activity is \$5,000.00. This travel funding will be utilized for both Actuaries and Market Conduct Examiners to attend training.

Information Technology and Web Enhancements:

Training will be required for SERFF and other IT training. The travel request for this activity is \$5,000.00.

Consumer Education and Outreach

Travel for public meetings across Montana for consumer education is requested at \$5,192.00.

Supplies \$6,000.00

Consumer Education and Outreach

The CSI is proposing a budget for both promotional and other supplies. The promotional supplies will be required to perform the outreach events. Other supplies will be utilized for public educational materials. The proposed budget for supplies is \$6,000.00.

Other Costs \$21,000.00

Actuarial and Market Data Review and Analysis:

\$5,000.00 in the Actuarial and Market Data Review and Analysis activity is requested for training costs for actuaries and market data examiners.

Information Technology and Web Enhancements:

\$5,000.00 in the Information Technology and Web Enhancement Activity is requested for the training costs for both SERFF and other IT training.

Consumer Education and Outreach

Printing of promotional materials is also a portion of "Other Costs." The materials to be printed will be utilized in promotional materials for public events and consumer education. The estimated cost of printing is \$7,000.00.

Mailing costs is another portion of "Other Costs." The mailing costs will be for promotional materials for public events and consumer education. This cost is estimated to be \$4,000.00.

REQUIRED SUPPORTING DOCUMENTATION

APPENDIX V.A.4.b

**Delineation of Roles and Responsibilities of Project Staff
Capacity to Implement Project and Manage Grant Funds
Organizational Chart
Job Descriptions of Staff Dedicated to Project**

Roles and Responsibilities of Project Staff

The Montana Office of the Commissioner of Securities and Insurance is fully capable of implementing the proposed project and managing grant funds. The following staff will hold key roles:

Robert L. Moon, Deputy Insurance Commissioner (5%)

As project director, Mr. Moon will oversee all aspects of the project, supervise many of staff associated with the project, and oversee all fiscal matters and contracts.

Mari Kindberg, Rates Bureau Chief, P&C Actuary (5%)

As assistant project director and the rates bureau chief for the CSI, Ms. Kindberg will work with contract actuaries to communicate the project's needs. She has experience conducting rate review for property and casualty insurance and training as a health insurance actuary.

Margaret Miksch, Life and Health Actuary (20%)

As one of two actuaries for the CSI, Ms. Miksch will work directly with the contract actuaries to review their analysis and begin to interpret the data for public consumption. She has direct experience reviewing health insurance rates in Med. Supp and Long Term Care plans.

Christina Goe, General Counsel (8%)

Ms. Goe will provide legal support to the project including drafting of legislation. She is the department's chief legal authority on PPACA.

Carol Roy, Lead Market Conduct Examiner (8%)

Ms. Roy will work directly with contract examiners to enhance market conduct activities as outlined in the proposal.

Rosann Grandy, Forms Bureau Chief (3%)

Ms. Grandy will be working with SERFF and approving outlines of coverage disclosures.

Jackie Boyle, Communications Director (5%)

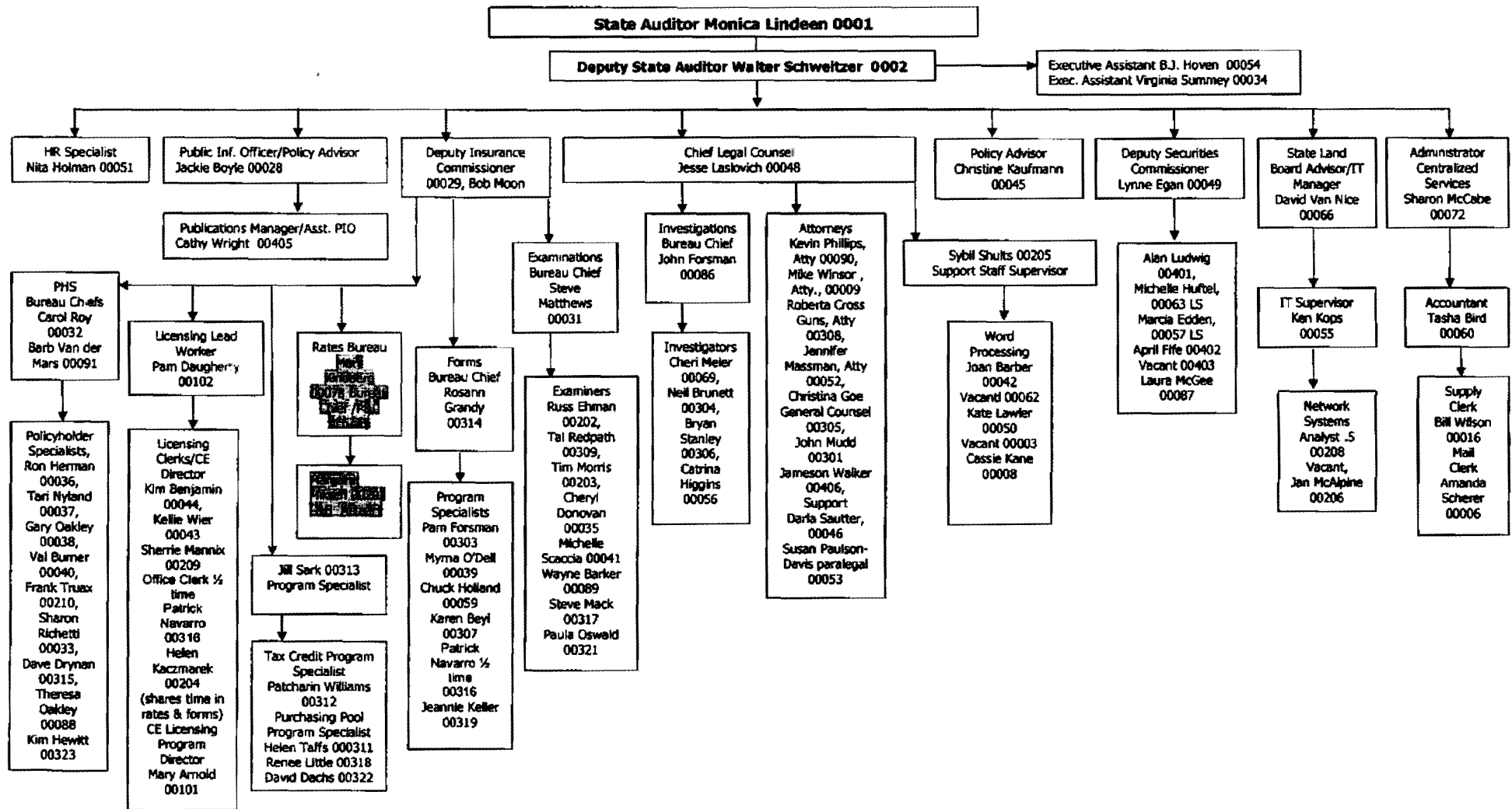
Ms. Boyle will work with contract consultants on public outreach, materials development, and media relations.

Ken Kops, IT Supervisor (8%)

Mr. Kops will work with contract IT consultants on information technology needs

Sharon McCabe, Administrator of Central Services (1%)

Ms. McCabe will manage the grant finances, contracts, and reporting.



JOB DESCRIPTION
PROJECT DIRECTOR: ROBERT W. MOON

Job Title: Deputy Insurance Commissioner, State of Montana

Percentage of Time Working on Project: Five percent (5%)

Percentage of Time on Duties Outside of Grant Activities: Ninety-five percent (95%)

Position Purpose:

- The position, under the direction of the Commissioner of Securities and Insurance, manages the operation of the Insurance Department; provides the Commissioner and staff with technical support on insurance regulatory issues; and makes recommendations to the Commissioner for department policies and procedures. The department employs 50 plus FTE.

Nature and Scope:

In managing the operations of the Insurance Department, the Deputy Insurance Commissioner, under the direction of the Commissioner, supervises and evaluates the performance of the Bureau Chiefs of the Insurance Department, which includes bureaus of Policy Holder Services, Forms/Filings, Licensing, Financial Examinations, Insure Montana, Rates, and Market Conduct. This position is responsible for monitoring bureau priorities, budgets, and operation procedures for achievement of departmental goals and objectives.

- The Deputy Insurance Commissioner assists the Commissioner in reviewing, developing and implementing insurance-related public policy and administrative rules; assists in presenting public policy to the legislature and U.S. Congress; develops department policies and priorities; oversees and assists in managing consumer complaints and violations of state insurance laws; works closely with legal staff and external legal counsel representing the department in complex litigation and routine legal matters; works with internal legal counsel on criminal and civil insurance investigations; works closely with the information technology division to implement initiatives; represents the department in state and
- national meetings involving industry members and fellow insurance regulators; provides the Commissioner with advice and recommendations on insurance regulatory matters; assists the Commissioner with respect to insurance receiverships and hearings; and works with the Commissioner in agency budget planning. The Deputy Insurance Commissioner performs other duties as assigned.

Required Skills and Experience:

The Deputy Insurance Commissioner is expected to manage the Insurance Department's professional staff, including having experience with hiring and disciplinary actions; experience analyzing complex problems and developing solutions; knowledge of Montana insurance statutes and administrative rules; knowledge of federal laws and regulations affecting insurance, including ERISA and HIPAA; knowledge of financial accounting principles, including statutory accounting principles applicable to insurers; knowledge of insurance industry practices and procedures; knowledge of public policy and administrative procedures; and knowledge of state of Montana policies and procedures.

ensure that rates are not excessive, inadequate, or unfairly discriminatory and in general monitors the workers' compensation insurance market. The Property and Casualty Actuary recommends discontinuation of rates and policies, penalties, and suspension of insurer license.

Upon request of the Chief Financial Examiner, the Property and Casualty Actuary analyzes the reserves of insurers doing business in Montana to determine the adequacy of such reserves. Such analyses may include, but are not limited to, loss reserves, loss adjustment expense reserves and unearned premium reserves. The Property and Casualty Actuary reports results of such analyses to the Chief Examiner and the Deputy Insurance Commissioner. The Property and Casualty Actuary assists in legal actions against financially hazardous insurers by providing evidence and expert opinion; and develops and maintains, to the extent possible, a written system for evaluating insurer solvency which can be used by a successor. The Property and Casualty Actuary provides actuarial analysis of new insurance company applications to the Chief Examiner and Deputy Insurance Commissioner.

The Property and Casualty Actuary participates in the legislative and rule adoption processes as directed by the Deputy Insurance Commissioner; monitors the effectiveness of implemented legislation or rules; recommends legislative or rule changes which are necessary or desirable to meet the goals and objectives of the Division and the Bureau; and provides testimony as an expert witness on behalf of the Division in legislative or administrative proceedings.

The Property and Casualty Actuary participates in actuarial education and research as necessary for professional development and regulatory effectiveness. When directed, the Property and Casualty Actuary represents the Commissioner at professional meetings, including, but not limited to, meetings of the National Association of Insurance Commissioners, the American Academy of Actuaries and the Casualty Actuarial Society; maintains a reference library of available actuarial literature; and maintains reference files on matters of special interest such as NAIC reserve certification requirements.

The Property and Casualty Actuary participates in the operation of the Montana State Board of Hail Insurance. The Property and Casualty Actuary provides technical and expert opinion to the Commissioner on the functions of the Board, including, but not limited to, appropriateness of rates charged, reserves held, refunds/dividends given, and financial and non-financial operations of the program.

The Property and Casualty Actuary is the Rates Bureau Chief. The Rates Bureau Chief supervises the actuaries in the Bureau. The Property and Casualty Actuary recommends changes and institutes approved changes to accommodate the improvement in the operations of the Bureau so that operations become more efficient, cost effective and streamlined.

10

5%

5%

5%

5%

1. Give specific examples of the types of problems solved, decisions made or procedures followed when performing the most frequent duties.

Insurance Company Rates/Premiums: The Property and Casualty Actuary reviews the rates/premiums of insurers to determine if they are inadequate, excessive or unfairly discriminatory utilizing complex actuarial methodologies. The Property and Casualty Actuary brings insurers into compliance and, if needed, recommends to the Insurance Commissioner and Deputy Insurance Commissioner appropriate actions.

Insurance Company Reserves: The Property and Casualty Actuary reviews the adequacy of insurer's financial reserve levels that impact the solvency of insurers utilizing complex actuarial methodologies. The Property and Casualty Actuary reports to the Chief Financial Examiner and Deputy Insurance Commissioner findings of such analysis and recommends appropriate actions.

2. What do you consider the most complicated part of the job?

Determining when an insurer presents excessive, inadequate or unfairly discriminatory rates or excessive or inadequate financial reserves and determining what corrective action to pursue

3. What guidelines, manuals or written established procedures are available to the incumbent?

Title 33 of Montana Code provides the statutory requirements for insurance companies. The Casualty Actuarial Society (CAS) and American Academy of Actuaries provides actuarial guidelines.

4. If this position supervises other positions, complete the following information.

Is this position responsible for:

- Hiring
- Firing
- Performance Management
- Promotions
- Supervision
- Discipline
- Pay Level
- Other: training;

recommendations for performance appraisal.

SECTION III - Minimum Qualifications - List the minimum requirements for first day of work.

Please list the main knowledge and skill areas required for the job:

Extensive knowledge of actuarial ratemaking methodologies.

Extensive knowledge of actuarial reserving methodologies.
 Extensive knowledge of insurance company operations.
 Extensive knowledge of analytical tools and practices applicable to insurance company ratemaking and reserving methodologies.
 Substantial knowledge of insurance contracts and forms to coordinate with the Forms Bureau.
 Extensive knowledge of insurance laws and regulations.
 Extensive knowledge of the state insurance regulation framework.
 Ability to organize.
 Ability to communicate effectively in writing.
 Ability to communicate effectively through public speaking.
 Ability to review voluminous company data to formulate logical and accurate conclusions and present reasonable recommended course of action.
 Ability to manage/supervise employees.

What behaviors are required to perform the duties?

Teamwork; Customer orientation; Commitment to the public; Responsive, reliable and dependable; Quality, accuracy, attention to detail; Prioritizing, multi-tasking, balancing multiple projects; Analytical thinking; Commitment to a profession; Ethics; Communicates effectively, verbally and in writing; Strong independent judgment and decision making; The ability to work effectively with confidential information; Establishes and maintains effective working relationships

Education and experience: Please check the one box that indicates the **minimum** educational requirements for this job, as it relates to a new employee on the first day of work (not the educational background of the person now in the position):

- | | |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <input type="checkbox"/> No education required
training | <input type="checkbox"/> 2 year job-related college or vocational training |
| <input type="checkbox"/> High school diploma or equivalent | <input checked="" type="checkbox"/> College degree (Bachelor's) |
| <input type="checkbox"/> 1 year job-related college or vocational training | <input type="checkbox"/> Post-graduate degree or equivalent (e.g. Master's, JD) |
| <input type="checkbox"/> 4 year college degree in mathematics or related field such as statistics. | |

Other education, training, certification, or licensing required (please specify):

Fellow of the Casualty Actuarial Society (FCAS): The FCAS designation is awarded by the Casualty Actuarial Society upon completion of the Casualty Actuarial Society Course on Professionalism and nine (9) comprehensive examinations covering mathematics, probability and statistics, investment and financial analysis, economics, insurance regulation/law, insurance accounting, reinsurance, enterprise risk management, actuarial ratemaking, actuarial reserving and actuarial modeling. The position must be able to review and issue Statements of Actuarial Opinion. In order to issue Statements of Actuarial Opinion, the FCAS designation, or the designation of Associate of the Casualty Actuarial Society (ACAS) is required, along with three years actuarial experience and 30 hours of continuing education are required annually, of which 6 hours must be earned while attending actuarial conferences.

Member of the American Academy of Actuaries (MAAA): The MAAA designation is awarded by the American Academy of Actuaries upon obtaining ACAS and three years of actuarial experience. To maintain the MAAA designation, 30 hours of continuing education are required annually of which 6 hours must be earned while attending actuarial conferences.

Computer skills – Excel, Word, Power Point, Outlook, Internet

Please check the one box that indicates the minimum amount of job-related work experience needed as a new employee on the first day of work (not the experience of the person now in the position):

- | | |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> No prior work experience required
1 to 2 years of job-related work experience | <input type="checkbox"/> 3 to 4 years job-related work experience |
| | <input checked="" type="checkbox"/> 5 or more years of job-related work experience |

Specific experience (optional):

Because of the highly technical nature of actuarial work, and because there is only one Property and Casualty Actuary at the State Auditor's Office, the Property and Casualty Actuary must have insurance industry or actuarial consulting experience in actuarial ratemaking and actuarial reserving plus industry credibility.

This agency will accept alternative methods of obtaining necessary qualifications.

SECTION IV – OTHER IMPORTANT JOB INFORMATION

Working Conditions: Fast paced, multi-faceted, with competing priorities and a heavy workload. Occasional travel is necessary.

Supervision provided: The Property and Casualty Actuary supervises the Life and Health Actuary.

Supervision received: The Insurance Commissioner and Deputy Insurance Commissioner set policy, but do not provide supervision on normal/routine matters. The Property and Casualty Actuary is a key advisor to the Commissioner and Deputy Insurance Commissioner and must be technically competent and able to effectively communicate with both the Deputy Insurance Commissioner and Commissioner. Because of the highly technical nature of actuarial work, and because there is only one Property and Casualty Actuary at the State Auditor's Office, the Property and Casualty Actuary does not receive assistance from co-workers or supervisors on many tasks. The Property and Casualty Actuary must rely on professional knowledge obtained from the Casualty Actuarial Society and the American Academy of Actuaries.

Scope & Effect: The Property and Casualty Actuary is the primary consultant to and representative of the Deputy Insurance Commissioner and Insurance Commissioner on all matters regarding the rates/premium charged by insurers and the financial reserves held by insurers.

The Property and Casualty Actuary determines whether filings of property and casualty insurance rates conform to Montana law. Decisions made ultimately affect the price and availability of insurance and competition in the insurance market place in Montana. The decisions have a significant impact on individuals, families, business and state and local governments. Decisions about rate filings are made by the Property and Casualty Actuary and are not reviewed. Such decisions often require highly specialized skills which frequently are beyond the technical knowledge and expertise of the superiors of the position. The decisions must be accurate and timely.

The Property and Casualty Actuary performs evaluations, which affect the Division's conclusions regarding the solvency of insurers. Faulty evaluations may result in inappropriate conclusions and decisions regarding an insurer's continued operation in Montana. Such evaluations often require highly specialized skills which frequently are beyond the technical knowledge and expertise of the superiors of the position. The evaluations must be accurate, must be based on appropriate actuarial methodologies, and must reflect reasonable and appropriate actuarial judgment.

The Property and Property Actuary provides actuarial services to the Policyholder Services Bureau. Decisions made affect what is included in market conduct examination reports about the operations of Montana insurers, which in turn affects the premium rates or insurance benefits of the Montana residents insured by the companies. Decisions are also made about insurance rate increases that Montana consumers have complaints about, and sometimes with the benefits they receive. All of these decisions often require highly specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of the position. The decisions must reflect reasonable and appropriate actuarial judgment.

The State Auditor is a member of the board of the Montana State Board of Hail Insurance. The Board provides hail insurance for producers' crops in the state of Montana. The Property and Casualty Actuary provides technical expertise to the Commissioner in his/her duties as a board member. Decisions made ultimately affect the price and availability of crop hail insurance to agricultural producers in the state of Montana

**STATE OF MONTANA
JOB PROFILE AND EVALUATION FOR
Carol Roy**

SECTION I - Identification		
Working Title Chief of Market Compliance	Job Code Number	Job Code Title
Pay Band	Position Number 34100032	<input checked="" type="checkbox"/> FLSA Exempt <input type="checkbox"/> FLSA Non-Exempt
Department State Auditor's Office		Division and Bureau Policyholder Services
Section and Unit Insurance		Work Address and Phone 406-444-3917
Profile Produced By Carol Roy		Work Phone 444-2040
Work Unit Mission Statement or Functional Description		
<p>Policyholder Services is responsible for ensuring compliance with Title 33, MCA by insurance entities of all types in the market. This includes sales, underwriting and issuing of policies, claims and other issues. This is accomplished by handling consumer complaints and inquiries, educating consumers with publication and outreach courses, by the continuum of market compliance tools, including market analysis, market conduct annual statements, and market conduct examinations.</p>		
Describe the Job's Overall Purpose:		
<p>The Chief of Market Compliance oversees the Policyholder Services Division, (PHS), as well as the market conduct regulation. The goal is to protect and inform insurance consumers and to foster a healthy insurance environment in Montana. The overall purpose of the job is to monitor compliance in the market with statutes and administrative rules by the participating insurers, producers, adjusters, and other insurance entities. We make sure that sales methods in the market are fair for all participants, that claims are paid timely and correctly, that policies are issued in compliance with statutes, and that illegal discrimination does not occur in the issuance or operation of policies. Works with the Board of the Montana Comprehensive Health Association (MCHA).</p>		
SECTION II - Major Duties or Responsibilities		% of Time
A. Analyzes the market using complaint data and financial, as well as other information to determine overall market status, conducts or supervises market analysis Levels 1 and 2, determines the level of regulatory action necessary to improve, correct, or bring into compliance marketplace activities by insurance entities. Identifies problem areas or problem insurance entities. Determines whether to do a complete market conduct examination, a targeted examination, or conduct a face to face meeting with company personnel to gain their commitment to compliance with statutes and rules. Makes recommendations to the Deputy Insurance Commissioner for additional regulatory investigation, legal referral, or other actions within the continuum of regulatory authority.		20
B. Organizes, supervises, and actively participates in statutorily required market conduct examinations of domiciled insurance companies. Assures that examinations are conducted in accordance with the NAIC Market Conduct Examiners Handbook. Develops best practices for testing techniques to verify compliance with statutes specific only to Montana. Analyzes, organizes, and evaluates exam data, draws conclusions, formulates recommendations and corrective action plans and presents final exam report to companies. Works with the financial examiners to coordinate exam efforts in the most cost effective manner, while providing the State Auditor with a complete and accurate picture of the financial and market status of the insurers domiciled in Montana.		30
C. Oversees the activities of PHS including the supervisor, assists with difficult files and project analysis. Intervenes as needed with difficult situations. Reviews each file from PHS referred to Deputy Insurance Commissioner for additional investigation or legal review. Provides technical insurance information to the Deputy Insurance Commissioner in PHS areas where policy decisions must be made. Analyzes the market status for referral of needed legislation, and assists in the compilation of information for legislative and other projects. Responsible for work unit budget preparation, planning, and monitoring.		20
D. Develops and presents department reports and agency policy recommendations to the Montana Comprehensive Health Association Board of Directors for the ongoing management of the insurance pool for people who cannot obtain health insurance in the market due to health conditions and for		

those who lost coverage from a job. Analyzes the MCHA financial, claim trend information, and actuarial projections to recommend to the State Auditor a final premium for each plan year, any legislation needed by the MCHA, or any benefit changes to the plan and nominees for members of the Board of Directors. Provides information to federal and state legislative representatives for MCHA funding bills, attends national meetings to stay current on health management and cost containment initiatives and innovations.

30

2. Give specific examples of the types of problems solved, decisions made or procedures followed when performing the most frequent duties.

Annually the top five insurance companies based on premium volume in Montana are selected for life and health insurance and for property and casualty insurance are determined based on annual financial statement information. The complaint records are run on companies to see which company has the most policyholder complaints. The complaints are further examined based on the reason for the complaints. If a trend is noted, such as a common practice of delaying the payment of claims, the files are pulled and reviewed to determine if there is a specific adjuster not complying with statutes, or if the company appears to have changed their method of handling claims. Depending on the file information, a decision will be made to contact an officer of the company, provide the information on their company, identify problem areas, see if the company is aware of the problem; if so, what has been done or will be done to correct the problem. Commitment to change by the company and follow up by the SAO are required to rectify the market problem.

3. What do you consider the most complicated part of the job?

One of the most difficult tasks of the job is pulling all of the examination findings together from 16 different categories of operations tested and reviewed within a company's operations to complete a market conduct examination report and make recommendations for either additional compliance testing, legal action, or other negotiated settlement under a statutory deadline.

4. What guidelines, manuals or written established procedures are available to the incumbent?

The National Association of Insurance Commissioners (NAIC) manuals and software on: market analysis, market conduct examiners handbook, market conduct annual statements, ACL and TeamMate audit software, Couch on Insurance, FC&S Bulletins, Insurance Service Office, and many other sources too numerous to mention.

5. If this position supervises other positions, complete the following information.

Responsible for:

- Hiring Firing Performance Management Promotions
 Supervision Discipline Pay Level Other: training;
schedules workload; recommendations for performance appraisal.

SECTION III - Minimum Qualifications - List the minimum requirements for first day of work.

Please list the main knowledge and skill areas required for the job:

Requires detailed knowledge of all lines of insurance, the ability to negotiate with insurers and consumers, statistical analysis, evaluation, regulatory decision making and compliance determinations that are fair and result in outcomes in the best interest of the public, agency personnel policies and procedures and specific knowledge of recruitment and classification policies; skill in operating computer equipment and various software packages (Word, Excel, Outlook, PeopleSoft, TeamMate, ACL).

What behaviors are required to perform the duties

Decision Making

Analytical thinking

Writing effectively

Speaking effectively

Accuracy in examinations calculations

Self knowledge and personal awareness

Strong customer service orientation:

- Develops in-depth understanding of the customer's needs in order to be more helpful
- Develops in-depth knowledge of insurance and audit practices
- Negotiates fairly and effectively
- Proactively informs and resolves problem/issues with customers
- Follows up to make sure that the customer's expectations have been met
- Follows up to make sure that corrective actions have been taken

Strong independent judgment

The ability to work effectively with confidential information

Establishes and maintains effective working relationships

Education and experience:

- No education required training
- High school diploma or equivalent
- 1 year job-related college or vocational training
- 2 year job-related college or vocational training
- College degree (Bachelor's)
- Post-graduate degree or equivalent (e.g. Master's, JD)

Other education, training (software), certification (CPA), or licensing (pilot, psychologist) required (please specify):
 Certification, Accredited Insurance Examiner.

TeamMate, ACL Audit Software

Computer skills – Excel, Word, Power Point, Outlook, PeopleSoft

Please check the one box that indicates the minimum amount of job-related work experience needed as a new employee on the first day of work (not the experience of the person now in the position):

- No prior work experience required
- 1 to 2 years of job-related work experience
- 3 to 4 years job-related work experience
- 5 or more years of job-related work experience

This agency will accept alternative methods of obtaining necessary qualifications.

A combination of education and experience or

Minimum of 10 years of insurance experience and 5 years regulatory insurance experience

SECTION IV – Other Important Job Information

List any other important information associated with this position, such as working conditions, supervision provided or received, scope and effect and personal contact.

Supervisor for this position is the Deputy Insurance Commissioner.

STATE OF MONTANA
JOB PROFILE AND EVALUATION FOR
Christina L. Goe

The job profile is a streamlined position description and may serve as the core document for all human resource functions such as recruitment, selection, performance management and career and succession planning. It was developed, initially, for use in classifying positions in Pay Plan 020.

SECTION I - Identification

Working Title Attorney	Job Code Number 110507 (proposed)	Job Code Title Attorney
Pay Band	Position Number 00305	<input checked="" type="checkbox"/> FLSA Exempt <input type="checkbox"/> FLSA Non-Exempt
Department State Auditor's Office		Division and Bureau Insurance and Securities Division
Section and Unit Legal Services		Work Address and Phone 840 Helena Avenue, Helena, MT 59601
Profile Produced By Christina Goe Staff Attorney		Work Phone 444-1942
Pat Driscoll Chief Legal Counsel		
Jim Kerins, CMS, LLC		442-4934

Work Unit Mission Statement or Functional Description - This section should include a complete statement of the mission or function as it relates to the work unit.

The Legal Division of the State Auditor's Office administers and enforces the State regulations pertaining to securities and insurance practices throughout Montana. The Division is administrated by the Chief Legal Counsel. The Division plays a major role in maintaining the health and integrity of securities and insurance industries and business environments in Montana. The Division is responsible for the licensing of individual producers, companies, and other persons and companies providing securities and insurance services in Montana. The Division is also responsible for enforcing State regulations.

Describe the Job's Overall Purpose:

This position is an Attorney for the State Auditor's Office. The position is responsible for performing legal and administrative compliance enforcement work related to alleged violations of state and federal insurance law and regulations; answering legal insurance business questions presented by Department staff, insurers, business entities, and individuals; and coordinating the preparation of legislation, amendments, administrative rules, codes and internal operating procedures. The position reports to the Chief Legal Counsel.

SECTION II - Major Duties or Responsibilities

This section should be a clear concise statement of the position's duties. Well written thorough task duty statements are required here to accurately evaluate the position.

1. What are the major duties or responsibilities assigned to this position? Group duties in order of importance and estimate the percent of time needed to perform each duty. **NOTE:** Because you are identifying major duties usually 3-5, the quantity of time probably will not be less than 20%. If a duty is essential but not performed routinely you should list it. For example, lobbying during the legislative session may not take up a large percent of total work time, but can be an essential duty.

A. Legal representation and litigation
 Perform legal and administrative compliance enforcement work related to alleged violations of state and federal insurance law and regulations. This work requires: knowledge of the concepts and theories of the legal profession; negotiation and mediation strategies and techniques; state and federal statutory law, regulations, and case law; administrative provisions and hearings procedures; the principles and practices of investigation; rules of civil procedures; rules of

% of Time

60%

evidence; civil, criminal, and administrative rules, laws, and penalties; constitutional rights of individuals (e.g., privacy, property and due process rights); enforcement methods and processes; research methods and techniques; and administrative and court processes. This work requires knowledge of: licensing requirements for insurance producers and insurers; financial solvency of insurers; rates and forms compliance; all lines of insurance (e.g., property, casualty, life, health, long-term care, credit life and disability, inland marine, surplus lines); types of legal entities transacting insurance and the requirements of each (e.g., stock and mutual insurers, captive insurers, Health Maintenance Organizations, Health Service Corporations, Mutual Employer Welfare Arrangements); relevant state and federal statutes, regulations and case law and the interaction of the same (e.g., Montana Comprehensive Health Association, the federal Health Insurance Portability And Accountability Act of 1986, the federal Liability Risk Retention Act of 1986, Gramm-Leach-Bliley Act of 1999). This work requires the ability to communicate effectively, weigh evidence, and make difficult judgments based on complex information.

1. Advise Department investigators concerning legal issues involved in their investigations by interpreting and explaining relevant state and federal statutes, administrative rules and case law. Meet with investigators and provide legal opinions concerning the appropriate course of an investigation. Analyze witness interviews and other evidence gathered by investigators to identify violations of Montana insurance law or federal insurance law that is enforced by the Department. May result in formal legal action.
2. Advise Department compliance specialists concerning legal issues involved in consumer complaints received by interpreting and explaining relevant state and federal statutes, administrative rules and case law pertaining to insurance. Analyze documents and other evidence gathered by compliance specialists to identify violations of Montana insurance law or federal insurance law that is enforced by the Department. May result in formal legal action for violations. Represent Department staff if deposed as witnesses in private suits.
3. Advise Department staff examining filed rates and forms concerning legal issues by interpreting and explaining relevant state and federal statutes, administrative rules and case law pertaining to insurance rates and forms. May result in formal legal action for violations.
4. Advise Department licensing staff concerning legal issues by interpreting and explaining relevant state and federal statutes, administrative rules and case law pertaining to licensure of insurance producers including both individual and business entities and also resident and non-resident applicants, insurance adjusters, filing requirements for assumed business names, lines of authority, and continuing education compliance. Requires knowledge of state and federal statutes, administrative rules and case law pertaining to insurance licensing issues including licensure of criminal offenders. May result in formal legal action in regard to license denials, suspensions, and revocations for violations.
5. Advise Department financial examinations staff concerning legal issues by interpreting and explaining relevant state and federal statutes, administrative rules and case law pertaining to business entities generally and insurer qualifications for certificate of authority to transact insurance in Montana including the types of authorized business entities, lines authorized, whether authorized as a domestic, foreign, alien, or surplus lines insurer, and the financial solvency and reporting requirements of each. Requires knowledge of types and aspects of financial insolvency rehabilitation and liquidation (e.g., supervision, rehabilitation, and liquidation). May result in formal legal action regarding certificate of authority qualifications or to remedy insurer's financial insolvency.
6. Establish legal issues related to complaints from consumers or inquiries by staff to determine which regulations may have been violated and the appropriate corrective action. This includes evaluating and interpreting MCA and federal law, which often overlap and conflict to determine which law pre-empt; evaluating issues of jurisdiction; determining the impact of various strategies in both the administrative and district court arenas; determining who the appropriate responsible party is; etc.
7. Determine legal strategies to achieve the most favorable outcome for consumers while protecting the viability of the insurance industry and ensuring compliance with applicable state and federal regulations. This includes determining whether to proceed civilly or criminally, determining appropriate penalties or enforcement actions (doing the best possible for consumers, while ensuring compliance actions aren't too onerous driving businesses from the state), determining whether to pursue insurance or security violations, determining the

appropriate level of enforcement (ranging from writing a letter to litigation), and considering input from the victims.

8. Subpoena business records and other documents necessary for investigation which includes identification of the evidence needed, establishing justifications, preparing legal documents.
9. Initiate proceedings in district court to either compel compliance with subpoenas or for contempt of court against insurers, business entities, and individuals who defy administrative subpoenas. Includes drafting, synthesizing and composing written briefs, pleadings and other documents and presenting verbal and written arguments in support of Department positions.
10. Write enforcement letters including letters of advice, inquiry and warning to insurers, business entities, and individuals who are not in compliance with insurance law or whose activities are the subject of Department concern. This includes reviewing evidence and witness statements related to illegal or questionable activities, researching applicable state and federal laws and regulations to determine violations, articulating the necessary actions to achieve compliance and the consequences of non-compliance, and clarifying requirements or potential penalties with insurers, business entities, and individuals or their legal representatives.
11. Negotiate with insurers, business entities, and individuals and their legal representatives to enforce compliance with insurance laws and regulations and to avoid unnecessary expense and provide responsive dispute resolution. Settle claims and complaints against insurers, business entities, and individuals on behalf of the Department in cases of non-compliance with insurance laws after consultation with Deputy Insurance Commissioner or Deputy State Auditor.
12. Pursue administrative legal action against insurers, business entities, and individuals for violations of insurance laws and regulations. This includes compiling and documenting evidence of improper or illegal activities, determining the laws and regulations violated, and ensuring due process. Additionally, this includes all aspects of litigation such as: collect and/or supervise the collection of necessary evidence and information to develop and prepare cases; prepare and file pleadings; conduct full scope of pre-trial discovery and preparation; draft and serve interrogatories, requests for admission, requests for production, and other discovery requests; answer discovery requests served on the Department; depose witnesses and represent Department employees when deposed; prepare and file motions and briefs; develop trial strategy; select expert witnesses necessary to litigation; interview and prepare witnesses for trial; prepare and serve pretrial motions and supporting briefs; present oral argument in hearings on pretrial motions; represent the Department during the formal hearing; and prepare proposed findings of fact, conclusions of law, and order as necessary; prepare motions and supporting briefs on Department's exceptions to hearing examiner's proposed findings of fact, conclusions of law, and order as necessary.
13. Determine and recommend whether to appeal adverse lower court decisions or to initiate other legal proceedings based on analysis of applicable legal provisions and precedent, perceived chance of success, cost to the Department, and alternatives to litigation (e.g., rule-making or legislation to amend statute).
14. Represent the Department in any appeal from district court to the Montana Supreme Court or federal appellate court on matters described above. Appeals or defends against appeal or district court's decision at the Montana Supreme Court. Files pleadings necessary to appeal, researches statutory and case law, prepares and files briefs, observes deadlines for filing of appeal and submission of briefs, and presents oral argument before Montana Supreme Court.
15. File cease and desist orders and/or injunctions as necessary (e.g., if requests for compliance and negotiations have not been effective). This includes compiling and documenting evidence of improper or illegal activities, determining the laws and regulations violated, ensuring due process and petitioning the district court to issue injunctions.

B. Legal research, opinions, and counsel

Answers complex legal questions presented by Department staff or outside inquiries from insurers, business entities, and individuals regarding all aspects of the business of insurance.

1. Respond to written and telephonic requests for information on a daily basis. This involves interviewing callers to identify information needs, researching existing legal information and literature, consulting with other agencies, and identifying issues of jurisdiction, evidence of

violations, and applicable regulations.

2. Respond to inquiries from special interest groups, the public, and businesses to provide information and maintain public awareness of State Auditor's Office programs and activities. Prepare presentations, or other informational activities necessary to keep the insurance industry, citizen groups, and other organizations informed about insurance and compliance issues within the state.
3. Conduct appropriate factual research and legal research including determination of precedent as applied by the Department, other agencies, and the courts. Requires consulting state and federal statutory law, regulations, and case law and also treatises, analogous law from other jurisdiction which have laws similar to Montana, and law review articles. Issues are sometimes issues of first impression and analysis must involve the unique application of principles of law to the facts in the case.
4. Select appropriate authority(ies) and conduct legal analysis to answer inquiries orally or in written legal memorandum or formal legal opinion letter on behalf of the Department. Frequently, legal opinions assist in Department policy development and may require formal legal action to support or defend legal opinions and Department policies.
5. Draft legal memoranda, reports, proposed legal opinions, and correspondence for own signature or for the State Auditor. Review similar work by peers.

C. Administrative rules and legislation

Coordinate the preparation of legislation, amendments, administrative rules, codes and internal operating procedures to improve the efficiency and effectiveness of agency activities, protect consumers and the insurance industry, respond to legislative initiatives impacting the office, and achieve the objectives and mission of the State Auditor while ensuring legal compliance.

1. Coordinate the preparation of administrative rules and amendments pursuant to Montana Administrative Procedure Act to ensure affected parties have the opportunity to provide input and that rulemaking activities comply with state regulations. This includes conducting legal research to ensure compliance of proposed rule with Montana statutory and case law and any relevant federal statutory and case law; meeting with affected parties prior to filing to proposed administrative rules or amendments to obtain information regarding the impacts of proposed rules or amendments and to identify possible alternatives; and engaging in negotiated rule-making with affected parties pursuant to Montana Negotiated Rulemaking Act. Prepare responses to comments regarding proposed rules and amendments and draft final version of adopted rules.
2. Conduct public hearings on proposed administrative rules or amendments as hearing examiner. This includes ensuring compliance with Open Meeting laws and public notice requirements, scheduling and facilitating hearings and conferences, synthesizing public input, legal requirements and administrative issues arising at hearings; revising draft administrative rules as appropriate; and providing written summaries of statements given and exhibits received.
3. Draft, synthesize and review proposed new and changed administrative rules, codes and internal operating procedures in response to statutory changes, legal opinions and precedent and to facilitate the efficient operation of agency programs. Research and analyze current program operations and current statutes and rules of Montana; develop proposed administrative rules to implement needed changes; ensure all necessary and appropriate information is submitted or gathered; coordinate any required hearings or testimony by notifying appropriate parties of requirements and conduct or direct research in response to inquiries.
4. Draft new legislation and amendments including conducting legal research to ensure compliance of proposed legislation or amendments with Montana statutory and case law and any relevant federal statutory and case law. This involves research and analysis of current program operations, review of current statutes and laws of Montana, development of proposed legislation to implement needed changes, development of justifications including fiscal impacts; and providing expert testimony in hearings and before the legislature. Provide

20%

information and legal support for proposed legislation or amendments to Department staff, Legislative Council, and bill sponsor.

5. Monitor legislative activities to assess the progress of agency proposals and to identify other legislative proposals or modifications that may impact the State Auditor's Office, the insurance industry, consumers, or other department programs and activities. Analyze proposals to determine potential impacts, recommend alternatives, and ensure appropriate parties (e.g., the State Auditor and Deputy Auditor, Chief Counsel, and constituents) are aware of potential impacts. Develop summaries of legislative activities and their impacts on the department and industry for a variety of audiences.

15%

D. Other duties as assigned

Perform a variety of other legal and administrative duties in support of the State Auditor's mission and program objectives. This includes representing the agency at meetings and conferences; conducting advanced legal research; coordinating projects and initiatives with other state, federal and tribal agencies; providing training and technical assistance to other agencies; and attending training and education as required.

5%

2. Give specific examples of the types of problems solved, decisions made or procedures followed when performing the most frequent duties.

Problems solved including resolving disputes between insurance companies and consumers, identifying and resolving fraud and misrepresentation, and identifying and recommending changes to laws and rules to address gaps in current law or to better protect consumers and the insurance industry. Decisions made include determining case strategy, determining whether to pursue cases civilly or criminally, identifying issues of jurisdiction, determining whether state or federal law takes primacy, negotiating acceptable settlements, and determining appropriate compliance, enforcement, or litigation responses. The position must determine the best course of action for consumers while protecting the viability of the insurance industry. This involves consideration of specific cases as well as the precedent set during negotiations and settlements. Procedures followed including federal and state law governing insurance, legal and bar requirements, and the standards of the legal profession.

3. What do you consider the most complicated part of the job?

The most complicated part of the job is determining appropriate enforcement, compliance, or litigation strategy to best protect consumers and industry. This requires consideration of civil, criminal, or administrative actions, state and federal insurance and securities law, public policy, standards and operations of the insurance industry, and overlap or conflicts between various laws. The position must ensure consumers are protected and are made whole in incidents of noncompliance, while protecting the viability of the industries in the state.

4. What guidelines, manuals or written established procedures are available to the incumbent?

Guidelines include state and federal statutory and case law and administrative provisions; Montana Insurance Code and related case decisions; the Montana Administrative Procedures Act; criminal and civil law; Montana and Federal rules of civil, criminal, evidence, and appellate procedure; state and federal insurance and securities law; State Auditor's Office policies and procedures; and primary and secondary authorities and references such as legal dictionaries and encyclopedias, federal and state registers, digests, treatises, publications, and commentaries.

5. If this position supervises other positions, complete the following information.

The number of employees supervised varies with project and case assignments. When this attorney is assigned responsibility as lead attorney on a significant criminal, civil, or administrative litigation, investigation or prosecution, the attorney must determine, define and assign tasks to members of the project or litigation team and must perform coordination, follow-up, review and supervision of other positions assigned of the project or litigation. These would typically include the junior attorney, investigator(s), paralegal(s), securities analyst(s), insurance examiner(s), and compliance specialist(s) as needed.

The number of employees supervised is: varies.

List the complexity level of the subordinates: See above. The complexity level of the subordinate staff would vary with the requirements of the project or case as determined by the lead attorney.

Please list the Position Number for those supervised: varies widely and are therefore not included.

Is this position responsible for:

- Hiring Firing Performance Management Promotions
 Supervision Discipline Pay Level Other:

SECTION III - Minimum Qualifications - List the minimum requirements for first day of work.

Please list the main knowledge and skill areas required for the job:

The position requires knowledge of the concepts and theories of the legal profession and public administration. The position requires knowledge of Montana State Law with specific and thorough knowledge of the Montana

Insurance Code; the Administrative Procedures Act; Criminal Law; Montana and Federal rules of civil procedure, appellate procedure, evidence procedure, and civil law; techniques and practice of legal research, writing, citation and documentation; local, state and federal statutory and case law and administrative provisions; hearings procedures; administrative and court processes; primary and secondary authorities and references such as legal dictionaries and encyclopedias, federal and state registers, digests, treatises, publications, and commentaries; the legislative process; compliance and auditing methods and processes; and presentation methods and techniques.

What behaviors are required to perform the duties? NOTE: Identifying behaviors used for recruitment and selection and other HR functions are part of building a competency model (see **Creating Competency Models in Guide**). A position description will provide helpful information if a model has not been developed. Often "abilities" from the current PD can be stated as desired and observable behaviors. For example, "the ability to communicate clearly in writing" can be restated "writes clearly and concisely".

Speaking Effectively: Expresses and presents thoughts and ideas clearly, succinctly, and in an understandable manner individually and in a group. Adjusts language, delivery or terminology to meet the needs of the audience. This competency includes any type of verbal communication, such as giving presentations, giving testimony, speaking in person, or by telephone, and organizing verbal presentations for clarity.

Writing Effectively: Expresses and presents information and ideas in writing that are clear, succinct and understandable. Adjusts the language, writing style, and terminology used to meet the need and level of understanding of the reader. Utilizes knowledge of the structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar. Ability to write clearly and concisely for both lawyers and non-lawyers and to organize written presentations for clarity.

Analytical Ability and Personal Effectiveness: Analyzes all types of legal and administrative documents and factual situations to determine which legal concepts apply and what additional research or investigation is necessary; applies sound judgment to sensitive factual situations which arise in the practice of law on behalf of the people of the state; and acts with initiative, good judgment and tact.

Efficiency and Focus: Focuses efforts and energy on successfully attaining clear, concrete, accurate, timely, and measurable outcomes of importance to the department and department clients. Persistent even when challenged by obstacles or opposition. Able to prioritize and balance multiple projects, complete assignments successfully, and achieve excellent results. Able to adapt time and resources in proportion to the importance of each task, and make appropriate adjustments to meet deadlines and complete all tasks.

Attention to Detail: Achieves excellent work results by attending to details. Demonstrates an appropriate level of precision to complete projects successfully and to execute job responsibilities in a timely manner.

Results Oriented: Achieves goals and brings projects to completion. Investigates, calculates, and proceeds through a project or task to bring about a conclusion. Persists and stays focused when faced with a series of challenging or uncertain situations. Demonstrates a concern for working well or for competing against a standard of excellence.

Demonstrates Maturity and Emotional Discipline: Handles a wide variety of situations in a sensible, reasonable, and professional manner. Maintains composure and displays restraint when faced with opposition, stress, or hostility from others. Uses experience to demonstrate wisdom, responsibility, and reliability in any type of situation. Deals effectively with confidential and sensitive material.

Teamwork: Works cooperatively with others as part of a team consisting of attorneys, investigators, compliance staff, and administrative staff. Identifies and pursues solutions and looks for alternative ways to work with others that will create better results and good working relationships. Stays focused to achieve results. Actively participates and respects the ideas of others. Motivates team members with diverse goals to collaborate and cooperate to achieve success. Establishes and maintains effective working relationships with employees, insurers, insurance company personnel, other state Insurance Departments, other agencies, and the public.

Education and experience: Please check the one box that indicates the minimum educational requirements for this job, as it relates to a new employee on the first day of work (not the educational background of the person now in the position):

- | | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <input type="checkbox"/> No education required training | <input type="checkbox"/> 2 year job-related college or vocational |
| <input type="checkbox"/> High school diploma or equivalent | <input type="checkbox"/> College degree (Bachelor's) |
| <input type="checkbox"/> 1 year job-related college or vocational training | <input checked="" type="checkbox"/> Post-graduate degree or equivalent (e.g. Master's, JD) |

There may be a variety of fields of study that are acceptable. A Human Resource Specialist may have a Bachelor's in Human Resources, Business Administration, Public Administration or another related field. Please specify the acceptable fields of study:

The position requires a Juris Doctorate from an accredited law school.

Other education, training (software), certification (CPA), or licensing (pilot, psychologist) required (please specify):

The position requires membership in the State Bar of Montana and licensure to practice law in Montana. Admittance to the practice before the Montana Supreme Court and United States District Court is required.

Please check the one box that indicates the minimum amount of job-related work experience needed as a new employee on the first day of work (not the experience of the person now in the position):

- | | |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> No prior work experience required | <input type="checkbox"/> 3 to 4 years job-related work experience |
| <input type="checkbox"/> 1 to 2 years of job-related work experience | <input checked="" type="checkbox"/> 5 or more years of job-related work experience |

Specific experience (optional):

The Senior State Auditor Attorney position requires seven (7) years of progressively responsible experience in the practice of law including insurance regulatory experience.

- This agency will accept alternative methods of obtaining necessary qualifications. For recruiting purposes please list examples of acceptable alternative methods of obtaining those qualifications. **These examples should appear on a vacancy announcement.**

SECTION IV - Other Important Job Information

List any other important information associated with this position, such as working conditions, supervision provided or received, scope and effect and personal contact.

Predominant work is performed in a normal office environment. The position involves travel throughout the state for meetings, presentations and legal consultations. This travel is less than 500 miles per month. The position involves physical demands associated with communicating effectively over the phone and in person, operating general office equipment including a computer and operating a motor vehicle.

STATE OF MONTANA
JOB PROFILE AND EVALUATION for
Margaret Miksch

SECTION I - Identification

Working Title Life and Health Actuary		Job Code Number	Job Code Title
Pay Band	Position Number 00201		<input checked="" type="checkbox"/> FLSA Exempt <input type="checkbox"/> FLSA Non-Exempt
Department State Auditor's Office		Division and Bureau Insurance Division, Rates Bureau	
Section and Unit		Work Address and Phone 840 Helena Avenue Helena, MT 59601 406-444-2040	
Profile Produced By Margaret Miksch		Work Phone 406-444-2040	

Work Unit Mission Statement or Functional Description

- The Montana Insurance Division of the State Auditor's Office is responsible for the enforcement and administration of the Montana Insurance Code (hereafter Code). The agency is administered by the Montana State Auditor, who is the Commissioner of Insurance and Securities (hereafter Commissioner). The primary purpose of the Code is to protect the Montana Insurance consumer.
- The Rates Bureau is responsible for rate/premium regulation of insurance companies domiciled and/or operating in Montana. The Code requires that rates must not be inadequate, excessive nor unfairly discriminatory. The Code and administrative rules provide standards for measuring compliance with each requirement. All rates/premiums that are required to be filed are reviewed by the Rates Bureau for compliance with the Code and administrative rules and are maintained for public inspection.
- The Forms Bureau is responsible for the review for approval or disapproval of all insurance policy forms and related forms required by the Code and administrative rules. The Rates Bureau reviews the parts of certain forms that require actuarial review and approval before the forms can be approved.
- The Examination Bureau conducts financial examinations of insurers doing business in Montana. All such insurers must file financial statements at least annually. The Rates Bureau participates in financial examinations to evaluate the adequacy of an insurer's reserves.
- The Small Business Insurance Bureau is responsible for the Insure Montana small business pool. The Rates Bureau provides technical expertise to this Bureau as needed.
- The Policyholder Services Bureau conducts market conduct examinations and assists consumers with their insurance concerns. The Rates Bureau provides technical expertise to this Bureau and consumers as needed.
- The Legal Department provides legal advice to the agency and pursues enforcement actions. The Rates Bureau assists the Legal Department as requested providing actuarial analysis and occasionally expert opinion and testimony.

Describe the Job's Overall Purpose:

To protect consumers by monitoring the rates/premiums charged by insurers and the financial reserves held by insurers to pay claims, and to provide technical expertise to the agency on insurance rates/premiums and other actuarial issues as needed.

SECTION II - Major Duties or Responsibilities

% of Time

<p>Advisor to the Insurance Commissioner: The Life and Health Actuary is the Commissioner's representative/advisor on all matters related to life and health rates/premiums and to the various actuarial sections of policy forms. The Life and Health Actuary reviews rates filed by life and health insurers, and required data in support of such filings, for compliance with the Code standards applicable to certain life and health rates; reviews the sections of form filings for which the Code contains requirements of an actuarial nature; reviews required annual filings of an actuarial nature, such as small employer health insurance actuarial certifications and Medicare supplement benchmark ratio filings; communicates with life and health insurers and Montana consumers, both orally and in writing, regarding provisions applicable to rates; communicates with life and health insurers about various laws of an actuarial nature and Montana's specific policy forms requirements regarding those issues; refers apparent violations to the Deputy Insurance Commissioner and the Rates Bureau Chief for appropriate disposition; assists in legal actions against alleged violators of the provisions relating to rate filings and other actuarial issues by providing evidence and expert opinion; and develops and maintains, to the extent possible, an electronic system for reviewing such rate filings which can be used by a successor.</p>	75%
<p>Upon request of the Chief Financial Examiner, the Life and Health Actuary analyzes the reserves of insurers and multiple employer welfare associations domiciled in Montana to determine the adequacy of such reserves. The Life and Health Actuary reports results of such analyses to the Chief Examiner, the Rates Bureau Chief, and the Deputy Insurance Commissioner. The Life and Health Actuary assists in legal actions against financially hazardous insurers domiciled in Montana by providing evidence and expert opinion. The Life and Health Actuary provides actuarial analysis of new insurance company applications to the Chief Examiner, the Rates Bureau Chief, and the Deputy Insurance Commissioner.</p>	5%
<p>Upon request of the Director of the Insure Montana Small Business Insurance Bureau, the Life and Health Actuary provides analysis and recommendations regarding annual rate increases, insurance company assessments, and any special projects requiring actuarial expertise.</p>	5%
<p>Upon request of the Policyholder Services Bureau Chief, the Life and Health Actuary provides actuarial analysis needed in connection with market conduct examinations and in connection with policyholder concerns and complaints about rates charged or benefits received under their insurance plans.</p>	5%
<p>The Life and Health Actuary participates in the legislative and rule adoption processes as directed by the Rates Bureau Chief and the Deputy Insurance Commissioner; monitors the effectiveness of implemented legislation or rules; recommends legislative or rule changes which are necessary or desirable to meet the goals and objectives of the Division and the Bureau; and provides testimony as an expert witness on behalf of the Division in legislative or administrative proceedings.</p>	5%
<p>The Life and Health Actuary participates in actuarial education and research as necessary for professional development and regulatory effectiveness. When directed, the Life and Health Actuary represents the Commissioner at professional meetings, including, but not limited to, meetings of the National Association of Insurance Commissioners, the American Academy of Actuaries and the Society of Actuaries; maintains a reference library of available actuarial literature; and maintains reference files on matters of special interest and importance in connection with life and health regulatory actuarial topics.</p>	5%
<p>1. Give specific examples of the types of problems solved, decisions made or procedures followed when performing the most frequent duties.</p>	
<p>Insurance Company Rates/Premiums: The Life and Health Actuary reviews the rates/premiums of life and health insurers for approval to determine whether they meet the requirements of the Code utilizing complex actuarial methodologies. The Life and Health Actuary brings life and health insurers into compliance and, if needed, recommends appropriate actions to the Insurance Commissioner, the Deputy Insurance Commissioner, and the Rates Bureau Chief.</p>	
<p>Insurance Company Reserves: The Life and Health Actuary reviews the adequacy of insurers' financial reserve levels that impact the solvency of life and health insurers and multiple employer welfare arrangements, utilizing complex actuarial methodologies. The Life and Health Actuary reports the findings of such analysis to the Chief Financial Examiner, the Rates Bureau Chief, and the Deputy Insurance Commissioner, and recommends appropriate actions.</p>	
<p>2. What do you consider the most complicated part of the job?</p>	
<p>Determining whether premium rates and rate increases are justified from both actuarial and consumer protection points of view, reviewing health insurance and multiple employer welfare arrangement reserves, and determining what corrective action to pursue in all these cases.</p>	
<p>3. What guidelines, manuals or written established procedures are available to the incumbent?</p>	

average of 15 credits per year) must be "structured credit", earned by attending actuarial conferences and by listening to tapes, viewing videos, and/or reading transcripts of sessions.

Member of the American Academy of Actuaries (MAAA): The MAAA designation is awarded by the American Academy of Actuaries upon obtaining Associate of the Society of Actuaries and three years of responsible actuarial experience. To maintain the MAAA designation, 30 hours of continuing education are required annually, of which 6 hours must be earned by attending actuarial conferences.

Computer skills – Excel, Word, Power Point, Outlook, Internet

Please check the one box that indicates the minimum amount of job-related work experience needed as a new employee on the first day of work (not the experience of the person now in the position):

- | | |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> No prior work experience required | <input type="checkbox"/> 3 to 4 years job-related work experience |
| <input type="checkbox"/> 1 to 2 years of job-related work experience | <input checked="" type="checkbox"/> 5 or more years of job-related work experience |

Specific experience (optional):

Because of the highly technical nature of actuarial work, and because there is only one Life and Health Actuary at the State Auditor's Office, the Life and Health Actuary must have insurance industry or actuarial consulting experience in actuarial pricing and actuarial reserving.

This agency will accept alternative methods of obtaining necessary qualifications.

SECTION IV – OTHER IMPORTANT JOB INFORMATION

Working Conditions: Fast paced, multi-faceted, with competing priorities and a heavy workload. Occasional travel is necessary.

Supervision received: The Insurance Commissioner and Deputy Insurance Commissioner set policy, but do not provide supervision on normal/routine matters. The Life and Health Actuary is supervised by the Rates Bureau Chief. The Life and Health Actuary is a key advisor to the Commissioner and Deputy Insurance Commissioner and must be technically competent and able to effectively communicate with both the Insurance Commissioner and the Deputy Insurance Commissioner. Because of the highly technical nature of actuarial work, and because there is only one Life and Health Actuary at the State Auditor's Office, the Life and Health Actuary does not receive assistance from co-workers or supervisors on many tasks. The Life and Health Actuary must rely on professional knowledge obtained from the Society of Actuaries and the American Academy of Actuaries.

Scope & Effect: The Life and Health Actuary is the primary consultant to and representative of the Deputy Insurance Commissioner and the Insurance Commissioner on all matters regarding the rates/premiums charged, and the financial reserves held, by life and health insurers.

The Life and Health Actuary determines whether filings of life and health insurance rates conform to Montana law. Decisions made ultimately affect the price and availability of insurance in Montana. The decisions have a significant impact on individuals, families, business and state and local governments. Decisions about rate filings are made by the Life and Health Actuary and are not reviewed by others. Such decisions often require highly specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of the position. The decisions must be accurate and timely.

The Life and Health Actuary performs evaluations that affect the Division's conclusions regarding the solvency of life and health insurers. Faulty evaluations may result in inappropriate conclusions and decisions regarding an insurer's continued operation in Montana. Such evaluations often require highly specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of the position. The evaluations must be accurate, must be based on appropriate actuarial methodologies, and must reflect reasonable and appropriate actuarial judgment.

The Life and Health Actuary provides actuarial services to the Small Business Insurance Bureau.

Recommendations made affect the ability of small employer groups to provide group health insurance to their employees and the ability of health insurance companies to pay health insurance benefits in the volatile small employer group market. These services require specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of this position. The services must be provided in an accurate and timely manner, reflecting reasonable and appropriate actuarial judgment.

The Life and Health Actuary provides actuarial services to the Policyholder Services Bureau. Decisions made affect what is included in market conduct examination reports about the operations of Montana life and health insurers, which in turn affects the premium rates or insurance benefits of the Montana residents insured by life and health companies. Decisions are also made about life or health insurance rate increases or benefit payments that Montana consumers have complaints about. All of these decisions often require highly specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of the position. The decisions must reflect reasonable and appropriate actuarial judgment.

STATE OF MONTANA
POSITION DESCRIPTION FOR
Sharon McCabe

***** PART I: Identification *****

CURRENT CLASSIFICATION: Code: 0000101 Title: Central Services

Manager/Captive Insurance Coordinator

AGENCY: Agency Code: 3401 Position No: 00072

Department

• State Auditor's Office

Division

Central Services

ADDRESS:

Building & Street

840 Helena Avenue

City

Helena

Zip
Code

59601

Business
Telephone

444-2040

FUNCTIONAL DESCRIPTION OF THE WORK UNIT:

Operations Support includes Centralized Services Division and the Office of the State Auditor. Functions include budgeting, accounting, purchasing and contracting, labor relations, personnel management, and training support to the three divisions of the department. This person is the administrator for centralized services. The administrator directly supervises two employees and indirectly manages five more.

As the Captive Insurance Coordinator for the State Auditor, functions include marketing, licensing, and financial oversight of Captive Insurance Companies domiciled in Montana. Determining whether licensed Captive Insurance Companies comply with the various state and federal financial and corporate insurance laws is also a function of this person. This person is the administrator for the Captive Insurance Program. The administrator directly supervises one employee.

***** Part II: Job Description *****

1. **ASSIGNED DUTIES:**

- A. **Oversee development, implementation, and execution of the department biennial budget using knowledge of applicable federal and state program statutes, policies, directives, and intent; departmental objectives and goals; and concepts and theories of public accounting and fiscal management, generally accepted standards of accounting and government accounting and reporting.** **30%**
1. Participates in the establishment of departmental goals with the State Auditor and other administrators; develops objectives to achieve these goals for own division and for the department where programs impact across the whole department or within two or more divisions.
 2. Interprets legislative intent and executive budget guidance into departmental policy; rationalizes federal and state program guidance and fiscal participation to ensure correlation of both against specific projects; establishes procedures and timelines to be followed in developing the biennial budget.
 3. Develops and recommends departmental position and actions with regard to fiscal issues by reviewing cost projections, forecasts, and related analyses against goals and objectives.
 4. Supervises execution of the budget by establishing reporting and monitoring criteria within the department, reviewing trend data, and directing funding adjustments as necessary and possible.
5. Responsible for revenue contracts and revenue oversight.
6. In consultation with the department director, makes major reallocation decisions and requests additional funds or spending authority based on monitoring statistical and management performance reports for all departmental activities.
7. Supervise payment of all claims, review and approve SABHRS documents. Supervise all processing of payroll, employee time sheets and all employee records; coordinate position control for the office. Update and disseminate departmental and state personnel rules, insurance changes, and office procedures.
8. Responsible for property/inventory control, inventories, SABHRS Asset Management, disposition of surplus property and purchasing of supplies, furniture and office equipment.
- B. **Oversee development, implementation, and execution of the Captive Insurance** **30%**

program for the department using knowledge of applicable federal and state statutes, policies, directives, and intent; department goals and objectives; and concepts and theories of insurance law.

1. Participates in the establishment of departmental goals with the State Auditor and other administrators; develops objectives to achieve these goals for the Captive Insurance Program.

2. Receives initial contact from prospective captive insurance clients. Determines whether potential client is a viable captive insurance client. Fosters the application process for prospective captive insurance clients and sets up initial face-to-face meetings with the State Auditor's Office staff. Oversees the application process to ensure each application is complete and that all materials required by statute or by the department have been submitted. In conjunction with the Chief Insurance Examiner, makes final recommendation to license or reject a captive insurance application to the State Auditor. Acts as liaison between Captive Insurance Companies domiciled in Montana, their captive managers, and the State Auditor's Office staff.

3. Oversees the quarterly and annual financial analysis of Captive Insurance Companies domiciled in Montana. Captive Insurance Companies have to submit financial statements on a quarterly or annual basis to the department. This ensures that the companies are financially solvent and that the companies operations are in compliance with their approved business plan.

4. Represents the department at industry seminars and conferences. Attends annual board meetings for other miscellaneous meetings of Captive Insurance Companies domiciled in Montana.

C. Performs as the Central Services Manager using broad knowledge of governmental operations, public policy, applicable state and federal statutes, legislative and executive guidance and own judgment to ensure effective and efficient operations of the department. 20%

1. Chairs or participates in executive level planning teams to formulate department goals, objectives, and policy.

2. Acts with the authority of the department director in routine day-to-day decisions for both fiscal and programmatic issues affecting internal division operations.

3. Represents the department and acts with the authority of the director in cabinet and sub-cabinet level meetings, legislative hearings, audits, executive level governmental committees (e.g., SABHRS), and the like.

4. Develops or assists in developing legislative proposals for the department; coordinates support from appropriate other state agencies, local governmental bodies, and associations; represents the department in legislative committee hearings; and generally manages the legislative process for the department.

5. Represents and defends the department in both preparatory and execution phases with appropriate legislative committees, the governor's budget office, and other state agencies.

6. Performs special projects or investigations for the department director.

D. Performs or oversees the performance of the full spectrum of operational support services for the entire department using specific knowledge of particular programs in addition to broad knowledge of governmental organizations and operations, public policy, and specific programmatic laws, regulations, policies and procedures. 20%

1. Oversees the management of the department purchasing and supply function; reviews and approves large scale contracts; provides guidance and policy direction to the purchasing and supply specialist and the department divisions.

2. Oversees the management of the department accounting function; reviews statistical and management reports; provides guidance and direction to the accountant for policy and procedures both internally and for the department.

3. Performs personnel management functions required to supervise two professional level staff.

2. **WORKING CONDITIONS AND PHYSICAL DEMANDS:**

Work is accomplished in a normal office environment. Some travel is required.

3. **KNOWLEDGE, SKILLS, AND ABILITIES:**

Requires significant knowledge of concepts and theories applicable to administrative and professional accounting and budgeting for a complex funding structure; comprehensive knowledge of applicable state and federal statutes; knowledge of operation of state legislative and executive processes; and developmental knowledge of public policy and general management concepts and theories. Incumbent must possess the ability to formulate and

- interpret legislation, public policy, and defend the departmental position with other branches of the government and the public. Collegial management skills are required to execute the departmental deputy role. Communication skills are critical for labor negotiations, and articulation of controversial or complex department positions to the legislature, auditors, or the public.

The knowledge, skills, and abilities will typically be acquired through completion of a Bachelors Degree in Public Administration, Business Administration or related field plus five to six years experience in the public sector managing complex, multi-faceted programs or an equivalent balance of education and experience.

4. **MANAGEMENT and SUPERVISION of OTHERS:**

<u>Pos. No.</u>	<u>Class Code</u>	<u>Title</u>	<u>Grade</u>	<u>FTE</u>
00060	160014	Account	Grade 13	1
00051	249111	Personnel Officer	Grade 13	1
00309	999920	Captive Insurance Examiner	Grade 15	1
Total organizationally subordinate FTEs:			3	

5. **SUPERVISION RECEIVED:**

Position serves as the Central Services Manager and participates in the formulation of department goals, objectives, and policy for state operations. The department director provides only the very broadest of policy guidance, customarily developed in consultation with the incumbent.

- Position also serves as the Captive Insurance Coordinator and participates in the development, implementation, and execution of the Captive Insurance Program. The department director provides only the very broadest of policy guidance, customarily developed in consultation with the incumbent and the Chief Insurance Examiner. Law, legislative intent, or executive guidance and industry standards govern actions taken by incumbent.

6. **SCOPE & EFFECT:**

Incumbent's actions involve establishing criteria, formulating projects and assessing program effectiveness. Decisions affect the department's ability to attain meeting goals and comply with federal and state mandates. Decisions are guided by requirements of law and executive guidance and are not normally subject to review. Incumbent bears significant responsibility for achieving department success.

Work assignments are performed without direct supervision and the work is not reviewed. Most of the job involves duties unique to the Central Services Department and only the results are known so the consequences of error could be great. The manager is held accountable for all errors. Since the position works fairly independently, decisions made are usually final. Captive Insurance assignments are performed without direct supervision and the work is not reviewed. This position and the Chief Insurance Examiner make the decisions to license or reject a company.

7. **PERSONAL CONTACTS:**

Contacts are at all levels of the organization, in and outside the department. They may range from simple information exchanges to complex negotiations, from cooperative to hostile.

- Contacts will be to influence, to motivate, gain support, or persuade others. Incumbent's role will generally be well defined and understood, but the contacts may be to defend, or justify, the department or its policies. Incumbent must possess the ability to facilitate discussion to reach common understanding of departmental aims.

STATE OF MONTANA
POSITION DESCRIPTION FOR
Rosann Grandy

***** PART I: Identification *****

CURRENT CLASSIFICATION: Code: Title: Bureau Chief
AGENCY: Agency Code: 3401 Position No: 34100314
Department Bureau
State Auditor Department of Insurance
Bureau Section Unit
Rates and Forms

ADDRESS:

<u>Building & Street</u>	<u>City</u>	<u>Zip Code</u>	<u>Business Telephone</u>
840 Helena Ave.	Helena	59601	444-2040

FUNCTIONAL DESCRIPTION OF THE WORK UNIT:

The Montana Insurance Department is responsible for the enforcement and administration of the Montana Insurance Code, Title 33, MCA. The Insurance Department is separated into four bureaus. Each Bureau is responsible for a specific regulatory function of the insurance industry. The Rates and Forms Bureau is ultimately responsible for ensuring that all insurance forms are in compliance with Montana Insurance Code and administrative rules prior to insurers marketing those products. The Bureau performs complex, detailed review of insurance filing submissions of insurance contracts. Using extensive knowledge of Title 33, the Bureau assists insurers in the interpretation of insurance regulations, addresses industry and consumer inquiries, compiles information for consumer education materials, maintains in good order insurer files for public inspection.

***** PART II: Job Description *****

1. **ASSIGNED DUTIES:** 60%
- The Chief of this Bureau recommends changes and institutes approved changes to accommodate improvement in the operations of the Bureau so that operations become more efficient, cost effective, and streamlined. Such changes are to be coordinated with the Insurance Department as a whole. The
- Supervisor identifies and assigns workload, educates and directs personnel, develops written procedures to guide the personnel in the performance of the work assigned to each position and monitors and assesses the performance of each employee.
- The Bureau Chief defines the nature, content, and extent of short and long-term goals for the Rates and Forms Bureau. The supervisor also explains rates and forms review in all lines of insurance to the insurance industry, public, and consumers. Legislative responsibilities include recommending and reviewing draft agency legislative proposals then providing technical information to legislators as requested, and monitoring agency legislation.
- Represents the Department at meetings or seminars in or out of state and participates in round table discussions specific to Montana statutes for insurance regulation. This position may also be a presenter at workshops or seminars to present information specific to Title 33 and Montana State Auditor's Office regulation of insurance contracts. These meetings may be with company personnel, producer organizations, or consumer groups.
- Coordinates electronic forms filings from the National Association of Insurance Commissioner's national data systems on the System for Electronic Rate and Form Filing. The SERFF System is a nationwide system available to insurers to access state Rates and Forms divisions to provide option to insurers for filing forms and rates electronically across the country. Special training is required to access the SERFF System and the Bureau Chief is responsible to assure that all the Rates and Forms personnel are properly trained to use the system. At the request of the Legal and Investigative Bureaus, the Bureau Chief will research form filing records to support investigations and agency administrative actions. 10%
- The Bureau Chief is responsible for archiving approved form filing information through traditional and electronic filing. Designs the operation, maintenance, and improvement of a rates and forms filing system that takes advantage of technologies to timely and accurately process forms filings, control costs of filings, and track fee receipts. The position is also responsible to work closely with the IT Division in the design of a networked computer system that supports the Bureau in all its duties that pertain to rates and forms filing review and fee recording. The computer system will be integrated with the other Bureaus of the Department

and the agency. This position is responsible to assist the information systems staff in the components for the design of an electronic filing system for archiving rates and forms filing forms for the department.

20%

Other duties as assigned.

10%

2. **WORKING CONDITIONS AND PHYSICAL DEMANDS:**

Working conditions are those found in a typical office setting. The relatively heavy workload, combined with the frequent telephone interruptions and requests for assistance from other departments creates a high degree of mental tension. Occasional travel may be necessary.

3. **KNOWLEDGE, SKILLS, AND ABILITIES:**

Knowledge: The Rates and Forms Bureau Supervisor must have knowledge of general management concepts, including planning, organizing, directing, and controlling. The Supervisor must understand the overall mission of the Insurance Department, the role the Rates and Forms Bureau plays within that, and the interrelationship between the Rates and Forms Bureau and other Bureaus within the Department.

The Supervisor must have a thorough knowledge of the Montana Insurance Code and Administrative Rules of Montana on insurance, practices of the insurance industry, and insurance employment relations.

- **Abilities:** Self-reliance and initiative to begin and complete projects in a timely fashion and to explain the status of projects to the immediate supervisor.

The Supervisor must establish and maintain effective working relationships with other agencies, employees, the industry, contracted service providers, public, peers, and supervisors in such manner to generate respect for the position by exhibiting responsiveness, credibility, confidence, tact, cooperation, and sensitivity. The position must deal effectively with confidential and sensitive material and determine when an issue becomes one of public policy. The Supervisor must have the ability to supervise and direct the work of the Bureau by providing clear plans, directions, training and motivation, to interpret statute rules and regulations to the public, industry, and other employees in a consistent and straightforward manner, function effectively under time constraints and exhibit thoroughness.

Skills: Public speaking and presentation skills. Must have excellent computer understanding and experience. Bachelor's Degree in business or related field with three years experience in management or insurance compliance industry or equivalent combination of training and experience. Masters degree may be substituted for experience.

4. **MANAGEMENT and SUPERVISION of OTHERS:**

<u>Pos. No.</u>	<u>Class Code</u>	<u>Title</u>	<u>FTE</u>
00039		Compliance Specialist II	1
00303		Compliance Specialist II	1
00059		Compliance Specialist	1
00204		Administrative Support	.5

Total organizationally subordinate FTEs: 3.5

The Bureau Chief develops particular procedures to implement the policy and objectives of the Department.

- The position plans and assigns the work of the Compliance Specialist positions and directs the incumbents of the positions to perform work in accordance with the objectives and policies of the Commissioner. This position is directly responsible for the completion and quality of performed work. The Bureau Chief monitors the work of bureau staff and periodically evaluates their overall performance in accordance with office policy.

The position is available to the bureau staff to advise and help about technical matters. The Bureau Chief evaluates personnel with the goal of improving job performance.

The Bureau Chief is responsible for the training, promotion, or disciplinary actions of incumbents in subordinate positions, subject to approval by the Commissioner and under the supervision of the Deputy Insurance Commissioner.

5. **SUPERVISION RECEIVED:**

The position works with limited supervision by the Deputy Insurance Commissioner. The position develops goals, determines proper priorities, procedures and work methods to be utilized in accomplishing established goals consistent with the responsibilities of the position. Work product is generally not reviewed. Generally, the supervisor's decisions about the forms evaluation process are not reviewed. Approval is not generally reviewed, while disapproval will be.

6. **SCOPE & EFFECT:**

Before an authorized insurer can offer an insurance contract or product to Montana consumers that contract, or form must be evaluated for its compliance with Montana insurance statutes, Title 33, MCA. That requires a detailed analysis of the language in the contract and its compliance with statute.

This position applies Title 33, MCA and administrative rules, on a daily basis, to make decisions regarding insurance company contract/form filings and the products insurers offer to Montana consumers.

Approval of a form or contract that does not comply with Montana insurance laws can subject the public to harm. Harm consists of lost premium dollars and potentially unpaid claims. If a form is approved for marketing in the state but does not meet the test of statutory compliance, consumers may be harmed.

The position makes effective recommendations to the Deputy Commissioner about personnel matters.

Decisions about operations determine the allocation and use of resources. The position makes recommendations about operations. The adopted recommendations determine how resources are used.

7. **PERSONAL CONTACTS:**

The position has daily contact with bureau staff to assign and direct work, monitor and evaluate performance, give advice, and receive information about the operations of the Bureau.

The Supervisor has frequent contact with the Deputy Commissioner to report about personnel and operations, report problems, seek policy interpretation, and to discuss the development of Bureau procedures and plans that accord with the policies and objectives of the Commissioner.

The Rates and Forms Supervisor has contact, as needed, with other Bureau Supervisors and the Deputy Commissioner to coordinate the activities of the Bureaus, develop administrative actions, enforce the Code, and identify and evaluate industry trends and occurrences.

External to the Department, the Supervisor has contacts by mail, telephone and in person with the general public and insurance industry on a daily basis. The contacts involve developing an understanding of the concerns of the public and industry about rates and forms review procedures and qualifications.

Contacts are maintained with third-party providers and vendors of services that pertain to insurer form filing in order to assure satisfactory service to the Bureau.

The position represents the Department to the legislature to provide technical information, research for testimony and coordinate. The Chief recommends changes in statutes and rules to streamline rates and forms review and to promote the interests of the public to the Deputy Insurance Commissioner.

The Commissioner calls upon the Bureau Chief for to represent the State Auditor's Office at public hearings, meetings consumer education seminars and other public gatherings. The purposes are to inform the public about functions of the office, services provided to the public and to gather information about the public's insurance concerns.

Contact with IT Division staff to evaluate and communicate design requirements for electronic archiving of form filings, data system problems, data maintenance, electronic file storage and enhancements.

IMMEDIATE SUPERVISOR

Deputy Insurance Commissioner.

JOB DESCRIPTION

COMMUNICATIONS DIRECTOR: JACKIE BOYLE

POSITION DESCRIPTION

The CSI Communications Director for the Montana Commissioner of Securities and Insurance, Office of the State Auditor, coordinates the agency's overall communications strategy and is responsible for development and implementation of the strategy.

ROLES & RESPONSIBILITIES

- Oversees agency messaging and consumer outreach;
- Writes and sends press releases or briefs to media organizations;
- Organizes and attends press conferences, invites the media, gives information;
- Serves as spokesperson for the agency;
- Presents Commissioner's views to the public;
- Gives interviews to the media;
- Manages internal and external communications, such as an agency newsletter, surveys, fact sheets, etc.
- Updates the agency website;
- Arranges special events such as educational tours and public information sessions;
- Performs other related duties as assigned.

QUALIFICATIONS

- Strong communication skills;
- Knowledge of computers, Microsoft Office, desktop publishing, and the internet;
- Experience in strategic planning, communications planning and management, marketing and media relations;
- Displays creativity, initiative and good judgment;
- Decision-making, problem-solving and research skills;
- In-depth knowledge of the agency functions and mission.

Other Attachment File(s)

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REQUIRED APPENDIX A.8
Resume and Job Descriptions for the Project
Director and Assistant Project Director

JOB DESCRIPTION
PROJECT DIRECTOR: ROBERT W. MOON

Job Title: Deputy Insurance Commissioner, State of Montana

Percentage of Time Working on Project: Five percent (5%)

Percentage of Time on Duties Outside of Grant Activities: Ninety-five percent (95%)

Position Purpose:

The position, under the direction of the Commissioner of Securities and Insurance, manages the operation of the Insurance Department; provides the Commissioner and staff with technical support on insurance regulatory issues; and makes recommendations to the Commissioner for department policies and procedures. The department employs 50 plus FTE.

Nature and Scope:

In managing the operations of the Insurance Department, the Deputy Insurance Commissioner, under the direction of the Commissioner, supervises and evaluates the performance of the Bureau Chiefs of the Insurance Department, which includes bureaus of Policy Holder Services, Forms/Filings, Licensing, Financial Examinations, Insure Montana, Rates, and Market Conduct. This position is responsible for monitoring bureau priorities, budgets, and operation procedures for achievement of departmental goals and objectives.

The Deputy Insurance Commissioner assists the Commissioner in reviewing, developing and implementing insurance-related public policy and administrative rules; assists in presenting public policy to the legislature and U.S. Congress; develops department policies and priorities; oversees and assists in managing consumer complaints and violations of state insurance laws; works closely with legal staff and external legal counsel representing the department in complex litigation and routine legal matters; works with internal legal counsel on criminal and civil insurance investigations; works closely with the information technology division to implement initiatives; represents the department in state and national meetings involving industry members and fellow insurance regulators; provides the Commissioner with advice and recommendations on insurance regulatory matters; assists the Commissioner with respect to insurance receiverships and hearings; and works with the Commissioner in agency budget planning. The Deputy Insurance Commissioner performs other duties as assigned.

Required Skills and Experience:

The Deputy Insurance Commissioner is expected to manage the Insurance Department's professional staff, including having experience with hiring and disciplinary actions; experience analyzing complex problems and developing solutions; knowledge of Montana insurance statutes and administrative rules; knowledge of federal laws and regulations affecting insurance, including ERISA and HIPAA; knowledge of financial accounting principles, including statutory accounting principles applicable to insurers; knowledge of insurance industry practices and procedures; knowledge of public policy and administrative procedures; and knowledge of state of Montana policies and procedures.

ensure that rates are not excessive, inadequate, or unfairly discriminatory and in general monitors the workers' compensation insurance market. The Property and Casualty Actuary recommends discontinuation of rates and policies, penalties, and suspension of insurer license.

Upon request of the Chief Financial Examiner, the Property and Casualty Actuary analyzes the reserves of insurers doing business in Montana to determine the adequacy of such reserves. Such analyses may include, but are not limited to, loss reserves, loss adjustment expense reserves and unearned premium reserves. The Property and Casualty Actuary reports results of such analyses to the Chief Examiner and the Deputy Insurance Commissioner. The Property and Casualty Actuary assists in legal actions against financially hazardous insurers by providing evidence and expert opinion; and develops and maintains, to the extent possible, a written system for evaluating Insurer solvency which can be used by a successor. The Property and Casualty Actuary provides actuarial analysis of new insurance company applications to the Chief Examiner and Deputy Insurance Commissioner.

The Property and Casualty Actuary participates in the legislative and rule adoption processes as directed by the Deputy Insurance Commissioner; monitors the effectiveness of implemented legislation or rules; recommends legislative or rule changes which are necessary or desirable to meet the goals and objectives of the Division and the Bureau; and provides testimony as an expert witness on behalf of the Division in legislative or administrative proceedings.

The Property and Casualty Actuary participates in actuarial education and research as necessary for professional development and regulatory effectiveness. When directed, the Property and Casualty Actuary represents the Commissioner at professional meetings, including, but not limited to, meetings of the National Association of Insurance Commissioners, the American Academy of Actuaries and the Casualty Actuarial Society; maintains a reference library of available actuarial literature; and maintains reference files on matters of special interest such as NAIC reserve certification requirements.

The Property and Casualty Actuary participates in the operation of the Montana State Board of Hail Insurance. The Property and Casualty Actuary provides technical and expert opinion to the Commissioner on the functions of the Board, including, but not limited to, appropriateness of rates charged, reserves held, refunds/dividends given, and financial and non-financial operations of the program.

The Property and Casualty Actuary is the Rates Bureau Chief. The Rates Bureau Chief supervises the actuaries in the Bureau. The Property and Casualty Actuary recommends changes and institutes approved changes to accommodate the improvement in the operations of the Bureau so that operations become more efficient, cost effective and streamlined.

10

5%

5%

5%

5%

1. Give specific examples of the types of problems solved, decisions made or procedures followed when performing the most frequent duties.

Insurance Company Rates/Premiums: The Property and Casualty Actuary reviews the rates/premiums of insurers to determine if they are inadequate, excessive or unfairly discriminatory utilizing complex actuarial methodologies. The Property and Casualty Actuary brings insurers into compliance and, if needed, recommends to the Insurance Commissioner and Deputy Insurance Commissioner appropriate actions.

Insurance Company Reserves: The Property and Casualty Actuary reviews the adequacy of insurer's financial reserve levels that impact the solvency of insurers utilizing complex actuarial methodologies. The Property and Casualty Actuary reports to the Chief Financial Examiner and Deputy Insurance Commissioner findings of such analysis and recommends appropriate actions.

2. What do you consider the most complicated part of the job?

Determining when an insurer presents excessive, inadequate or unfairly discriminatory rates or excessive or inadequate financial reserves and determining what corrective action to pursue

3. What guidelines, manuals or written established procedures are available to the incumbent?

Title 33 of Montana Code provides the statutory requirements for insurance companies. The Casualty Actuarial Society (CAS) and American Academy of Actuaries provides actuarial guidelines.

4. If this position supervises other positions, complete the following information.

Is this position responsible for:

- Hiring
- Firing
- Performance Management
- Promotions
- Supervision
- Discipline
- Pay Level
- Other: training; recommendations for performance appraisal.

SECTION III - Minimum Qualifications - List the minimum requirements for first day of work.

Please list the main knowledge and skill areas required for the job:

Extensive knowledge of actuarial ratemaking methodologies.

Extensive knowledge of actuarial reserving methodologies.
 Extensive knowledge of insurance company operations.
 Extensive knowledge of analytical tools and practices applicable to insurance company ratemaking and reserving methodologies.
 Substantial knowledge of insurance contracts and forms to coordinate with the Forms Bureau.
 Extensive knowledge of insurance laws and regulations.
 Extensive knowledge of the state insurance regulation framework.
 Ability to organize.
 Ability to communicate effectively in writing.
 Ability to communicate effectively through public speaking.
 Ability to review voluminous company data to formulate logical and accurate conclusions and present reasonable recommended course of action.
 Ability to manage/supervise employees.

What behaviors are required to perform the duties?

Teamwork; Customer orientation; Commitment to the public; Responsive, reliable and dependable; Quality, accuracy, attention to detail; Prioritizing, multi-tasking, balancing multiple projects; Analytical thinking; Commitment to a profession; Ethics; Communicates effectively, verbally and in writing; Strong independent judgment and decision making; The ability to work effectively with confidential information; Establishes and maintains effective working relationships

Education and experience: Please check the one box that indicates the minimum educational requirements for this job, as it relates to a new employee on the first day of work (not the educational background of the person now in the position):

- No education required 2 year job-related college or vocational training
- High school diploma or equivalent College degree (Bachelor's)
- 1 year job-related college or vocational training Post-graduate degree or equivalent (e.g. Master's, JD)
- 4 year college degree in mathematics or related field such as statistics.

Other education, training, certification, or licensing required (please specify):

Fellow of the Casualty Actuarial Society (FCAS): The FCAS designation is awarded by the Casualty Actuarial Society upon completion of the Casualty Actuarial Society Course on Professionalism and nine (9) comprehensive examinations covering mathematics, probability and statistics, investment and financial analysis, economics, insurance regulation/law, insurance accounting, reinsurance, enterprise risk management, actuarial ratemaking, actuarial reserving and actuarial modeling. The position must be able to review and issue Statements of Actuarial Opinion. In order to issue Statements of Actuarial Opinion, the FCAS designation, or the designation of Associate of the Casualty Actuarial Society (ACAS) is required, along with three years actuarial experience and 30 hours of continuing education are required annually, of which 6 hours must be earned while attending actuarial conferences.

Member of the American Academy of Actuaries (MAAA): The MAAA designation is awarded by the American Academy of Actuaries upon obtaining ACAS and three years of actuarial experience. To maintain the MAAA designation, 30 hours of continuing education are required annually of which 6 hours must be earned while attending actuarial conferences.

Computer skills – Excel, Word, Power Point, Outlook, Internet

Please check the one box that indicates the minimum amount of job-related work experience needed as a new employee on the first day of work (not the experience of the person now in the position):

- No prior work experience required 3 to 4 years job-related work experience
- 1 to 2 years of job-related work experience 5 or more years of job-related work experience

Specific experience (optional):

Because of the highly technical nature of actuarial work, and because there is only one Property and Casualty Actuary at the State Auditor's Office, the Property and Casualty Actuary must have insurance industry or actuarial consulting experience in actuarial ratemaking and actuarial reserving plus industry credibility.

This agency will accept alternative methods of obtaining necessary qualifications.

SECTION IV – OTHER IMPORTANT JOB INFORMATION

Working Conditions: Fast paced, multi-faceted, with competing priorities and a heavy workload. Occasional travel is necessary.

Supervision provided: The Property and Casualty Actuary supervises the Life and Health Actuary.

Supervision received: The Insurance Commissioner and Deputy Insurance Commissioner set policy, but do not provide supervision on normal/routine matters. The Property and Casualty Actuary is a key advisor to the Commissioner and Deputy Insurance Commissioner and must be technically competent and able to effectively communicate with both the Deputy Insurance Commissioner and Commissioner. Because of the highly technical nature of actuarial work, and because there is only one Property and Casualty Actuary at the State Auditor's Office, the Property and Casualty Actuary does not receive assistance from co-workers or supervisors on many tasks. The Property and Casualty Actuary must rely on professional knowledge obtained from the Casualty Actuarial Society and the American Academy of Actuaries.

Scope & Effect: The Property and Casualty Actuary is the primary consultant to and representative of the Deputy Insurance Commissioner and Insurance Commissioner on all matters regarding the rates/premium charged by insurers and the financial reserves held by insurers.

The Property and Casualty Actuary determines whether filings of property and casualty insurance rates conform to Montana law. Decisions made ultimately affect the price and availability of insurance and competition in the insurance market place in Montana. The decisions have a significant impact on individuals, families, business and state and local governments. Decisions about rate filings are made by the Property and Casualty Actuary and are not reviewed. Such decisions often require highly specialized skills which frequently are beyond the technical knowledge and expertise of the superiors of the position. The decisions must be accurate and timely.

The Property and Casualty Actuary performs evaluations, which affect the Division's conclusions regarding the solvency of insurers. Faulty evaluations may result in inappropriate conclusions and decisions regarding an insurer's continued operation in Montana. Such evaluations often require highly specialized skills which frequently are beyond the technical knowledge and expertise of the superiors of the position. The evaluations must be accurate, must be based on appropriate actuarial methodologies, and must reflect reasonable and appropriate actuarial judgment.

The Property and Property Actuary provides actuarial services to the Policyholder Services Bureau. Decisions made affect what is included in market conduct examination reports about the operations of Montana insurers, which in turn affects the premium rates or insurance benefits of the Montana residents insured by the companies. Decisions are also made about insurance rate increases that Montana consumers have complaints about, and sometimes with the benefits they receive. All of these decisions often require highly specialized skills that are frequently beyond the technical knowledge and expertise of the superiors of the position. The decisions must reflect reasonable and appropriate actuarial judgment.

The State Auditor is a member of the board of the Montana State Board of Hail Insurance. The Board provides hail insurance for producers' crops in the state of Montana. The Property and Casualty Actuary provides technical expertise to the Commissioner in his/her duties as a board member. Decisions made ultimately affect the price and availability of crop hail insurance to agricultural producers in the state of Montana.

Robert W. Moon

(b)(6)

Phone: (b)(6)

E-Mail: RMoon@mt.gov; (b)(6)

Qualifications

Public health professional with 33+ years of progressively responsible management and administration of statewide health programs. Extensive knowledge and experience in the design, implementation, and management of large, complex health and human service programs. Strategic thinker and decision maker with a track record of proven results. Results are attained through team building, staff development, quality improvement, and customer satisfaction. Proven skills include political acuity, public policy development, performance management, organizational planning, contracts management, grantsmanship, public speaking, and financial accountability. Active leadership positions in national and state public health and voluntary health organizations.

Education

- 1978 University of Hawaii at Manoa, Honolulu, Hawaii
Master of Public Health (MPH) in Health Administration and Health Education
- 1969 Indiana State University, Terre Haute, Indiana
Bachelor of Science (BS) in Community Health and Business

Professional Experience

- 2009 - Montana Commissioner of Securities and Insurance
Deputy Insurance Commissioner
- 2007 - 2008 Northwest Health Partners, LLC, Helena, Montana
Senior Partner, Public Health Consulting
- 2005 - 2006 Montana Department of Public Health and Human Services
Bureau Chief, Public Health Improvement and Preparedness
- 2004 Landmark Real Estate Company
Helena, Montana
Active Real Estate Sales Agent
- 2001 - 2004 Northwest Health Partners, LLC, Helena, Montana
Senior Partner, Public Health Consulting
- 2000 - 2001 American Cancer Society, National Office, Atlanta, Georgia
Tobacco Control Director
- 1993 - 1999 Montana Department of Public Health and Human Services
Helena, Montana
Bureau Chief, Health Systems
- 1988 - 1992 Montana Department of Health and Environmental Sciences
Helena, Montana
Bureau Chief, Chronic Disease Prevention and Health Promotion

1969 – 1987 Montana Department of Health
Helena, Montana
Manager, Health Promotion and Education

Work Highlights

- Developed and presented a comprehensive tobacco prevention model in 50 states, 3 U.S. territories, and numerous national/regional conferences.
- Facilitated the development and successful implementation of a multitude of grants with federal/state agencies and non-profit foundations.
- Responsible for the development of state plans for chronic disease prevention, cancer, tobacco control, Healthy People 2010, secondary disability prevention, and child abuse.
- Responsible for developing statewide health promotion/education and chronic disease prevention programs in Montana's public health agency.
- Served on peer review and grant proposal review teams for the National Cancer Institute, Centers for Disease Control, Robert Wood Johnson Foundation, Maternal and Child Health National Program, and California Department of Health Services.
- Served as principal investigator for grants in AIDS/HIV, Public Health Preparedness, Tobacco Prevention and Control, Chronic Disease Prevention, Behavioral Risk Factor Surveillance, Primary Care, Public Health Improvement, Cardiovascular Health, Diabetes, and Breast/Cervical Cancer Prevention.
- Served in national and state leadership roles and their affiliates with American Public Health Association, American Cancer Society, American Lung Association, State and Territorial Directors of Health Education and Chronic Disease Prevention, and Public Health Emergency Preparedness Directors.
- Facilitated, with Montana's Office of Public Instruction and the University System, the development of Montana's Health Enhancement Program, a cutting edge transformation of the Health/PE Accreditation Standards.
- Served as adjunct faculty with Montana State University, University of Montana, Eastern Montana College, Carroll College, and Northern Montana.
- Authored "Wellness at Work: A Practical Guide for Health Promotion in Small Business", a program adopted by Wellness Councils of America, Blue Cross and Blue Shield, and the Office of Disease Prevention, US Department of Health and Human Services.

Awards (Recent)

1999 Director's Award for leadership in the field of Health Education and Health Promotion which results in the development of national programs and policies for Montana and the Nation.

1999 Award of Merit in recognition of ongoing efforts in partnership with state agencies to promote the health and well-being of Montana youth by the Montana Office of Public Instruction and Board of Crime Control.

1998 Outstanding Leadership Award for outstanding contributions in increasing the effectiveness of the Association of State and Territorial Chronic Disease Directors.

1998 Leadership Award from the Association of State and Territorial Directors of Health Education honoring the state director of health education whose leadership has resulted in the demonstrable coalescence of state and local constituencies

1996 Honor Award from the Montana Association of Health, Physical Education, Recreation and Dance for outstanding service, dedication, and contribution to the youth of Montana (only individual to receive the award external to MAHPERD).

Mari Louise Kindberg

(b)(6)

Professional Experience

Montana Commissioner of Securities and Insurance, State Auditor's Office,

Helena, MT, 1996 – Present

Rates Bureau Chief and Property and Casualty Actuary

- Evaluates insurance company rate change requests filed with the Montana Department of Insurance for compliance with the law.
- Participates in insurance company financial examinations to determine adequacy of reserves.
- Participates and monitors the legislative and rule adoption process and implementation.
- Acts as expert on behalf of agency for hearings and proceedings.
- Represents the State Auditor for State Hail Board.

Scottsdale Insurance Company, Scottsdale, AZ, 1994 – 1996

Commercial Lines Automobile Actuary

- Conducted rate adequacy reviews of countrywide programs to monitor profitability.
- Prepared countywide company rate filings for state Insurance Departments.
- Conducted market research on new programs.

SAFECO Insurance Company, Seattle, WA, 1993 – 1994

Commercial Lines Errors and Omissions Actuary

- Conducted rate adequacy reviews of countrywide programs to monitor profitability.
- Prepared countywide rate filings for state Insurance Departments.
- Prepared quarterly reserve analysis for various programs.

Milliman and Robertson, Inc., Seattle, WA, 1989 – 1993

Pension Actuary

- Conducted annual actuarial valuations of defined benefit pension plans and 401(k) plans. Conducted benefit improvement and experience studies.
- Prepared various Federal, IRS and PBGC regulatory filings.
- Created asset/liability simulation products and individual benefit statements.

Other Activities

National Association of Insurance Commissioners (NAIC) Casualty Actuarial and Statistical Task Force, Helena, MT, 2010 - Present

Represents Commissioner of Insurance on this NAIC Task Force

Elkhorn Federal Credit Union (EFCU), Helena, MT, 2005 – 2009

Member of the Board of Directors

- Member of the Board of Directors, 2006 - 2009
- Member and Chairperson of the Supervisory Committee, 2005 - 2006

Professional Designations and Education

Fellow of the Casualty Actuarial Society (FCAS), 1997

Member of the American Academy of Actuaries (MAAA), 1996

Bachelor of Science, Mathematics, 1990

University of Washington, Seattle, Washington

Personal

Interests include golfing, running, cycling and water-skiing.