

ITEM 151-106-R0511

Revision of Policy 804.1, Self-Insured Group Insurance Plan, to Allow for Component Units to Join the Plan

THAT

The Board of Regents of Higher Education revises its Policy 804.1 to allow for component units of the campuses of the Montana University System to be included on the MUS Self-Insured Employee Group Insurance Plan.

EXPLANATION

This item arises from a request made by the UM Foundation to re-join the MUS group benefit plan. Given the fact that several campus foundations have been on our benefit plan for many years and the close relationship between the MUS campuses and campus-affiliated foundations, there are very good reasons for including campus-affiliated foundations and other component units on the MUS Plan. (A component unit is an entity which exists virtually entirely for the direct benefit of a campus such that the campus is required to include the component unit on its financial reports).

The commissioner's office has concluded there are no federal or state impediments to allowing a component unit to be included on the MUS Plan, and this has been a practice of long-standing nature. Legal counsel has recommended that, if this practice is to continue, a Board of Regents' policy allow for this, and that, in the future, component units of a campus be allowed to join the Plan based on the terms of an agreement between the commissioner and the component unit setting forth the terms and conditions of that arrangement.

ATTACHMENTS

BOR Policy 804.1, with proposed revisions.
Supporting Legal Memorandum