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GOVERNOR GIANFORTE SIGNS HB836 PAVING WAY FOR INNOVATIVE INSURANCE PRODUCTS
'Regulatory Sandbox' Allows Insurers to Offer New Products or Services

HELENA, MT—Montana State Fund (MSF), the state's largest and leading workers' compensation insurance company, announced the signing of [House Bill 836 \(Rep. K. Zolnikov—Billings\)](#) on Thursday. HB836, creates a 'regulatory sandbox' in which property and casualty insurers can apply for waivers to test new and different products or services.

Insurance routinely ranks as one of the top ten most regulated industries in the country. These controls create stability and reliability but have the potential to slow down or even prevent adoption of new technologies, services, and products. An insurance sandbox creates a partnership model between the regulator and an insurer. The partnership reduces specified regulatory hurdles in order to allow time-bound testing of innovations under the regulator's oversight.

MSF, in conjunction with the Frontier Institute and the Commissioner of Securities and Insurance, assisted in the drafting of the bill which is believed to be the first of its kind in the nation. It allows workers' compensation insurers the ability to test concepts that can improve the injured worker experience or speed up the return-to-work process thereby reducing the cost of claims and helping drive down premium rates for employers.

"We're proud to make Montana a national leader in cutting red tape and encouraging innovation and competition in the insurance marketplace," Gov. Gianforte said. "In the work comp insurance marketplace in particular, this new law will incentivize strong workplace safety practices and promote responsibly returning to work, leading to lower rates for small businesses."

Commissioner of Securities and Insurance, Troy Downing said: "Montana is open to innovation. This law allows the introduction of new, innovative insurance products while still giving us the tools we need to protect the public."

Rep. Katie Zolnikov added: "HB836 has been a priority piece of legislation for me for nearly two years. I fundamentally believe in allowing the free market to bring innovative ideas to help consumers get the product they want at the price they need. This legislation, now law, creates the environment for those ideas to flourish and I could not be more excited for its passage and approval."

MSF President and Chief Executive Officer, Holly O'Dell, also praised the signing of the legislation: "As Montana's largest workers' compensation insurer, we are always seeking new and better ways to deliver for our customers. Sandbox will help build better experiences and outcomes through innovative ideas. We are thankful to the Governor for signing HB836, to Rep. Zolnikov for sponsoring the bill, to the Commissioner for his collaborative approach, and to the legislators who supported the effort. We also extend our sincere gratitude to the Frontier Institute and many business groups and policyholders who supported the bill."

"HB 836 provides the insurance marketplace with targeted red tape relief to promote innovation, reduce the cost of doing business, and improve Montana's economic competitiveness," added Kendall Cotton, CEO of the Frontier Institute. "The flexibility created by a regulatory sandbox will make our state a hub for testing innovative insurance products and services that ultimately will benefit all Montanans."

The regulatory sandbox goes into effect on October 1, 2023.

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