

# MAINE STATE LEGISLATURE

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OFFICE OF  
THE GOVERNOR

NO. 5 FY 92/93  
DATE October 7, 1992

AN ORDER  
ESTABLISHING THE ADVISORY TASK FORCE TO  
THE MAINE EMPLOYERS' MUTUAL INSURANCE COMPANY

WHEREAS, there is a workers' compensation insurance crisis in Maine and insurance companies covering 90% of the residual pool market which accounts for 87% of the entire workers' compensation market have filed to withdraw from this State before January 1, 1993, and

WHEREAS, the Maine Employers' Mutual Insurance Company that is contained in the report of the Blue Ribbon Commission to Examine Alternatives to Workers' Compensation, established in Public Laws 1992, Resolve 59, is an assessable domestic mutual insurance company for the purpose of providing workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employers in this State; and,

WHEREAS, the Blue Ribbon Commission legislation enacted by the Legislature on October 5, 1992 and signed by the Governor on October 7, 1992 creating the Maine Employers' Mutual Insurance Company under L.D. 2464 administered initially by a board of 9 Incorporators, to be replaced by a 13 member Executive Board of Directors who are required to provide workers' compensation employers liability insurance to employers otherwise entitled to coverage, but not able to or not electing to purchase coverage in the voluntary insurance market and not authorized to self insure beginning January 1, 1993; and,

WHEREAS the ultimate goal of the Blue Ribbon Commission legislation is to have the new Maine Employer's Mutual Insurance Company fully operational in less than three months, which is an abbreviated time frame; and,

WHEREAS to meet this goal, the Incorporators and Directors will need access to expertise and knowledge in the specialized areas; and

WHEREAS such input will be an essential resource in helping the Board to establish a working blueprint for the Employer's Mutual Insurance Company;

NOW, THEREFORE, I, John R. McKernan, Jr., Governor of the State of Maine, do hereby establish the Advisory Task Force to the Maine Employers' Mutual Insurance Company.

Membership

The membership shall include representative of employers in the workers' compensation residual pool, at least one of which shall represent each of the following categories: manufacturing; agriculture, fisheries, or forestry; services; retail; construction; wholesale; transportation or public utilities; finance, insurance, or real estate; and state or local government.

Membership shall also include the following: representatives from private insurers, third party administrators, or insurance agents; representatives of self-insured employers from each category named above who are knowledgeable in workers' compensation administration; the Commissioner of Professional and Financial Regulation; the Superintendent of Insurance; the State's Property and Casualty Insurance Actuary, the Commissioner of the Department of Economic and Community Development; and representatives of a Business and an Insurance Advisory Organization.

The Governor shall appoint the Chair who serves at the Governor's pleasure.

#### Terms of Membership

Members serve at the Governor's pleasure. The Task Force will continue to assist and serve in an advisory capacity to the Board of Directors so long as the Board decides.

#### Functions and Duties

1. Draft a blueprint plan of operation, give recommendations on financing, administrative structure, servicing and claims management, as well as provide advice to the Directors of the Maine Employers' Mutual Insurance Company to assist in their January 1, 1993 deadline.
2. Aid the board with background material and relevant data on insurance, financing, servicing, claims management, and work place safety matters.
3. Seek input from mutual insurance companies, private insurance companies, or from experts within or outside of the State of Maine.
4. Serve as technical and informational experts in their given fields of training.
5. Such other tasks as the Mutual Board may request.

#### Administration

The Department of Professional and Financial Regulations and the Department of Economic and Community Development will provide staff support and assume any costs for the Task Force.

#### Meetings

The Task Force shall meet as frequently as necessary upon the call of the Chair. The Chair has the authority to form subgroups of the Task Force which may meet independently, but report back to the Task Force.

#### Compensation

Members of the Task Force shall serve without compensation.

The effective date of this Order is October 7, 1992.

  
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John R. McKernan, Jr.  
Governor