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THE STATE OF COMPETITION IN THE MAINE WORKERS' COMPENSATION MARKET

PREPARED BY THE MAINE BUREAU OF INSURANCE
DECEMBER 30, 2019

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January 7, 2020

Senator Heather B. Sanborn, Chair
Representative Denise A. Tepler, Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333

Re: The State of Competition in the Maine Workers' Compensation Market

Dear Senator Sanborn, Representative Tepler, and members of the Committee:

The report accompanied by this letter is provided annually to the Joint Standing Committee on Health Coverage, Insurance and Financial Services pursuant to 24-A M.R.S.A. § 2383-A and provides a description of the workers' compensation market in Maine.

If you have any questions concerning this report, do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'EC'.

Eric Cioppa
Superintendent



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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1. INTRODUCTION & BACKGROUND	2
I. ACCIDENT YEAR, CALENDAR YEAR AND POLICY YEAR	3
2. RECENT EXPERIENCE.....	4
I. PROJECTED ULTIMATE ACCIDENT YEAR LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS	4
II. CALENDAR YEAR AND ACCIDENT YEAR LOSS RATIOS	5
3. LOSSES IN WORKERS' COMPENSATION	6
I. CHANGES IN ADVISORY LOSS COSTS	6
II. CUMULATIVE CHANGES IN ADVISORY LOSS COSTS.....	7
4. MARKET STRUCTURE AND COMPETITION	8
I. MARKET CONCENTRATION	8
II. HERFINDAHL-HIRSCHMAN INDEX.....	8
III. COMBINED MARKET SHARE.....	9
IV. NUMBER OF CARRIERS IN MAINE'S WORKERS' COMPENSATION INSURANCE MARKET	10
V. PERCENT MARKET SHARE OF THE TOP TEN INSURANCE GROUPS	11
VI. PERCENT MARKET SHARE OF THE TOP TEN INSURANCE CARRIERS	11
5. DIFFERENCES IN RATES AND FACTORS AFFECTING RATES	12
I. RATE DIFFERENTIALS	12
II. ADDITIONAL FACTORS AFFECTING PREMIUMS.....	12
6. ALTERNATIVE RISK MARKETS	14
I. PERCENT OF OVERALL MARKET HELD BY SELF-INSURED EMPLOYERS	14
II. NUMBER OF SELF-INSURED EMPLOYERS AND GROUPS	15
7. A LOOK NATIONALLY	16
I. OREGON WORKERS' COMPENSATION PREMIUM RATE RANKING	16
II. AVERAGE LOSS COSTS BY STATE BASED ON MAINE'S PAYROLL DISTRIBUTION	16

EXECUTIVE SUMMARY

Pursuant to 24-A M.R.S.A. § 2383-A the Superintendent of Insurance must report annually to the Governor and the Joint Standing Committee on Health Coverage, Insurance and Financial Services on the status of competition in the workers' compensation market. This report examines different measures of market conditions.

Workers' compensation insurance in Maine operates in a prior approval rating system:

- The National Council on Compensation Insurance (NCCI), the state's designated statistical agent, files annual advisory loss costs on behalf of insurers for approval with the Superintendent. Advisory loss costs represent the portion of the rates that accounts for losses and loss adjustment expenses.
- Each insurer files factors called loss cost multipliers for the Superintendent's approval. These multipliers account for company experience, overhead expenses, taxes, contingencies, investment income and profit. Each insurer reaches its rates by multiplying the advisory loss costs by the loss cost multipliers. Other rating rules, such as experience rating, schedule rating, and premium discounts, also affect the ultimate premium amount paid by an individual employer.

NCCI filed with the Superintendent and received approval for an overall 7.5% decrease in the advisory loss costs effective April 1, 2019.

Maine Employers' Mutual Insurance Company (MEMIC) actively competes in the voluntary market and is the insurer of last resort in Maine. MEMIC's market share rose from 59% in 2011 to 67% in 2018, a 13.6% increase. The workers' compensation insurance market is very concentrated with much of the business being written by a small number of companies. Twenty-four insurers wrote more than \$1 million each in annual premium in 2018. The top 10 insurance groups wrote over 77% of the workers' compensation insurance in the state in 2018. Employers that maintain a safe work environment and control their losses should continue to see insurers competing for their business.

The number of insurance companies with workers' compensation authority has increased during the past several years, but the number of companies actively writing this coverage has not changed significantly. Rates have remained relatively steady, although some insurers have lowered their rates in hope of attracting business. One company of note began the process of leaving the Maine market in 2017. Great Falls Insurance Company (GFIC), a domestic insurer previously with the second largest percentage of the workers' compensation market (3.4%), received approval for a voluntary dissolution plan in September 2017. As part of the dissolution plan, Eastern Alliance Insurance Company purchased certain renewal rights of GFIC and GFIC's former employees are now part of Eastern Alliance. Eastern Alliance now has the second largest percentage of workers' compensation market (2.6%) in 2018.

Insurers, other than MEMIC, do not have to offer coverage to employers and can be more selective in choosing which employers to underwrite. However, even when an employer secures coverage, to be eligible for lower rates an employer needs to have a history of few or no losses, maintain a safe work environment, and follow loss control recommendations. New businesses and businesses with unfavorable loss experience have limited options available in the voluntary market.

Self-insurance continues to be a viable alternative to the insurance market for employers. Self-insured employers represented 36% (as measured by standard premium) of the overall workers' compensation market in 2018.

1. INTRODUCTION & BACKGROUND

This report examines different measures of competition in the Maine workers' compensation insurance market. The measures are 1) the number of insurers providing coverage; 2) insurer market share; 3) changes in market share; 4) ease of entry into and out of the workers' compensation insurance market; and 5) comparison of variations in rates.

The tables in this report for accident year and calendar year loss ratios contain five years of information. Loss ratios are updated each year to account for how costs have developed for claims opened, the number of claims closed, and the number of claims reopened during the year. Other tables and graphs contain additional years of information.

On January 15, 2019, NCCI filed with the Superintendent for an overall 7.5% decrease in the advisory loss costs effective April 1, 2019. According to NCCI, the lost-time claim frequency has been relatively flat since 2006 and the average indemnity cost—a measure of severity—has been declining. The average medical cost has fluctuated more than indemnity, but it also has been generally declining. The Superintendent approved NCCI's filing effective April 1, 2019.

The decrease in the advisory loss costs is not evenly distributed across all five principal rating classifications, as seen below.

Industry Group	Percentage Change
Office & Clerical	-8.4%
Contracting	-10.1%
Manufacturing	-5.7%
Goods & Services	-6.9%
Miscellaneous	-7.1%

The change in loss costs for individual classification within each group varies depending on the experience of the classification.

These figures do not include changes that the Bureau approved after NCCI's "law only" filing, which it submitted after legislative changes to the benefit structure enacted with L.D. 756, "An Act To Improve the Maine Workers' Compensation Act." The Bureau approved a 3.9% average increase in loss costs to account for those changes. The increase will take effect January 1, 2020.

Although Maine's market has become quite concentrated and MEMIC writes a large volume of business, there are still many insurers writing workers' compensation coverage in Maine. Insurers, however, continue to be conservative in selecting businesses to cover or to renew. An insurer can decide to non-renew a business for any reason if it provides the policyholder with the statutorily required advance written notice. Self-insurance provides a viable alternative for some Maine employers.

I. ACCIDENT YEAR, CALENDAR YEAR AND POLICY YEAR

Workers' compensation is a long-tail line of insurance. This means that payments for claims can continue for a long time after the year in which the injury occurred. Thus, amounts to be paid on open claims must be estimated. Insurers collect claim, premium and expense information to calculate financial ratios and assess whether they have collected enough premium to cover claims and expenses. This information may be presented on an accident year, calendar year, or policy year basis. This report primarily shows information on an accident year basis. A description of each method and its use in understanding workers' compensation follows:

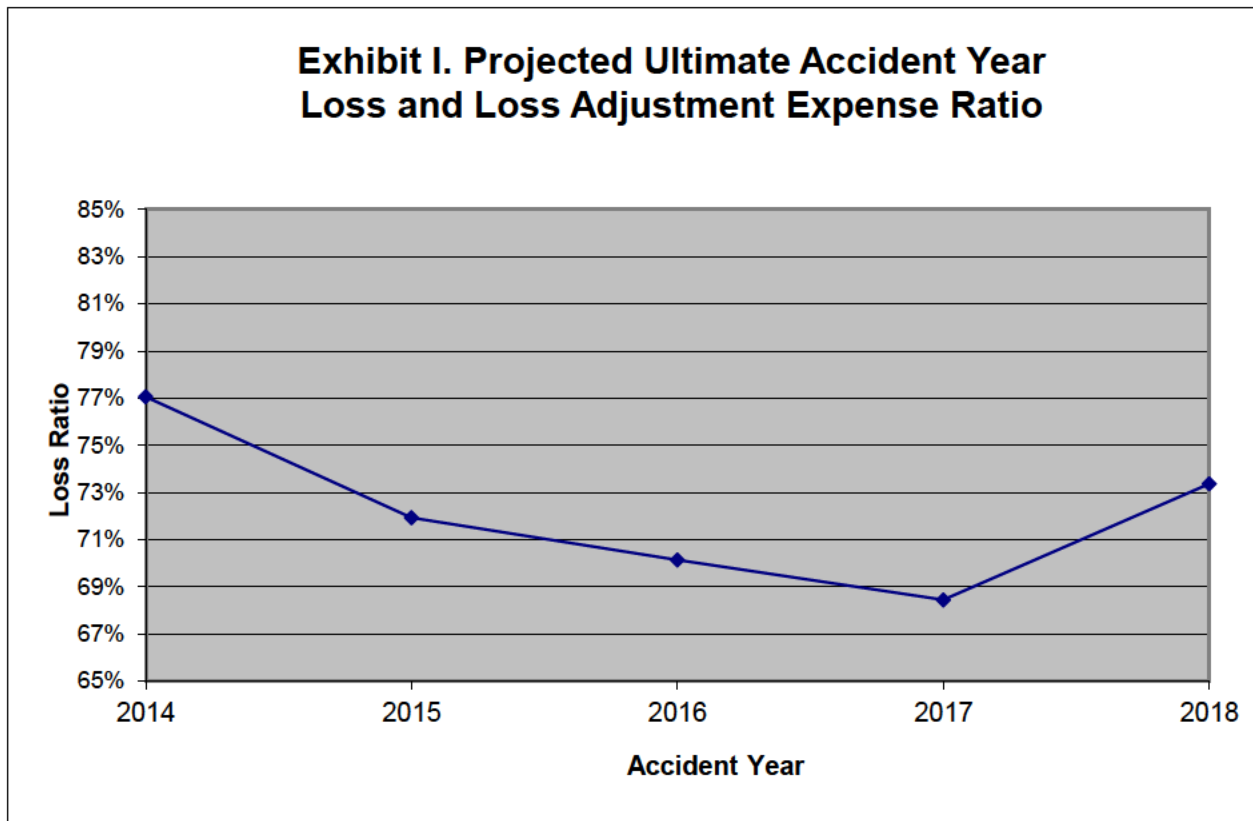
- ❑ **Accident year** experience as of a specific evaluation date matches 1) all paid losses and loss reserves as of the specific evaluation date for injuries occurring during a given 12-month period (regardless of when the losses are reported) with 2) all premiums earned during the same period (regardless of when the premium was written). The accident year loss ratio as of a specific evaluation date shows the percentage of earned premium that is expected to be paid out on claims. Therefore, the loss ratio for each accident year needs to be updated until the losses are finally settled.
- ❑ **Calendar year** experience matches 1) all paid losses and reserve change incurred within a given calendar year (though not necessarily for injuries occurring during that calendar year) with 2) all premiums earned during that year. Because workers' compensation claims are often paid out over a long period, only a small portion of calendar year losses is attributable to premiums earned that year. Many of the losses paid during the current calendar year are for claims occurring in past calendar years. Calendar year loss ratios also reflect aggregate reserve adjustments for past years. For claims expected to cost more, reserves are adjusted upward; for those expected to cost less, reserves are adjusted downward. Calendar year incurred losses are used primarily for financial reporting. Once calculated for a year, calendar year experience never changes.
- ❑ **Policy year** experience as of a specific evaluation date segregates all premiums and losses and loss reserves, as of the specific evaluation date, attributed to policies having an inception or a renewal date within a given 12-month period. The total value of all losses for injuries occurring during the policy year (losses paid plus loss reserves) is assigned to the period regardless of when the losses are reported. The losses are matched to the fully developed earned premium for those same policies. The ultimate policy year incurred loss result cannot be finalized until all losses are settled. Policy year data is used to determine advisory loss costs. Advisory loss costs are the portion of rates that accounts for losses and loss adjustment expenses.

2. RECENT EXPERIENCE

I. PROJECTED ULTIMATE ACCIDENT YEAR LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The accident year loss and loss adjustment expense ratio show the percent of earned premium used to fund losses and their settlement expenses. The loss and loss adjustment expense ratio does not include insurers' general expenses, taxes and contingencies, profit or investment income. Loss and loss adjustment expense ratios that exceed 100% mean that insurers are paying out more in benefits than they collect in premiums. A decrease in these ratios over time may reflect increased rates, improved loss experience, and/or decrease in reserves (i.e., the amount of money expected to be paid out on claims). Conversely, an increase in the loss ratios may reflect decreased rates, worsening loss experience and/or increase in reserves.

Exhibit I shows the projected ultimate accident year loss and loss adjustment expense ratios for the most recent five years. Ultimate loss and loss adjustment expense ratios in this report are based on more recent claim and loss adjustment expense data and may not match the projected ultimate accident year loss and loss adjustment ratios for the same accident years in prior reports. The accident year ultimate loss and loss adjustment expense ratio has ranged from 68% to 77% for the past five years. The 2018 ratio was 73.4%, indicating that \$73.40 is expected to be paid out for losses and loss adjustment expenses for every \$100 earned in premium.



Source: NCCI

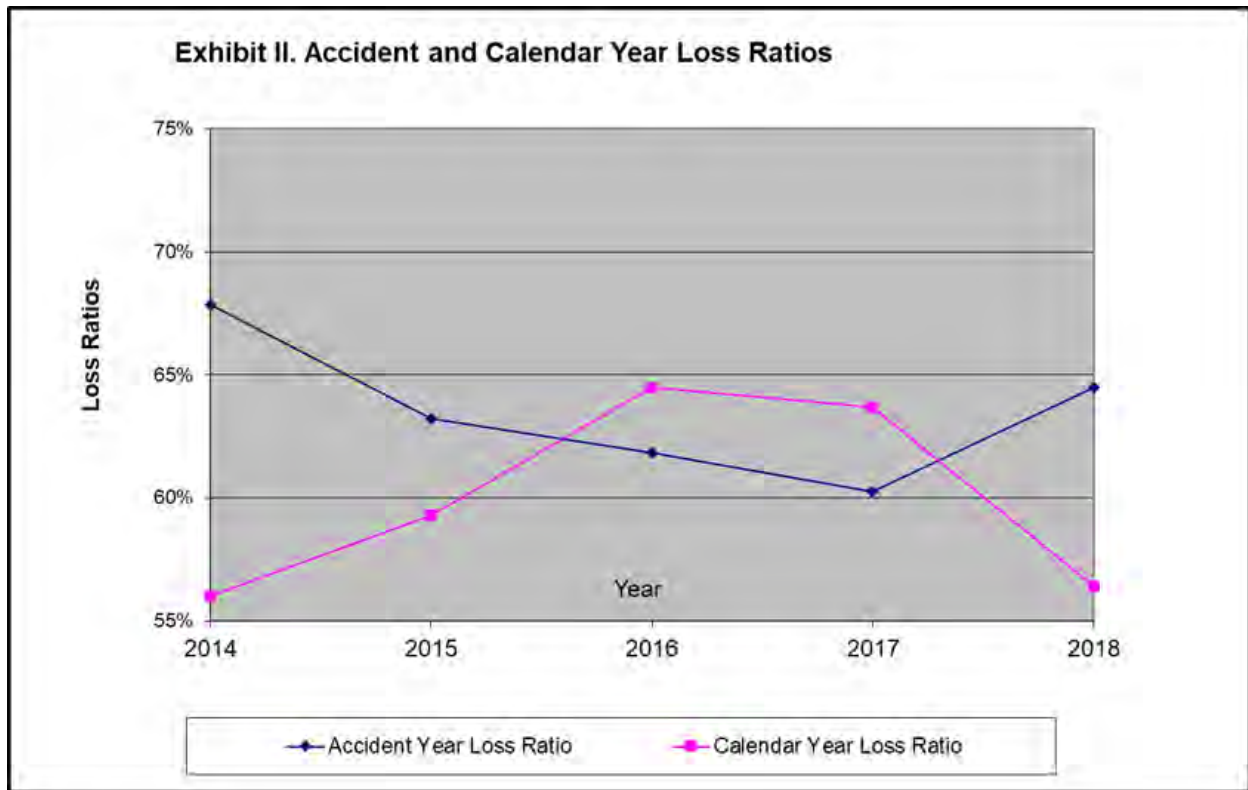
II. CALENDAR YEAR AND ACCIDENT YEAR LOSS RATIOS

Calendar year loss ratios compare losses incurred with premium earned in the same year. Calendar year loss ratios reflect loss payments, adjustments to case reserves, and changes to IBNR (“incurred but not reported”) reserves, on all claims during a specific year, including those adjustments from prior injury years. Calendar year data is relatively easy to compile but can be distorted by large changes in case or IBNR reserves.

Accident year data is more useful in evaluating the claim experience during a particular period because it better matches the earned premium used to pay losses for injuries occurring in the year. In addition, the accident year experience is not distorted by reserve adjustments on claims that occurred in prior periods, possibly under a different law.

Fluctuations in calendar year loss ratios, in relation to accident year loss ratios, may reflect increases or decreases in reserves on prior accident years. Calendar and accident year ratios do not include amounts paid by insurers for sales, general expenses and taxes, nor do they reflect investment income.

Exhibit II shows calendar year and accident year loss ratios for the most recent five years. The calendar year loss ratios ranged between 56% in 2014 and 65% in 2016. Accident year loss ratios ranged from a low of 60% in 2017 to a high of 68% in 2014. Calendar year loss ratios show a downward trend in the last year, and accident year loss ratios show an upward trend.



Note: The Accident Year data points in Exhibit II above do not match those in Exhibit I on the previous page, because Unallocated Loss Adjustment Expense is not included in Exhibit II.

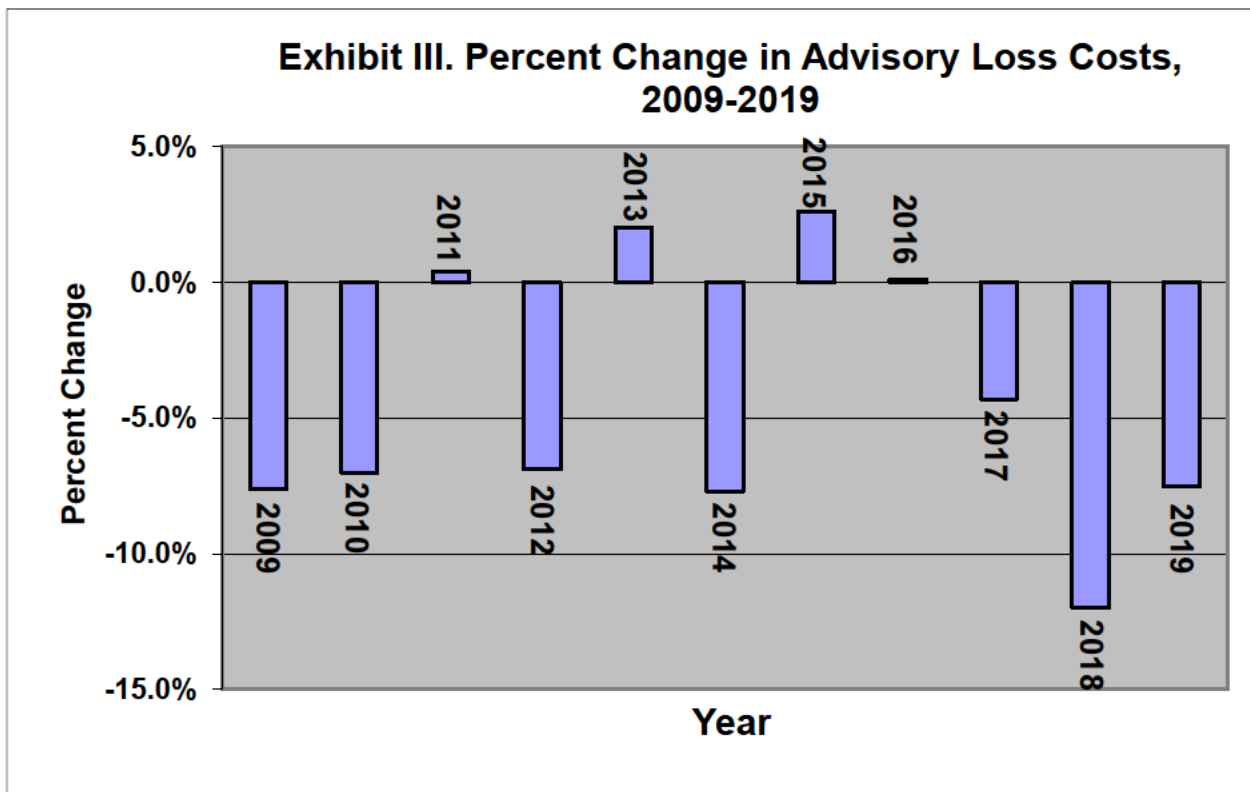
Source: NCCI.

3. LOSSES IN WORKERS' COMPENSATION

I. CHANGES IN ADVISORY LOSS COSTS

NCCI files advisory loss costs on behalf of workers' compensation carriers. Advisory loss costs reflect the portion of the rate that applies to losses and loss adjustment expenses. Advisory loss costs do not account for what insurers pay for commissions, general expenses, taxes and contingencies, nor do they account for profits and investment income. Under Maine's competitive rating law, each insurance carrier determines what to load into premium to cover those items.

Effective April 1, 2019, the Superintendent approved a 7.5% decrease in the workers' compensation advisory loss costs. Advisory loss costs are now more than 19% lower than they were ten years ago, and nearly 63% lower than when the major reform of the workers' compensation system took effect in 1993. Changes in the advisory loss costs tend to lag actual changes in statewide loss experience because of the time needed to accumulate and evaluate loss data.



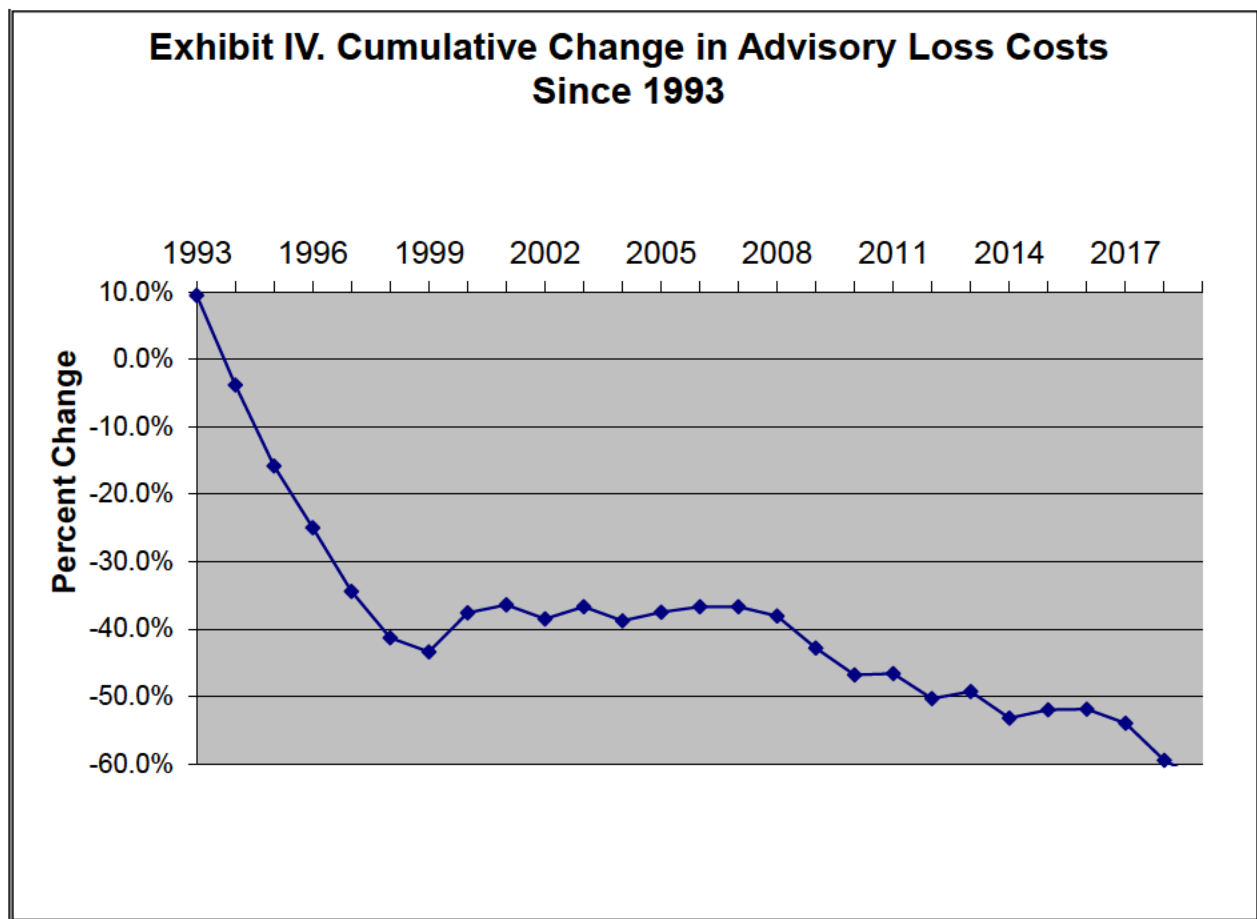
Source: NCCI

These figures do not include the loss cost increase prompted by the enactment of L.D. 756, "An Act To Improve the Maine Workers' Compensation Act of 1992." NCCI requested, and the Bureau approved, an increase in loss costs to account for the increase of benefits enacted in the new law. NCCI identified five elements of the law that necessitated an increase in loss costs as follows: (1) an expansion in the amount of fringe benefits that must be included in an employee's average weekly wage (0.1% increase); (2) an increase in the maximum weekly indemnity benefit from 100% to 125% of the state average

weekly wage (1.4% increase); (3) the establishment of a cost-of-living adjustment for total incapacity benefits (1.1% increase); (4) an increase in the durational limit for partial incapacity benefits from 520 to 624 weeks (1.0% increase); and (5) the establishment of parental fatality benefits when there are no dependents (0.1% increase). Cumulatively, NCCI determined that a 3.9% average increase in loss costs was necessary to account for these changes. That increase is an average and may vary by industry. Other elements of the legislative change, such as an extension in the notice period from 30 to 60 days, will be realized in future claims experience and reflected in future NCCI loss cost filings.

II. CUMULATIVE CHANGES IN ADVISORY LOSS COSTS

Exhibit IV shows the cumulative changes in loss costs since 1993. Average loss costs have declined more than 19% over the past ten years.



Source: NCCI

4. MARKET STRUCTURE AND COMPETITION

I. MARKET CONCENTRATION

Market concentration is one measure of competition. Greater concentration means that there are fewer insurers in the market or that relatively few insurers are issuing a disproportionate amount of coverage. The result is less competition. Conversely, less concentration indicates greater competition.

As of October 1, 2019, 371 companies were authorized to write workers' compensation coverage. This number is not the best indicator of market concentration because some insurers have no written premium. In 2018 MEMIC accounted for 67% of the premium in the market. MEMIC is the insurer of last resort and writes voluntary business; other insurers can be more selective about which risks they accept. The following table shows the number of carriers that wrote workers' compensation insurance in 2018 by premium level.

Amount of Written Premium	Number of Companies at That Level
>\$10,000	162
>\$100,000	103
>\$1,000,000	24

Source: Annual Statements Filed with the Bureau of Insurance. Total written premium for 2018 was over \$229 million.

Market concentration alone does not give a complete picture of market competition because a significant portion of Maine's workers' compensation coverage is self-insured. See the Alternative Risk Markets section below for more complete information.

II. HERFINDAHL-HIRSCHMAN INDEX

The Herfindahl-Hirschman Index (HHI) measures market concentration. The HHI is calculated by summing the squares of the market shares (percentages) of all groups in the market. The annual Competition Database Report produced by the National Association of Insurance Commissioners compiles various data elements that measure the competitiveness of state insurance markets. The HHI is one data element.

According to the 2018 Competition Database Report, which was prepared in 2019, the HHI for workers' compensation insurance in Maine was 4,614. This measure is the third highest (i.e., most concentrated) for all commercial lines in Maine, behind financial guaranty and medical professional liability.

There is no precise point at which the HHI indicates that a market or industry is so concentrated that competition is restricted. The U.S. Department of Justice's guidelines for corporate mergers use 1,800 to indicate highly concentrated markets and the range from 1,000 to 1,800 to indicate moderately concentrated markets. A market with an HHI below 1,000 is considered not concentrated.

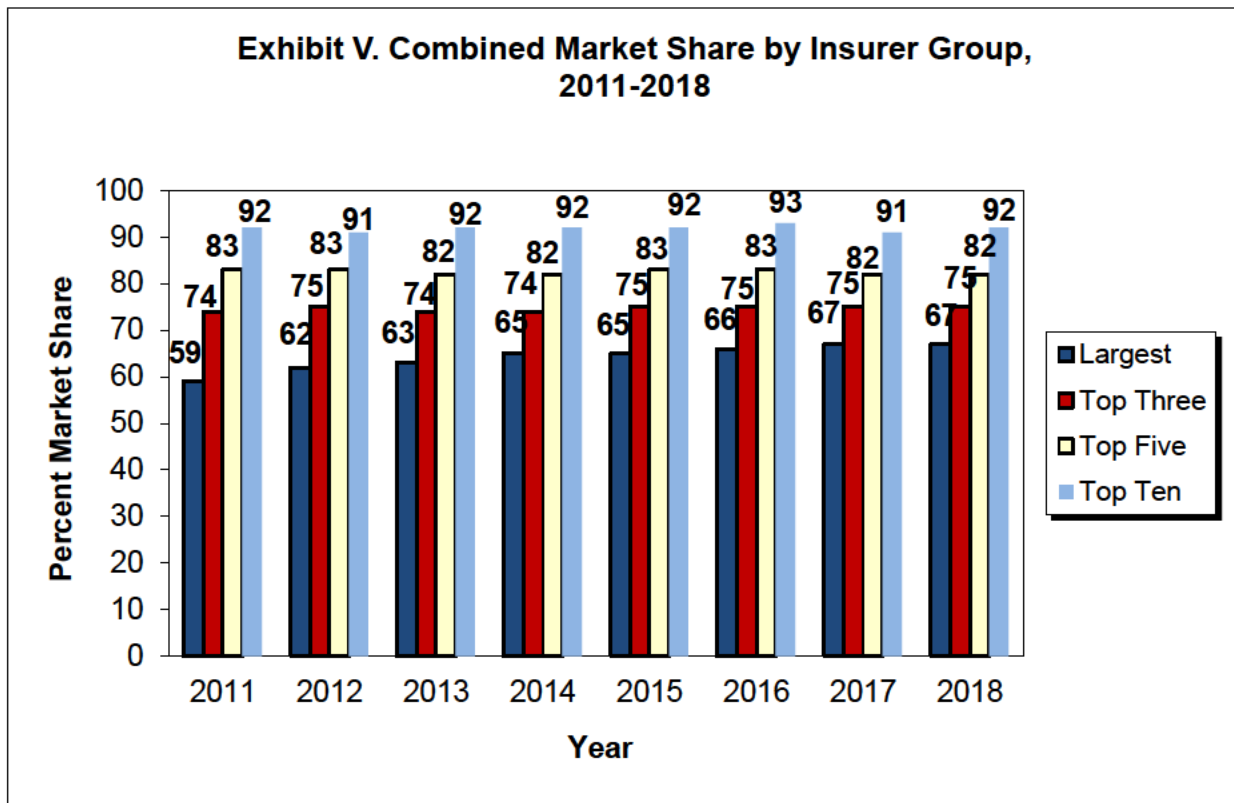
Applying the HHI to Maine's workers' compensation market does not give a complete picture of Maine's market concentration for two reasons. First, the Maine Legislature created MEMIC to replace a highly

concentrated residual market in which other insurers were reluctant to write actively in this state. Second, the market has a high percentage of employers who self-insure, either individually or in groups.

III. COMBINED MARKET SHARE

An insurance group is one or more carriers under common ownership. Exhibit V illustrates the percent market share of the largest commercial insurance groups, in terms of written premium, as well as the percent market share for the top three, top five and top 10 insurer groups. This excludes self-insured premium.

The MEMIC group wrote over \$154 million in premium (67.4%) in 2018. The top three groups, including MEMIC, wrote over \$171 million in business (74.7%). The top five groups wrote over \$187 million (81.5%), and the top 10 groups had over \$210 million in written premium (91.6%). The reported amounts of written premium for the top 10 groups rose by over \$2 million from 2017 to 2018, while their overall market share increased by less than one percent.



Source: Annual Statements Filed with the Bureau of Insurance

IV. NUMBER OF CARRIERS IN MAINE'S WORKERS' COMPENSATION INSURANCE MARKET

The number of carriers in the workers' compensation market has increased in 17 out of the past 19 years, as shown in the table below. The number of carriers who may file rates and are eligible to write workers' compensation coverage has increased by over 76% since 2000. There currently are no significant barriers to entry.

Year	Number of Carriers	Net Change (Percent)
2019	371	4.8
2018	354	3.8
2017	341	4.3
2016	327	-1.8
2015	333	1.5
2014	328	-0.6
2013	330	0.3
2012	329	5.1
2011	313	6.8
2010	293	0.3
2009	292	3.6
2008	282	3.3
2007	273	2.3
2006	267	3.9
2005	257	1.1
2004	254	1.2
2003	251	4.2
2002	241	5.7
2001	228	8.6
2000	210	6.1

Source: Bureau of Insurance Records

Notes: Totals are based on the number of carriers licensed to transact workers' compensation insurance as of October 1, of each year.

V. PERCENT MARKET SHARE OF THE TOP TEN INSURANCE GROUPS

Table III shows market share for the ten largest insurance groups in 2018, and those groups' market share from 2011-2018. These groups wrote nearly 92% of business in 2018. Information by group is more relevant when assessing competition because carriers in a group are under common control and are not likely to compete with one another. The Maine Employers Mutual group maintained over 67% market share in 2018.

Insurance Group	2018 Share	2017 Share	2016 Share	2015 Share	2014 Share	2013 Share	2012 Share	2011 Share
Maine Employers' Mutual	67.4	67.4	65.9	64.6	64.8	62.6	62.3	59.4
Travelers Group	3.7	3.9	4.3	4.3	4.4	4.9	4.7	4.4
ProAssurance Corp Group	3.6	-	-	-	-	-	-	-
WR Berkeley Group	3.5	3.9	4.4	4.1	4.5	4.5	4.6	5.1
Hartford Fire & Casualty	3.3	3.1	3.1	3.2	3.4	3.5	3.5	3.1
Liberty Mutual Group	3.3	2.6	3.7	5.7	4.5	6.1	8.0	9.7
Chubb Ltd Group	2.2	2.0	2.0	-	-	-	-	-
Zurich Insurance Group	1.8	2.1	2.2	1.8	1.5	1.5	1.6	2.0
American International Group	1.5	1.8	1.2	1.7	3.1	2.8	1.7	4.2
Berkshire Hathaway Group	1.3	1.2	1.1	1.1	1.1	1.5	1.8	0.5

Source: Annual Statements Filed with the Bureau by Insurance Carriers

VI. PERCENT MARKET SHARE OF THE TOP TEN INSURANCE CARRIERS

Table IV shows the percent of market share for the ten largest carriers for each calendar year from 2011 through 2018. Throughout most of this period Maine Employers' Mutual Insurance Company (MEMIC) has had more than 62% of the market. The top 10 companies combined held 77% of the market in 2018.

Insurance Carrier	2018 Share	2017 Share	2016 Share	2015 Share	2014 Share	2013 Share	2012 Share	2011 Share
Maine Employers' Mutual	67.0	67.0	65.7	64.4	64.7	62.5	62.1	59.3
Eastern Alliance Ins Co	2.6	0.6	-	-	-	-	-	-
Zurich American Ins Co	1.4	1.6	1.7	1.5	0.9	0.8	0.9	1.1
Continental Western Ins Co	1.1	1.1	1.0	-	-	-	-	-
Charter Oak Fire Ins Co	1.1	1.1	1.2	0.9	1.1	1.3	1.3	1.1
Firemen's Ins Co of Wash DC	1.0	1.6	1.7	1.7	2.0	2.1	1.9	2.3
New Hampshire Ins Co	0.8	0.8	0.7	0.7	1.0	1.3	1.0	1.2
Eastern Advantage Assur Co	0.7	0.2	-	-	-	-	-	-
Arch Ins Co	0.7	0.9	0.8	-	-	-	-	-
Liberty Ins Corp	0.6	0.1	0.7	1.2	0.6	0.8	1.6	1.4

Source: Annual Statements Filed with the Bureau by Insurance Carriers

5. DIFFERENCES IN RATES AND FACTORS AFFECTING RATES

I. RATE DIFFERENTIALS

There is a wide range of potential rates for workers' compensation policyholders in Maine, but most employers are not able to get the lowest rates. Insurers are selective in accepting risks for the lower-priced plans. Their underwriting is based on such factors as prior-claims history, safety programs and classifications. An indication that the current workers' compensation market may not be fully price-competitive is the distribution of policyholders among companies with different loss cost multipliers or among a single company with multiple rating tiers.

The Bureau of Insurance surveyed all the companies in the ten largest insurance groups, requesting the number of policyholders and the amount of written premium for in-force policies in Maine within each of their rating tiers. The table below shows the percentage of policies written at rates compared to the MEMIC Standard Rating tier (including MEMIC policies).

Rate Comparison	2019 Percent	2018 Percent
Below MEMIC Standard Rate	18.0%	24.2%
At MEMIC Standard Rate	60.8%	51.4%
Above MEMIC Standard Rate	21.1%	24.4%

Note: Based upon the results of a survey conducted by the Bureau of Insurance

Possible reasons that policyholders accept rates higher than MEMIC's Standard Rating tier are: 1) an insurer other than MEMIC that might not otherwise provide workers' compensation coverage provides it as part of a package with other lines of insurance at an overall competitive price to the insured; 2) an insurer other than MEMIC charges a higher rate but offers enough credits to lower the overall premium; or 3) the insured's poor loss history resulted in its being placed in MEMIC's High Risk Rating tier. It should be noted the enactment of PL 2017, c. 15, which eliminates the requirement that MEMIC maintain a high-risk program, may have an impact on rates moving-forward.

II. ADDITIONAL FACTORS AFFECTING PREMIUMS

Some insurers offer employers other options that may affect their workers' compensation premium. Common options include:

- ❑ **Tiered rating** means that an insurer uses more than one loss cost multiplier, based on where a potential insured falls in its underwriting criteria. Tiered rating may apply to groups of insurers that have different loss cost multipliers for different companies in the group.
- ❑ **Scheduled rating** allows an insurer to consider other factors in setting premium that an employer's experience rating might not reflect. Factors including safety plans, medical facilities, safety devices and premises are considered and can result in a change in premium of up to 25%.

- ❑ **Small deductible plans** must be offered by insurers. These plans include medical benefit deductibles of \$250 per occurrence for non-experience-rated accounts and either \$250 or \$500 per occurrence for experience rated accounts. Insurers must also offer deductibles of either \$1,000 or \$5,000 per claim for indemnity benefits. Payments are initially made by the insurer and then reimbursed by the employer. Each insurer files a percentage reduction in premium applicable to each small deductible plan that it offers. The Bureau must review and approve these filings.
- ❑ **Managed Care Credits** are offered to employers who use managed care plans for workers' compensation injuries.
- ❑ **Dividend Plans** provide a return premium to the insured after the policy expires if losses are lower than average. Premiums are not increased if losses are greater than average. Because losses may still be open for several years after policy expiration, dividends are usually paid periodically after the insurer has accounted for changes in its incurred losses. Dividends are not guaranteed. In October 2018, MEMIC announced it would pay dividends totaling \$22 million to more than 17,000 qualified policyholders in November 2018. Including this payment, MEMIC will have returned approximately \$263 million to policyholders in the form of capital returns and dividends since 1998.
- ❑ **Retrospective rating** means that an employer's final premium is a direct function of its loss experience for that policy period. If an employer has lower than expected losses, it receives a reduced premium; conversely, if the employer has a bad loss experience, it receives an increased premium. Retrospective rating uses minimum and maximum amounts for a policy and is typically written for larger employers.
- ❑ **Large deductible plans** are for employers who do not want to self-insure for worker's compensation but have a discounted premium in exchange for assuming more of the risk than the statutory deductibles offer. Large deductibles can be in excess of \$100,000 per claim. The law requires that the insurer pay all losses associated with this type of policy and then bill the deductible amounts to the insured employer.
- ❑ **Maine Merit Rating Plan.** If an employer is not eligible for the experience rating plan, a merit rating plan must be offered by the insurer pursuant to 24-A M.R.S.A. § 2382-D.

While these options might lower an employer's premium, they may also carry some risk of greater exposure. Employers should carefully analyze these options, especially retrospective rating (retros) and large deductible policies, before opting for them.

6. ALTERNATIVE RISK MARKETS

I. PERCENT OF OVERALL MARKET HELD BY SELF-INSURED EMPLOYERS

Self-insurance plays an important role in Maine’s workers’ compensation market. Self-insured employers pay for losses with their own resources rather than by purchasing insurance. They may, however, choose or be required by the Bureau of Insurance to purchase insurance for losses that exceed a certain limit. One advantage of being self-insured may be better cash flow. Employers who self-insure anticipate that they would be better off not paying premiums. They are likely to have active programs in safety training and injury prevention. In 2018 nearly 36% of Maine’s total workers’ compensation insurance market, as measured by estimated standard premium, consisted of self-insured employers and groups.

The estimated standard premium for individual self-insured employers is determined by multiplying the advisory loss cost by a factor of 1.2 as specified in statute, multiplying that figure by the payroll amount, dividing the result by 100, and then applying experience modification. As advisory loss costs, and therefore rates, decline, so does the estimated standard premium. Group self-insurers determine their own rates subject to review by the Bureau of Insurance.

Year	Estimated Total of All Standard Premiums	Percent of Workers' Comp. Market (in Annual Standard Premium)
2018	\$127,713,174	35.7
2017	\$143,149,871	38.6
2016	\$149,945,345	40.1
2015	\$147,944,897	40.1
2014	\$147,295,090	41.5
2013	\$147,032,582	41.9
2012	\$159,230,371	44.6
2011	\$166,712,916	44.7
2010	\$171,478,611	47.5
2009	\$160,359,285	44.5
2008	\$179,280,965	44.6
2007	\$174,830,526	42.1
2006	\$167,535,911	40.9
2005	\$167,278,509	40.3
2004	\$171,662,347	41.7
2003	\$182,379,567	43.1
2002	\$167,803,123	43.0

Source: Annual Statements Filed with the Bureau of Insurance

Notes: Estimated standard premium figures are as of December 31 of the year listed.

The percent of the self-insured workers’ compensation market is calculated by dividing the estimated standard premium for self-insured employers by the sum of the estimated standard premium for self-insured employers and the written premium in the regular insurance market, and then multiplying the result by 100.

II. NUMBER OF SELF-INSURED EMPLOYERS AND GROUPS

As of October 1, 2019, there were 18 self-insured groups representing 1,250 employees. The number of individual self-insured employers has remained at 57 for the past three years.

Table VII: Number of Self-Insured Groups, Employers in Groups, and Individually Self-Insured Employers 2000-2018			
Year	# of Self-Insured Groups	# of Employers In Groups	# of Individually Self-Insured Employers
2019	18	1,250	57
2018	18	1,248	57
2017	18	1,263	57
2016	19	1,292	58
2015	19	1,327	60
2014	19	1,336	62
2013	19	1,363	58
2012	19	1,370	59
2011	19	1,378	59
2010	19	1,382	58
2009	19	1,459	58
2008	19	1,461	70
2007	19	1,478	70
2006	20	1,437	71
2005	20	1,416	80
2004	20	1,417	86
2003	19	1,351	91
2002	19	1,235	98
2001	19	1,281	92
2000	19	1,247	98

Source: Bureau of Insurance Records

Notes: For the purposes of self-insurance, affiliated employers are considered separate employers.

The number of individually self-insured employers and self-insured group information beginning in 2001 is as of October 1, of the year listed. Figures for 2000 are as of January 1.

7. A LOOK NATIONALLY

I. OREGON WORKERS' COMPENSATION PREMIUM RATE RANKING

The State of Oregon ranks the states and the District of Columbia bi-annually by premium. The Oregon premium rate rankings focus on 50 classifications based on their relative importance as measured by their share of losses in Oregon. In 2018, Maine had the 19th highest workers' compensation premium rates in all industries. In 2016, Maine was 14th highest overall, in 2014, Maine was 13th highest overall, and Maine was 10th highest in 2012.

II. AVERAGE LOSS COSTS BY STATE BASED ON MAINE'S PAYROLL DISTRIBUTION

NCCI reports average loss costs for 37 states and the District of Columbia, using the most recent loss cost filings for the states which have designated NCCI as the licensed rating and statistical organization. Maine had the 13th highest average loss cost in the most recent report. In last year's report, Maine had the 12th highest.

State	Average Loss Cost	Rank
Vermont	1.42	1
Connecticut	1.34	2
Georgia	1.29	3
Alaska	1.28	4
Illinois	1.25	5
Montana	1.22	6
Louisiana	1.22	6
Idaho	1.20	8
South Carolina	1.19	9
Rhode Island	1.19	9
Hawaii	1.17	11
Iowa	1.13	12
Maine	1.12	13
Florida	1.09	14
Missouri	1.08	15
Oklahoma	1.06	16
New Hampshire	1.01	17
Maryland	0.99	18
New Mexico	0.97	19
Nebraska	0.97	19

State	Average Loss Cost	Rank
Virginia	0.95	21
Alabama	0.93	22
Colorado	0.90	23
Mississippi	0.85	24
Kentucky	0.85	24
Arizona	0.85	24
South Dakota	0.82	27
D.C.	0.81	28
Oregon	0.81	28
North Carolina	0.78	30
Nevada	0.76	31
Kansas	0.75	32
Tennessee	0.67	33
Utah	0.65	34
Indiana	0.61	35
West Virginia	0.52	36
Arkansas	0.48	37
Texas	0.40	38

Countrywide 0.98

Note: Average loss cost does not include expense and profit loading and is an average using all payrolls. The actual average for an employer will depend on the type of business and payroll mix.