DEPARTMENT OF
Professional & Financial Regulation
STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

THE STATE OF COMPETITION IN THE MAINE WORKERS' COMPENSATION MARKET

PREPARED BY THE MAINE BUREAU OF INSURANCE
DECEMBER 30, 2017

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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 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 4.3% decrease in the advisory loss costs effective April 1, 2017.

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 65.7% in 2016, a 6.7% increase. The workers' compensation insurance market is very concentrated with much of the business being written by a small number of companies. Twenty-three insurers wrote more than $1 million each in annual premium in 2016. The top 10 insurance groups wrote over 93% of the workers' compensation insurance in the state in 2016. 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 with the second largest percentage of the workers' compensation market (4.7%), 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.

Insurers other than MEMIC do not have to offer coverage to employers and can be more selective in choosing which employers to underwrite. However, in order 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 nearly 40.8% (as measured by standard premium) of the overall workers' compensation market in 2016.

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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 17, 2017, NCCI filed with the Superintendent for an overall 4.3% decrease in the advisory loss costs effective April 1, 2017. According to NCCI, the loss-time claim frequency has been relatively flat since 2006 but the frequency has increased in recent policy years and the average indemnity cost—a measure of severity—has been declining, except for slight increases in policy years 2011, 2012 and 2013. Medical costs were increasing until the latest policy year and now consume 50% of Maine's total benefit costs. Indemnity costs account for the other 50% of total benefit costs. The Superintendent approved NCCI's filing effective April 1, 2017.

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	-7.40%
Contracting	-7.60%
Manufacturing	-1.30%
Goods & Services	-2.70%
Miscellaneous	-4.40%

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

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 as long as 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 of time (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.

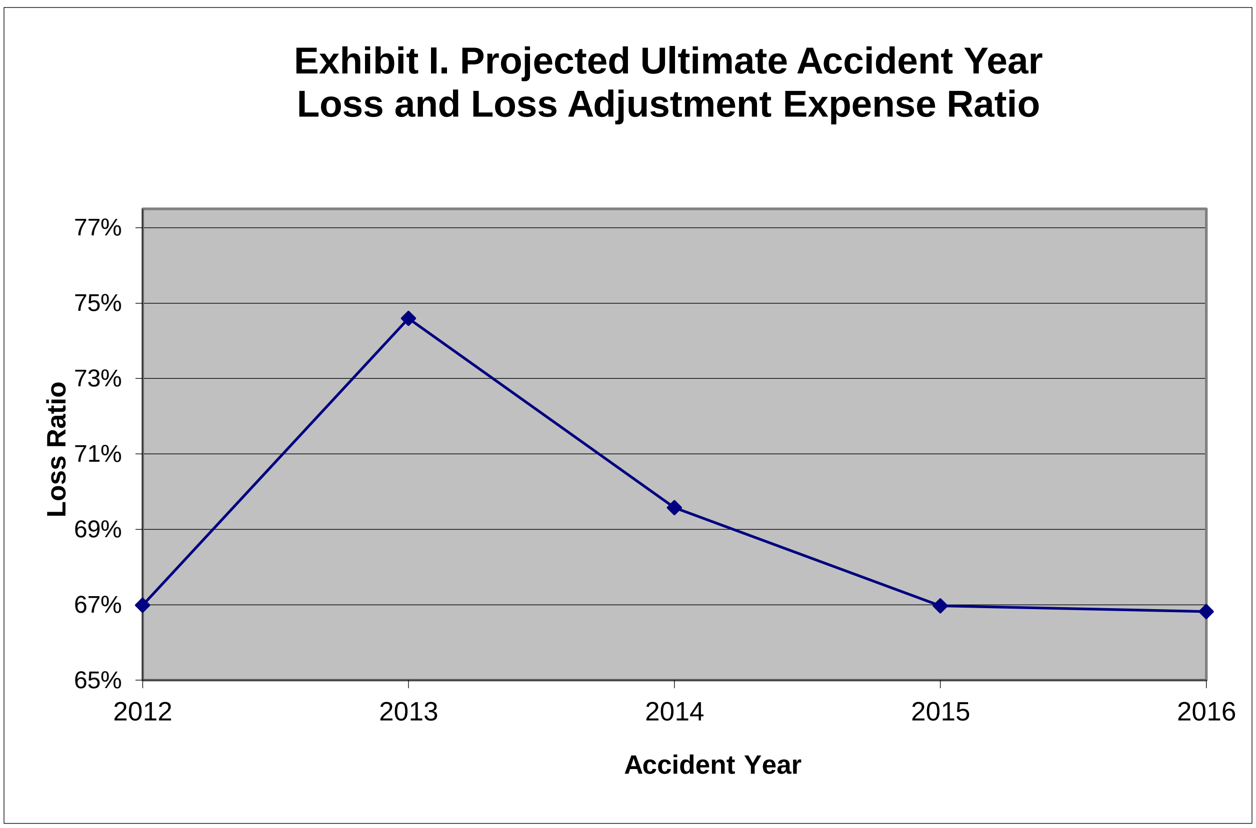
- **Policy year** experience as of a specific evaluation date segregates all premiums and losses and loss reserves, as of the specific evaluation date, attributed to policies having an inception or a renewal date within a given 12-month period. The total value of all losses for injuries occurring during the policy year (losses paid plus loss reserves) is assigned to the period regardless of when the losses are actually 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 shows 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 approximately from 67% to 74% for the past five years. The 2016 ratio was 66.8%, indicating that $66.80 is expected to be paid out for losses and loss adjustment expenses for every $100 earned in premium.



Source: NCCI

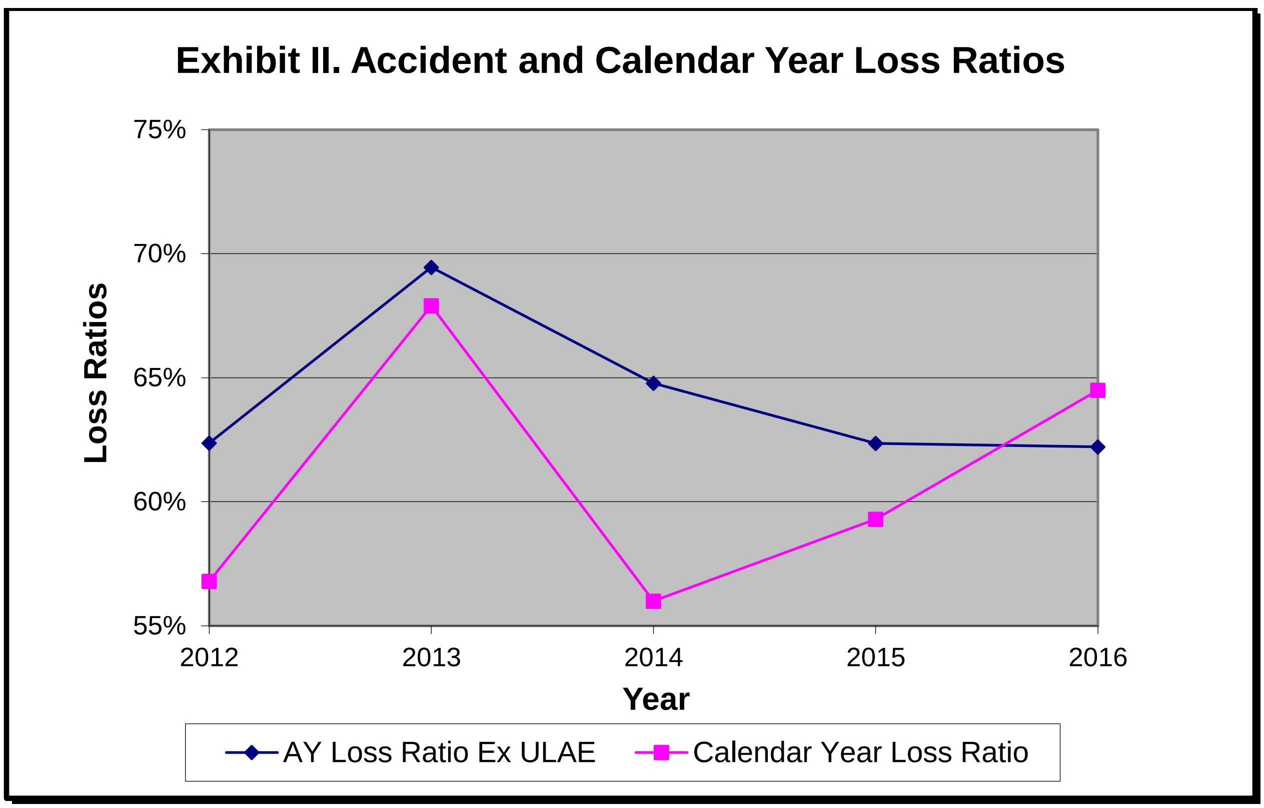
II. CALENDAR YEAR AND ACCIDENT YEAR LOSS RATIOS

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 from below to above 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 68% in 2013 and 56% in 2014. Accident year loss ratios ranged from a low of 62% in 2016 to a high of 70% in 2013. Calendar year loss ratios show an upward trend, and accident year loss ratios show a slight downward trend.



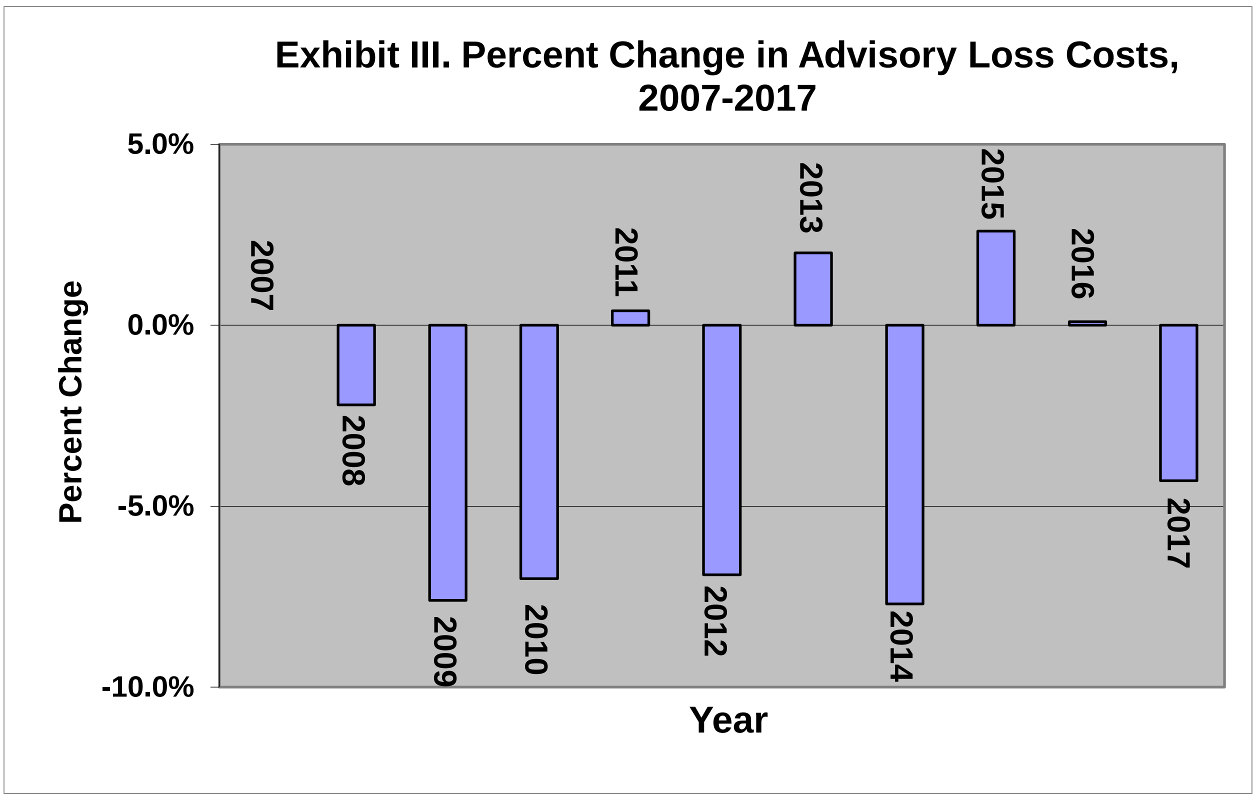
Note: ULAE: Unallocated Loss Adjustment Expense
Source: NCCI

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.

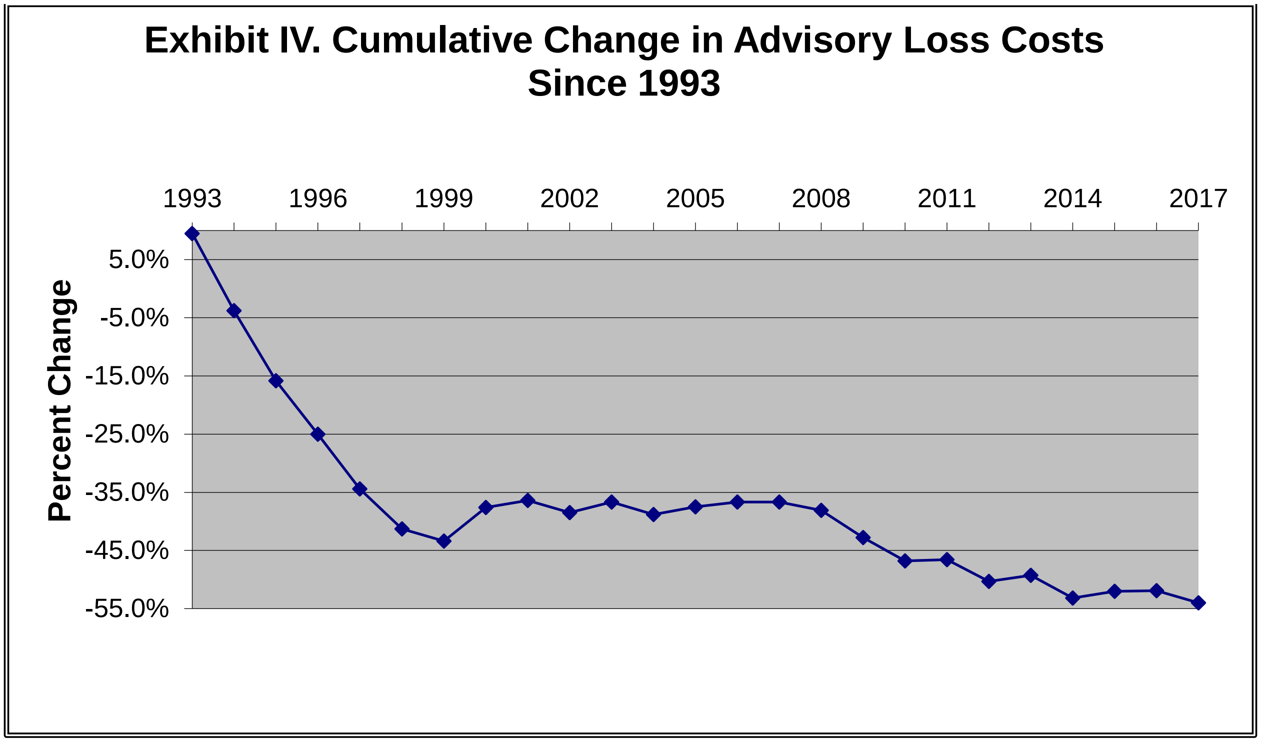
Effective April 1, 2017, the Superintendent approved a -4.3% decrease in the workers' compensation advisory loss costs. Advisory loss costs are now more than 15% lower than they were ten years ago, and nearly 54% lower than when the major reform of the workers' compensation system took effect in 1993. 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

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 15% 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, 2017, the Superintendent had authorized 341 companies to write workers' compensation coverage. This number is not the best indicator of market concentration because some insurers have no written premium. In 2016 MEMIC, the insurer of last resort, accounted for over 65.7% of the written premium in the market. Although MEMIC has succeeded in retaining business, voluntary market insurers are able to be more selective about which risks they accept. The following table shows the number of carriers by premium level that wrote workers' compensation insurance in 2016.

Table I: Number of Companies by Level of Written Premium—2016

Amount of Written Premium	Number of Companies at That Level
>$10,000	151
>$100,000	98
>$1,000,000	23

Source: Annual Statements Filed with the Bureau of Insurance. Total written premium for 2016 was over $220 million.

Market concentration alone does not give a complete picture of market competition. That is 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 2015 Competition Database Report, which was prepared in 2016, the HHI for workers' compensation insurance in Maine was 4,286. This measure is the third highest (i.e., most concentrated) for all commercial lines in Maine, well behind financial guaranty and just slightly behind medical professional liability.

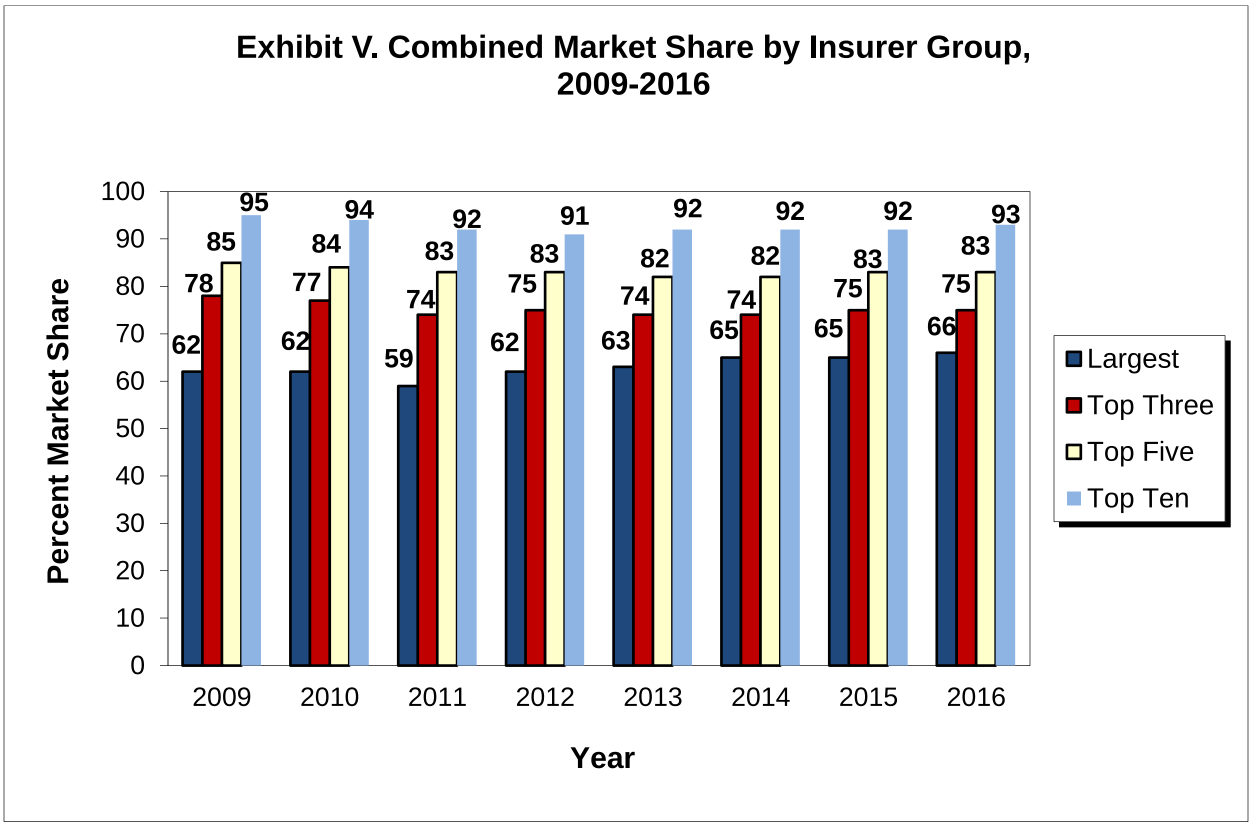
There is no precise point at which the HHI indicates that a market or industry is so concentrated that competition is restricted. The U.S. Department of Justice's guidelines for corporate mergers use 1,800 to indicate highly concentrated markets and the range from 1,000 to 1,800 to indicate moderately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

Applying the HHI to Maine's workers' compensation market might not be a helpful gauge of this market 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 group, in terms of written premium, as well as the percent market share for the top three, top five and top 10 insurer groups. MEMIC has the largest market share at 65.9%. The market share of the top 10 insurer groups was 93% in 2016; all other groups accounted for just 7% of the workers' compensation premium in Maine. This excludes self-insured premium.

MEMIC wrote over $147 million in premium (65.9%) in 2016. The top three groups, including MEMIC, wrote over $168 million in business (75%). The top five groups wrote over $185 million (83%), and the top 10 groups had over $207 million in written premium (93%). The reported amounts of written premium for the top 10 groups rose by over $4 million from 2015 to 2016.



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 16 out of the past 18 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 55% since 2000. There currently are no significant barriers to entry.

Table II:
Number of Workers' Compensation Carriers, 2000-2017

Year	Number of Carriers	Net Change (Percent)
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 from 2009-2016. These groups wrote 93% of business in 2016. 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 increased its market share to 65.9% in 2016.

Table III:
Percent Market Share for Top Insurance Groups, By Amount of Written Premium, 2009-2016

Insurance Group	2016 Share	2015 Share	2014 Share	2013 Share	2012 Share	2011 Share	2010 Share	2009 Share
Maine Employers' Mutual	65.9	64.6	64.8	62.6	62.3	59.4	61.5	62.2
Great Falls Ins Co	4.7	4.5	3.7	2.8	1.8	0.7	-	-
WR Berkeley Group	4.4	4.1	4.5	4.5	4.6	5.1	5.2	5.7
Travelers Group	4.3	4.3	4.4	4.9	4.7	4.4	3.9	3.5
Liberty Mutual Group	3.7	5.7	4.5	6.1	8.0	9.7	10.0	10.4
Hartford Fire & Casualty	3.1	3.2	3.4	3.5	3.5	3.1	3.2	3.4
Zurich Insurance Group	2.2	1.8	1.5	1.5	1.6	2.0	2.1	2.0
Chubb Ltd Group	2.0	-	-	-	-	-	-	-
American International Group	1.2	1.7	3.1	2.8	1.7	4.2	3.6	2.3
Berkshire Hathaway Group	1.1	1.1	1.1	1.5	1.8	0.5	0.2	0.1

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 2009 through 2016. Throughout most of this period MEMIC has had more than 61% of the market. The top 10 companies combined held over 79% of the market.

Table IV:
Percent Market Share for Top Insurance Carriers, By Amount of Written Premium, 2009-2016

Insurance Carrier	2016 Share	2015 Share	2014 Share	2013 Share	2012 Share	2011 Share	2010 Share	2009 Share
Maine Employers' Mutual	65.7	64.4	64.7	62.5	62.1	59.3	61.5	62.2
Great Falls Ins Co	4.7	4.5	3.7	2.8	1.8	0.7	-	-
Firemen's Ins Co of Wash DC	1.7	1.7	2.0	2.1	1.9	2.3	2.1	1.9
Zurich American Ins Co	1.7	1.5	0.9	0.8	0.9	1.1	1.3	1.0
Charter Oak Fire Ins Co	1.2	0.9	1.1	1.3	1.3	1.1	1.2	1.0
Continental Western Ins Co	1.0	-	-	-	-	-	-	-
Acadia Insurance Company	1.0	1.0	1.5	1.6	2.1	2.2	2.6	3.4
Arch Ins Co	0.8	-	-	-	-	-	-	-
Trumbull Ins Co	0.8	-	-	-	-	-	-	-
Liberty Ins Corp	0.7	1.2	0.6	0.8	1.6	1.4	2.1	2.0

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. Carriers in these groups accounted for about 93% of the market and nearly $207 million in written premium in Maine for calendar year 2016. The table below shows the percentage of policies written at rates compared to the MEMIC Standard Rating tier (including MEMIC policies).

Table V:
Percent of Reported Policyholders At, Above or Below MEMIC's Standard Rating Tier Rates

Rate Comparison	2017 Percent	2016 Percent
Below MEMIC Standard Rate	30.5%	27.8%
At MEMIC Standard Rate	49.3%	55.2%
Above MEMIC Standard Rate	20.2%	18.0%

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 that the enactment of PL 2017, c. 15, eliminating 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 2017, MEMIC announced it would pay dividends totaling $21 million to 18,000 qualified policyholders in November 2017. Including this payment, MEMIC will have returned approximately $241 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 is 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 2016 over 40% of Maine's total workers' compensation insurance market, as measured by standard premium, consisted of self-insured employers and groups. The self-insured workers' compensation market has exceeded 40% in each of the fifteen years listed in the table below.

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.

Table VI:
Estimated Total of All Standard Premiums for Self-Insured Employers and Percent of the Workers' Compensation Market Held by Self-Insurers, 2002-2016

Year	Estimated Total of All Standard Premiums	Percent of Workers' Comp. Market (in annual standard premium)
2016	$154,367,769	40.8
2015	$148,059,524	40.2
2014	$147,407,332	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, 2017, there were 18 self-insured groups representing 1,263 employers. The number of individual self-insured employers decreased from 58 to 57 in the past year.

Table VII: Number of Self-Insured Groups, Employers in Groups, and Individually Self-Insured Employers 2000-2015

Year	# of Self-Insured Groups	# of Employers In Groups	# of Individually Self-Insured Employers
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 2016, Maine had the 14th highest workers' compensation premium rates for all industries. 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 7th highest average loss cost in the most recent report. In last year's report, Maine had the 9th highest.

State	Average Loss Cost	Rank
Connecticut	1.82	1
Montana	1.61	2
Alaska	1.59	3
Vermont	1.57	4
Illinois	1.52	5
Georgia	1.49	6
Maine	**1.36**	**7**
New Hampshire	1.35	9
Rhode Island	1.35	9
South Carolina	1.34	10
Florida	1.27	11
Idaho	1.25	12
Oklahoma	1.24	14
Colorado	1.24	14
Louisiana	1.22	15
Iowa	1.20	16
Alabama	1.14	17
Hawaii	1.13	18
Nebraska	1.10	19

State	Average Loss Cost	Rank
Kentucky	1.08	20
Missouri	1.05	21
North Carolina	1.02	22
Maryland	1.00	25
Mississippi	1.00	25
Virginia	1.00	25
South Dakota	0.99	26
Oregon	0.99	27
New Mexico	0.98	28
Arizona	0.96	29
Tennessee	0.94	30
Kansas	0.84	31
D.C.	0.82	32
Nevada	0.80	33
Utah	0.77	34
Indiana	0.72	35
West Virginia	0.57	36
Arkansas	0.56	37
Texas	0.50	38

Countrywide 1.07

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.