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

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EXECUTIVE SUMMARY

Pursuant to 24-A M.R.S. § 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. Most data used in this report is from company annual statements filed in 2024, reporting data as of December 31, 2023.

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.

The Superintendent approved NCCI's most recent filing for an overall average 19.0% decrease in the advisory loss costs effective April 1, 2024.

The workers' compensation insurance market in Maine is concentrated, with much of the business being written by a small number of companies. In 2023, the top 10 insurance groups wrote over 87% of workers' compensation insurance.

Maine Employers' Mutual Insurance Company (MEMIC) actively competes in the voluntary market and is the insurer of last resort. MEMIC's market share for 2023 was over 64%. MEMIC received approval for a 15.7% decrease to its workers' compensation rates effective July 1, 2024.

Insurers other than MEMIC can be more selective in choosing which employers to underwrite. 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 options available in the voluntary market. Employers that maintain a safe work environment and control their losses should continue to see insurers compete for their business.

Self-insurance[1] continues to be a viable alternative to the insurance market for employers. Self-insured employers represented slightly more than 30% (as measured by standard premium) of the overall workers' compensation market in 2023.

The State of Oregon ranks the states and the District of Columbia bi-annually by premium. In 2022, Maine had the 9th highest workers' compensation premium rates.

NCCI reports average loss costs for 37 states and the District of Columbia, using the 2022 loss cost filings for the states that have designated NCCI as the licensed rating and statistical organization. Based on this analysis, Maine had the 13th highest average loss costs.

[1] Self-insured employers retain risk and do not purchase insurance from a workers' compensation insurance carrier. Employers that self-insure are typically large employers with sufficient revenue to absorb potential exposure from large insurance liabilities. Pursuant to 39-A M.R.S. §403, the Bureau of Insurance oversees the finances of these employers' workers' compensation programs to ensure sufficient resources are available to pay claims.

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.

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.

On January 10, 2024, NCCI filed with the Superintendent an overall 19% decrease in the advisory loss costs effective April 1, 2024. According to NCCI, the lost-time claim frequency exhibited a cumulative decline of approximately 10% over the three-year experience period underlying this loss cost filing, and the indemnity and medical average cost per case figures have been declining. The Superintendent approved NCCI's filing effective April 1, 2024.

While the average change in the advisory loss costs was not evenly distributed across all five principal rating classifications, as seen below, the reduction in loss costs did not vary significantly. Decreases ranged from 17.1% to 20.1%. The change in loss costs for individual classifications within each group varies depending on the experience of the classification.

Industry Group	Percentage Change
Manufacturing	-18.3%
Contracting	-18.8%
Office & Clerical	-20.1%
Goods & Services	-20.0%
Miscellaneous	-17.1%

Although Maine's market is quite concentrated and MEMIC writes a large volume of business, there are many insurers writing workers' compensation coverage in the state. 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.

I. ACCIDENT YEAR, CALENDAR YEAR AND POLICY YEAR

Workers' compensation is considered a long-tail line of insurance, which means that payments for claims can continue for several years after the date the injury occurred. As a result, future payments 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 are 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 than originally projected, reserves are adjusted upward; for claims expected to cost less than originally projected, reserves are adjusted downward. Calendar year incurred losses are used primarily for financial reporting. Once calculated for a year, calendar year experience never changes.

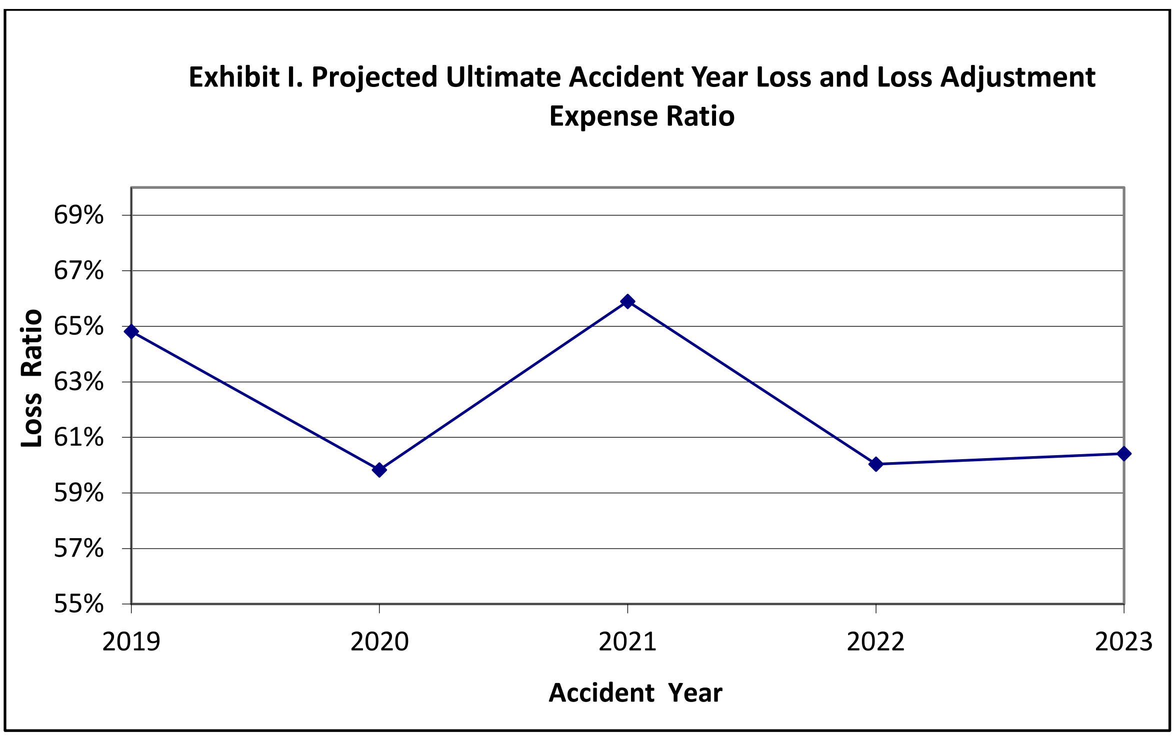
- **Policy year** experience as of a specific evaluation date segregates all premiums and losses and loss reserves, as of the specific evaluation date, attributed to policies having an inception or a renewal date within a given 12-month period. The total value of all losses for injuries occurring during 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 do 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 claims than they collect in premiums. A decrease in these ratios over time may reflect increased rates, improved loss experience, and/or a 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 an 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 59.8% to 65.9% for the past five years. The 2023 ratio was 60.4%, indicating that $60.40 is expected to be paid out for losses and loss adjustment expenses for every $100 earned in premium.



Source: NCCI

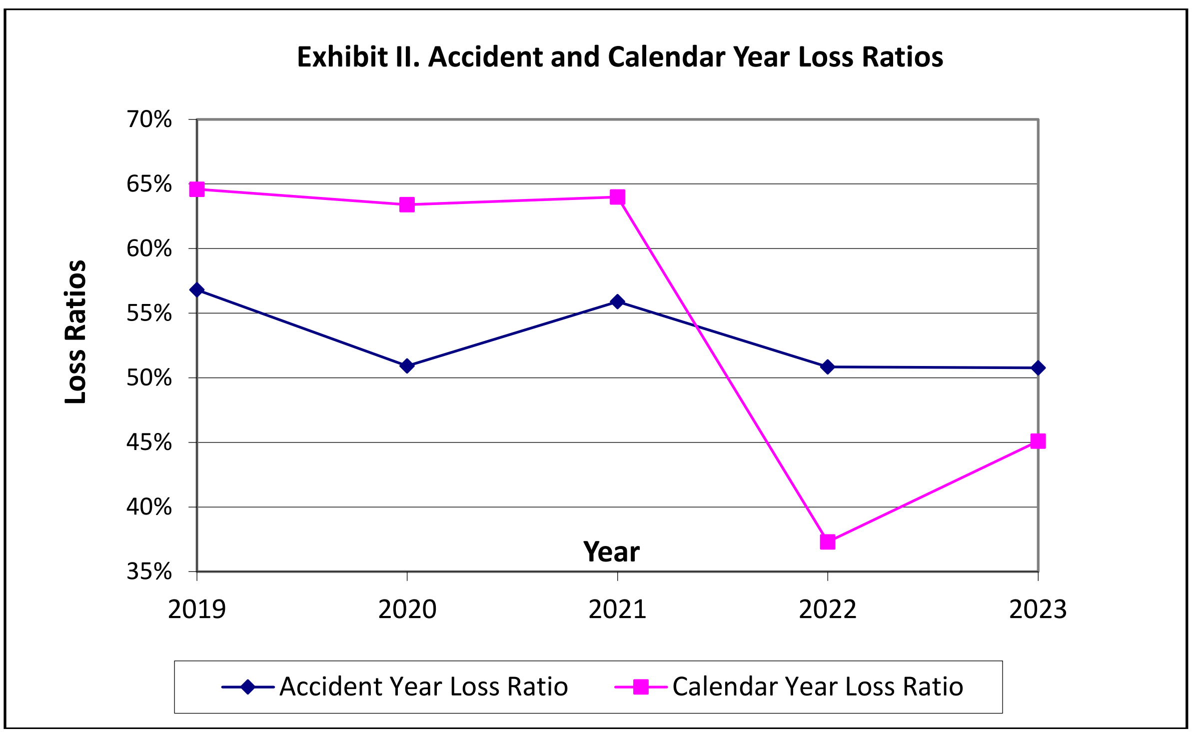
II. CALENDAR YEAR AND ACCIDENT YEAR LOSS RATIOS

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 incurred but not reported (IBNR) reserves, on all claims during a specific year, including 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 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 or profit.

Exhibit II shows calendar year and accident year loss ratios for the most recent five years. The calendar year loss ratios ranged from a low of 37% in 2022 to a high of 65% in 2019. Accident year loss ratios ranged from a low of 51% in 2020, 2022, and 2023 to a high of 57% in 2019. The calendar year loss ratio has slightly increased since the large drop in 2022 due to rate actions taken by carriers while accident year loss ratios have been fairly stable in the last several years.



Source: NCCI

Note: Because Unallocated Loss Adjustment Expense is not included in Exhibit II, the Accident Year data in Exhibit II do not match those in Exhibit I on the prior page.

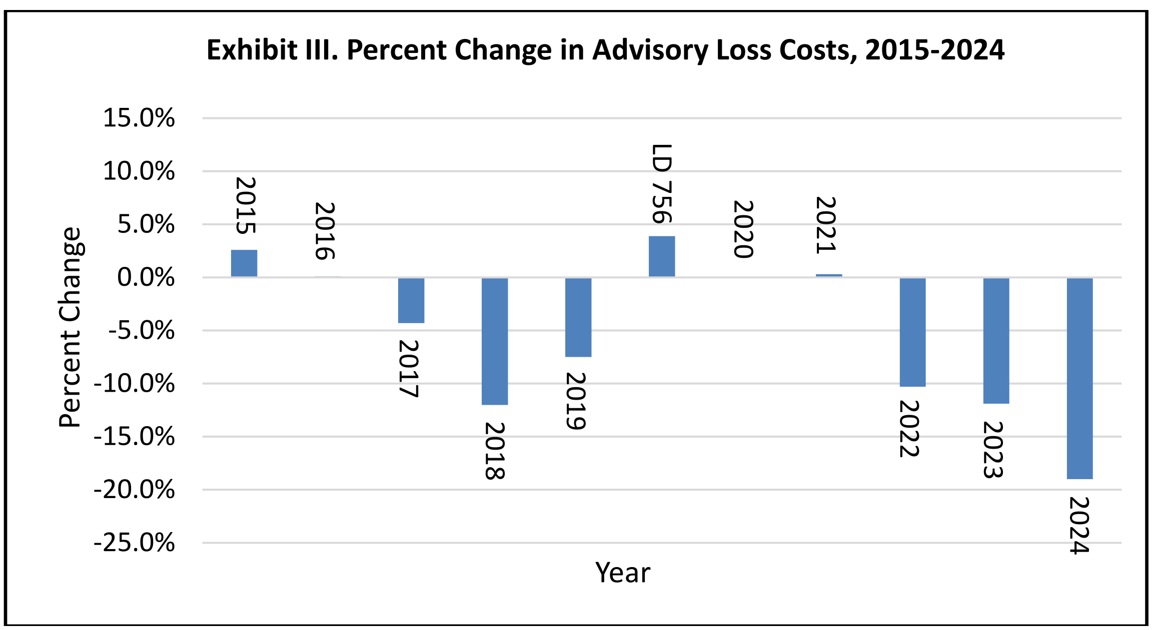
3. Losses in Workers' Compensation

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. Commissions, general expenses, taxes, contingencies, profits, and investment income are excluded. Under Maine's competitive rating law, each insurance carrier determines what to load into premiums to cover those items, subject to review and approval by the Bureau of Insurance.

Effective April 1, 2024, the Superintendent approved a 19% average decrease in workers' compensation advisory loss costs. Changes in advisory loss costs tend to lag actual changes in statewide loss experience because of the time needed to accumulate and evaluate loss data.

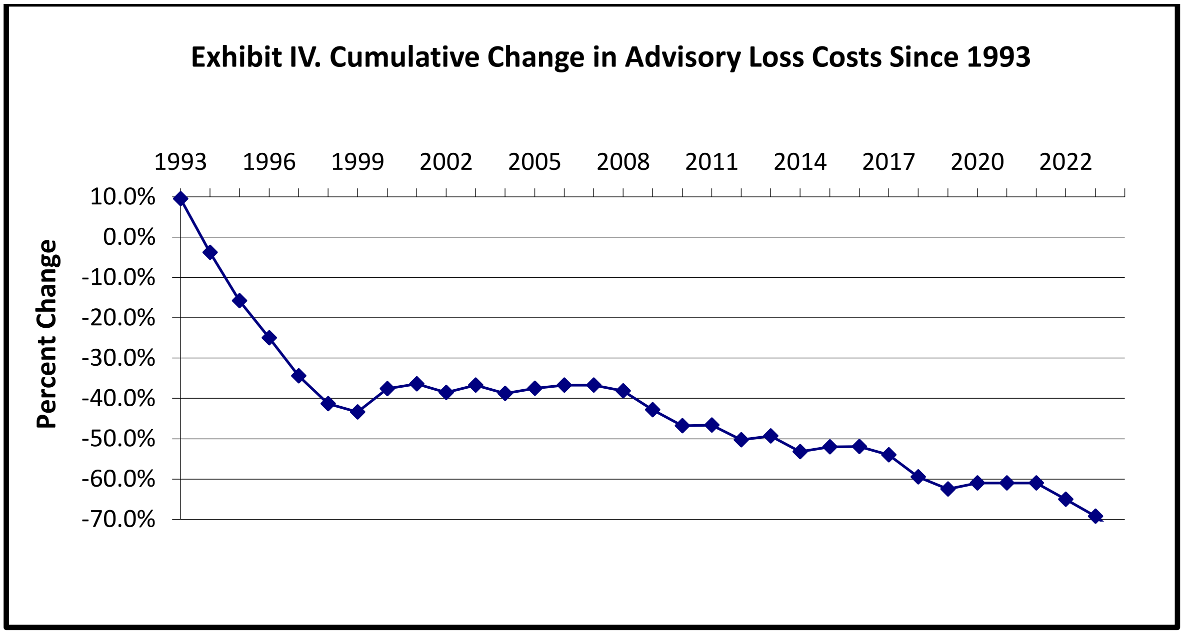
Exhibit III includes the impact of the loss cost increase resulting from enactment of L.D. 756, which took effect on January 1, 2020, "An Act To Improve the Maine Workers' Compensation Act of 1992". NCCI requested, and the Bureau approved, an increase in loss costs to account for the increase of benefits resulting from 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 a 3.9% average increase in loss cost filings stemming from enactment of L.D. 756.



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 23% over the past ten years, and by more than 75% since 1993.



Source: NCCI

4. Market Structure and Competition

I. Market Concentration

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

As of October 1, 2024, 400 companies are authorized to write workers' compensation coverage**.** This number is not the best indicator of market competition because some insurers have no or very small amounts of written premium. A better measure is to consider the number of insurers that have a meaningful amount of written premium. As noted in Table 1 below, 36 insurers had more than $1 million in written premium in 2023. Total written premium in 2023 exceeded $290 million.

Table I: Number of Companies by Level of Written Premium—2023	
Amount of Written Premium	**Number of Companies at That Level**
Less than $100,000	269
$100,000 to $1,000,000	95
Over $1,000,000	36

Source: Annual Statements filed with the Maine Bureau of Insurance.

In 2023, MEMIC accounted for over 64% 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 2023 by premium level.

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

II. Herfindahl-Hirschman Index

The Herfindahl-Hirschman Index (HHI) also provides a measurement of 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 (NAIC) compiles various data elements that measure the competitiveness of state insurance markets. The HHI is one data element.

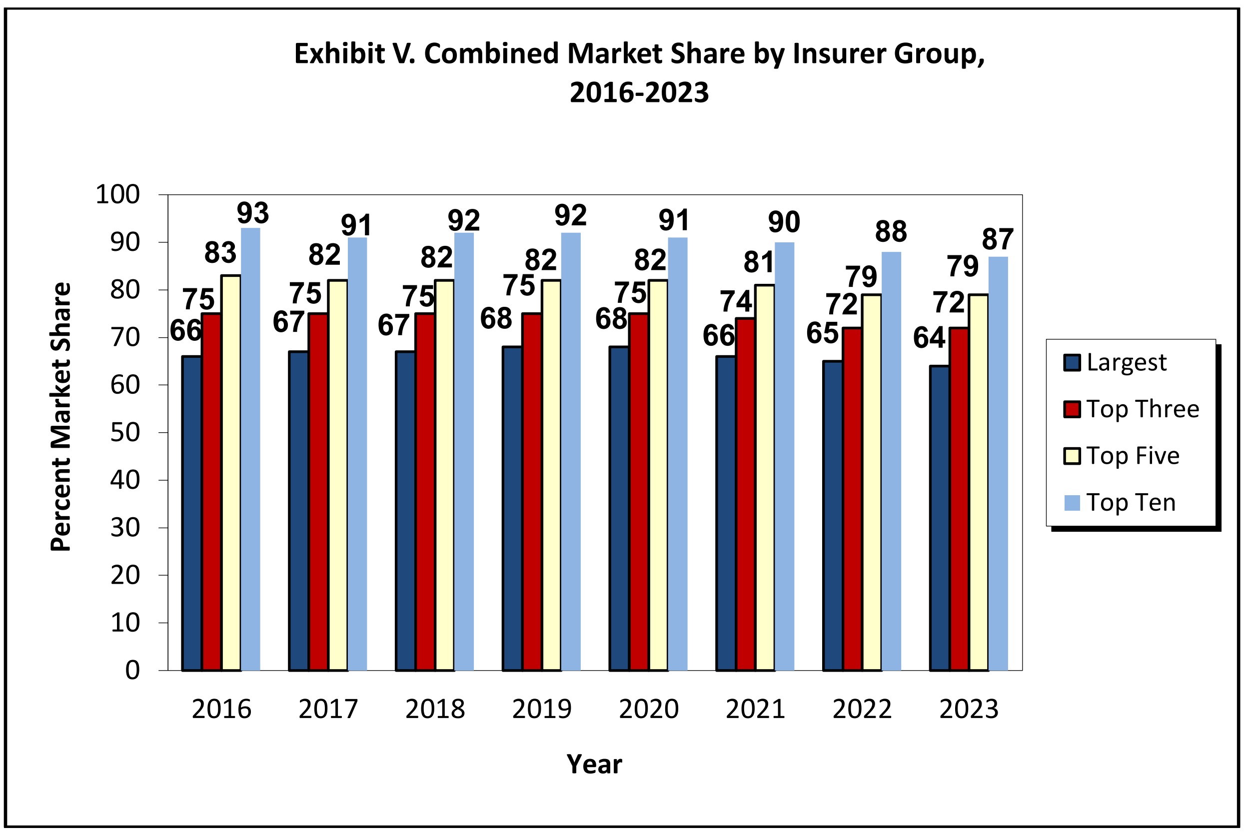
According to the 2021 Competition Database Report, which was prepared in 2023, the HHI for workers' compensation insurance in Maine was 4,448. This measure is the third highest (i.e., most concentrated) for all commercial lines in Maine, behind financial guaranty and medical professional liability. There 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 and above 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 insurers were reluctant to actively write in this state. Second, a significant percentage of employers self-insure, either individually or as part of a group. In 2023, roughly 30% of the market opted to self-insure their workers' compensation programs rather than purchase insurance from a carrier.

III. COMBINED MARKET SHARE

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

The MEMIC group wrote over $186 million in premium (64%) in 2023. The top three groups, including MEMIC, wrote over $208 million in business (72%). The top five groups wrote over $229 million (79%), and the top 10 groups had over $252 million in written premium (87%). The reported amounts of written premium for the top 10 groups rose by over $5 million from 2022 to 2023, while their overall market share decreased by one percent.



Source: Annual Statements filed with the Maine 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 7 out of the past 10 years, as shown in Table 2 below. The number of carriers who may file rates and are eligible to write workers' compensation coverage has increased by nearly 22% over the past ten years.

Table II: Number of Workers' Compensation Carriers, 2014-2024		
Year	**Number of Carriers**	**Net Change (Percent)**
2024	400	1.0
2023	396	4.5
2022	379	2.2
2021	371	2.2
2020	363	-2.2
2019	371	4.8
2018	354	3.8
2017	341	4.3
2016	327	-1.8
2015	333	1.5
2014	328	-0.6

Note: Totals reflect 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

The ten largest insurance groups wrote over 87% of the workers' compensation business in 2023. 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, which includes MEMIC, held roughly 64% market share in 2023. Table III shows market share for the ten largest insurance groups in 2023 and those groups' market share from 2016-2023.

Table III:
Percent Market Share for Top Insurance Groups, By Amount of Written Premium, 2016-2023

Insurance Group	2016 Share	2017 Share	2018 Share	2019 Share	2020 Share	2021 Share	2022 Share	2023 Share
Maine Employers' Mutual	65.9	67.4	67.4	67.7	67.5	66.1	64.8	64.4
WR Berkeley Group	4.4	3.9	3.5	3.6	3.4	3.5	3.5	3.8
Hartford Fire & Casualty	3.1	3.1	3.3	3.1	2.9	3.5	3.6	3.8
Travelers Group	4.3	3.9	3.7	3.8	3.8	3.9	3.5	3.6
ProAssurance Corp Group	-	-	3.6	3.9	3.6	3.6	3.5	3.4
Zurich Insurance Group	2.2	2.1	1.8	2	2.1	2.6	2.8	2.1
Liberty Mutual Group	3.7	2.6	3.3	3.5	3.3	2.9	2.6	1.6
American Financial Group	-	0.37	0.2	0.2	0.32	0.4	0.38	1.5
Chubb Ltd Group	2	2	2.2	2	1.9	1.7	1.4	1.5
Amtrust Financial Serv Grp	0.8	0.8	0.6	0.6	0.6	0.8	1.4	1.4

Source: Annual Statements filed by carriers with the Maine Bureau by Insurance.

VI. MEMIC Rate Change

In 2024, MEMIC received approval for a 15.7% average rate decrease. MEMIC also increased its loss costs modifiers (LCMs), which was the third increase in the company's loss cost modifiers (LCMs) since 2004. Table IV below shows the estimated impact on the Maine market for the increase in LCMs combined with the adoption of NCCI's average 19% decrease in loss costs.

In addition to the rate decrease, MEMIC created a new enterprise tier, which allows MEMIC to more accurately rate for increased risk.

Table IV: Impact of Increase in Lost Cost Modifiers and decrease in Loss Costs on Market Segments

Tier	Current LCM	New LCM	Number of Policies	Approximate Avg. $ Impact Per Employer
Safety	1.19	1.21	234	$ (9,971)
Preferred	1.46	1.52	615	$ (8,172)
Small Business	1.41	1.41	11,052	$ (274)
Standard	1.6	1.67	5,132	$ (4,043)
Enterprise	n/a	1.83	565	$ (977)

Source: MEMIC 2024 Rate Filing

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, as 18.9% of policyholders are at rates above MEMIC's Standard Rating Tier (see Table V) and insurers are selective in accepting risks for the lower-priced plans. Their underwriting is based on factors such as prior-claims history, safety programs and employee 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 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. Table V below shows the percentage of policies written at rates compared to the MEMIC Standard Rating tier (including MEMIC policies) and demonstrates how the rates received by policyholders that do not utilize MEMIC's coverage compare to MEMIC's Standard rates, which reflect the rates received by the majority of MEMIC's policyholders.

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

Rate Comparison	2023	2024
Below MEMIC Standard Rate	76.3%	78.3%
At MEMIC Standard Rate	5.2%	2.9%
Above MEMIC Standard Rate	18.5%	18.9%

Source: Based on the results of a survey conducted by the Maine Bureau of Insurance.

Policyholders may accept rates higher than MEMIC's Standard Rating tier for a few reasons, such as: 1) the insurer offers workers' compensation insurance as a package with other lines of insurance at an overall competitive price; or 2) an insurer other than MEMIC charges a higher rate but offers enough credits to lower the overall premium. A policyholder may choose a carrier with higher rates for workers' compensation coverage if the credits include other coverages such as general liability and are part of a package discount that is cheaper, overall, for the employer.

II. ADDITIONAL FACTORS AFFECTING PREMIUMS

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

- **Tiered rating**, which 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, though processes vary between carriers and may be tiered by losses or types of business.

- **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 (location of the work performed) 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 (i.e., a closed network of health care physicians and hospitals / outpatient facilities).

- **Dividend Plans** provide a premium return to the insured after the policy expires if losses are lower than average. Premiums are not increased if losses are greater than average, though policyholders do not receive a dividend payment. 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 2024, MEMIC announced it would pay dividends totaling $18.7 million to approximately 17,000 qualified policyholders. The 2024 payments brought the total of capital returns and dividends paid by MEMIC since 1998 to $370 million.

- **Retrospective rating** means that an employer's final premium is a direct function of its loss experience for the policy period. If an employer has lower than expected losses, its premium is reduced; conversely, if the employer has a bad loss experience, its premium is increased. Retrospective rating uses minimum and maximum amounts for a policy and is typically written for larger employers.

- **Large deductible plans** are for employers who are willing to assume greater financial exposure in exchange for a lower premium. There is no law setting a limit on this exposure. 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. § 2382-D. A plan must provide for the following credits or debits to be applied to the otherwise applicable manual premium, based on the number of lost-time claims of the insured during the most recent 3-year period for which statistics are available: (1) No claims or a loss ratio of less than 1.0, an 8% credit; (2) One claim resulting in a loss ratio greater than 1.0, no credit or debit; and (3) Two or more claims resulting in a loss ratio greater than 1.0, an 8% debit. While these options might lower an employer's premium, they may also carry 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 system. 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, also known as stop-loss insurance. 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 safety training and injury prevention programs. In 2023, approximately 30% of Maine's total workers' compensation insurance market, as measured by estimated standard premium, consisted of self-insured employers and groups. The self-insurance percentage of the overall workers' compensation market has decreased since 2019.

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, 2019-2023

Year	Estimated Total of All Standard Premiums	Percent of Workers' Compensation Market (in annual standard premium)
2023	$127,340,461	30.4
2022	$131,780,117	31.9
2021	$142,977,445	35.8
2020	$135,026,461	36.4
2019	$128,396,271	35.6

Source: Annual Statements filed with the Maine 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 fully insured market and multiplying the result by 100.

II. NUMBER OF SELF-INSURED EMPLOYERS AND GROUPS

As of October 1, 2024, there were 18 self-insured groups representing an estimate of 1,157 employers.

Table VII:
Number of Self-Insured Groups, Employers in Groups, and Individually Self-Insured Employers 2014-2024

Year	# of Self-Insured Groups	Estimated # of Employers In Groups	# of Individually Self-Insured Employers
2024	18	1,157	49
2023	18	1,180	50
2022	18	1,172	51
2021	18	1,171	55
2020	18	1,222	57
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

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.

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 2022, Maine had the 9th highest workers' compensation premium rates in all industries. Maine's rank was 16th highest in 2020.

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 from 2022 which have designated NCCI as the licensed rating and statistical organization. Maine had the 13th highest average loss cost in the most recent report, which is unchanged from 2020. Among the five New England states that participate in NCCI,[2] only New Hampshire had a lower average loss cost than Maine.

Rank	State	Average Loss Cost
1	Hawaii	1.25
2	Vermont	1.01
3	Connecticut	0.91
4	Illinois	0.89
5	Montana	0.83
6	Georgia	0.81
7	Missouri	0.80
8	Iowa	0.77
9	Idaho	0.75
9	Louisiana	0.75
11	South Carolina	0.74
12	Rhode Island	0.71
13	**Maine**	0.69
14	Florida	0.67
15	Nebraska	0.65
15	New Mexico	0.65
17	Oklahoma	0.64
18	Alabama	0.63
18	Alaska	0.63
20	South Dakota	0.62

Rank	State	Average Loss Cost
20	Maryland	0.62
20	New Hampshire	0.62
23	Colorado	0.60
24	Kansas	0.59
24	Oregon	0.59
26	North Carolina	0.54
27	Kentucky	0.51
27	Mississippi	0.51
27	Virginia	0.51
30	Nevada	0.49
31	D.C.	0.48
32	Arizona	0.47
33	Indiana	0.43
34	Tennessee	0.41
35	Utah	0.38
36	Arkansas	0.35
37	West Virginia	0.33
38	Texas	0.28
	38-jurisidiction average	0.59

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.

2 Massachusetts does not participate in NCCI.