

<i>In RE</i> MAINE EMPLOYERS' MUTUAL]	
INSURANCE COMPANY]	
]	CONSENT AGREEMENT
Docket No. MC-INS-99-37]	
]	
]	

Maine Employers' Mutual Insurance Company (MEMIC) and the Maine Superintendent of Insurance hereby enter into this Consent Agreement, pursuant to 5 M.R.S.A. § 9053(2), to resolve, without an adjudicatory hearing, issues arising out of MEMIC's conduct of insurance-related business in the State of Maine.

Stipulations

1. The Superintendent is the official charged with administering and enforcing the insurance laws of the State of Maine.
2. MEMIC is a Maine corporation, chartered pursuant to 24-A M.R.S.A. §§ 3701–3714 and authorized by the Superintendent to act as a workers' compensation insurer in the State of Maine.
3. In May of 1999, MEMIC issued replacement coverage, effective June 1, 1999, to a Maine employer that was then insured with a different insurer
4. The employer was part of a group of affiliated corporations which had been assigned a consolidated interstate experience rating pursuant to the uniform experience rating plan established pursuant to 24-A M.R.S.A. § 2382-D and Bureau of Insurance Rule 450. The Plan permits an insurer licensed in only one state to issue coverage in that state based on a separate experience rating, but only after first giving timely written notice to the National Council on Compensation Insurance ("NCCI"), the advisory organization designated by the Superintendent to administer the uniform experience rating plan pursuant to 24-A M.R.S.A. § 2382-B, so that an appropriate recalculation of the experience modification may be performed for the operations in the remaining states that are insured by a different carrier or carriers.
5. MEMIC admits that it did not give timely notice, in violation of 24-A M.R.S.A. § 2382-B(1). MEMIC warrants that appropriate notice was eventually given, and that the employer's parent corporation did agree to appropriate adjustments of its experience modification for its coverage outside Maine.
6. MEMIC calculated the employer's experience rating based strictly on Maine experience. This violates 24-A M.R.S.A. § 2382-B(1), because the uniform experience rating plan requires a further adjustment to that rating to account for the nonlinearity of the applicable experience rating formulas.

Covenants

7. A formal hearing in this matter is waived and no appeal will be taken. This Consent Agreement is an enforceable final agency action of the Superintendent of Insurance within the meaning of the Maine Administrative Procedure Act.

8. MEMIC agrees to the imposition of a civil penalty of \$1000 for its failure to use the proper experience modification factor, and a civil penalty of \$200 for its failure to give timely notice to NCCI of its intent to use a single-state experience modification for the employer's policy, pursuant to 24-A M.R.S.A. § 12-A(1). MEMIC shall submit a check for \$1200, payable to the Treasurer of the State of Maine, at the time of the execution of this Agreement.
9. In consideration of MEMIC's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forgo pursuing any disciplinary measures or other civil sanction for the actions described in the Stipulations, other than those agreed to in this Consent Agreement.
10. It is understood by the parties to this Agreement that nothing herein shall affect any rights or interests that any person not a party to this Agreement may possess.
11. MEMIC understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, and will be available for public inspection and copying as provided for by 1 M.R.S.A. § 408.
12. MEMIC has been advised of its right to consult with counsel, and has consulted with counsel before executing this Agreement.
13. This Consent Agreement may only be modified by the written consent of the parties.

FOR MAINE EMPLOYERS' MUTUAL INSURANCE COMPANY

Dated:

(signature)

(printed name and title)

Personally appeared before me this day _____, and signed this Consent Agreement in my presence.

 Notary Public

FOR THE MAINE ATTORNEY GENERAL

Dated:

 Judith Shaw Chamberlain, AAG

BY THE SUPERINTENDENT OF INSURANCE

Dated:

Alessandro A. Iuppa, Superintendent