

**§3703. Establishment**

The Maine Employers' Mutual Insurance Company is established as an assessable domestic mutual insurance company subject to all the requirements and standards of this Title that are applicable to cash plan insurers unless specifically exempted from or which are clearly inconsistent with the provisions contained in this chapter. Notwithstanding any other law to the contrary, the company's authority to operate is limited as follows. [PL 1991, c. 885, Pt. C, §3 (AMD).]

**1. Workers' compensation.** The company shall provide workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employers in this State. The company may provide employment practices liability insurance incidental to and written in connection with workers' compensation coverage for employers if the employment practices liability insurance is provided as an endorsement to workers' compensation coverage approved by the superintendent and is provided under terms and conditions, including reinsurance protection, approved by the superintendent. Rates for employment practices liability insurance are subject to chapter 25. The company may not write other lines of insurance. The company may reinsure workers' compensation and employers' liability insurance written by other insurers that are covering out-of-state employees of Maine-based employers that are insured by the company. For the purpose of providing insurance to Maine-based employers operating in other states, the company may apply to appropriate regulatory authorities in those states for authority to write workers' compensation, employers' liability and employment practices liability insurance for Maine-based employers' operations in those states. The company may form or acquire subsidiary insurers in other states that are authorized to write only workers' compensation insurance, employers' liability insurance and employment practices liability insurance as long as such coverage is incidental to and written in connection with workers' compensation coverage. The superintendent may authorize a subsidiary insurer formed or acquired by the company to write workers' compensation, employers' liability and employment practices liability insurance in this State as long as such coverage is incidental to and written in connection with coverage in the state in which the insured's principal place of business is located. The superintendent may not authorize a subsidiary insurer formed or acquired by the company to write any other line of insurance in this State.

[PL 2009, c. 32, §1 (AMD).]

**2. Exclusion from guaranty funds.** The company and its policyholders are exempt from participation and may not join or contribute financially to, nor be entitled to the protection of, any plan, pool, association or guaranty or insolvency fund authorized or required by this Title.

[PL 1991, c. 615, Pt. D, §1 (NEW).]

**3. Initial board of directors.**

[PL 1991, c. 885, Pt. C, §3 (RP).]

**4. Incorporation.**

[PL 1997, c. 661, §4 (RP).]

**5. Composition of the board.** The board consists of up to 9 members. Six members must be officers, directors, employees, partners or members of policyholders who purchase workers' compensation coverage from the Maine Employers' Mutual Insurance Company. Two members must be persons who represent the public interest of the company and must be appointed by the Governor within 30 days after a new board member is authorized or a vacancy occurs, subject to review and comment by the joint standing committee of the Legislature having jurisdiction over banking and insurance matters. The designated committee shall complete its review within 15 days of the Governor's written notice of appointment. If the designated committee fails to act within the required 15 days, then the appointees put forward by the Governor become the required board members. One member must be an at-large policyholder member elected by the board. The remaining board member is the president and chief executive officer who shall serve on the board of directors while employed

as president and chief executive officer. The reduction in the number of board members from 13 to 9 must be done by attrition. The first 4 appointments to expire after September 1, 1998 may not be filled.

A member of the board may not be a lobbyist required to be registered with the Commission on Governmental Ethics and Election Practices, a service provider to the workers' compensation system or a representative of a service provider to the workers' compensation system.

[PL 2005, c. 683, Pt. B, §19 (AMD).]

**6. Terms.** A full term on the board of directors is 3 years. An individual may not serve more than 4 consecutive full terms as a director, except for the president and chief executive officer. All members shall serve for the terms provided and until their successors are appointed or elected and qualified.

[PL 2011, c. 105, §1 (AMD).]

**7. Corporate governance.** The board of directors shall adopt bylaws consistent with section 3359. The bylaws must provide a schedule of meetings and rules specifically relating to the conduct of meetings and voting procedures.

[PL 1997, c. 661, §6 (AMD).]

**8. Annual report.** In addition to any other reports required by this Title, the company shall submit an annual report to the Governor and to the joint standing committee of the Legislature having jurisdiction over insurance matters that discloses the business transacted by the company during the previous year and states the resources and liabilities of the company together with other pertinent information considered appropriate by the board. The report must contain, at a minimum, a summary of the latest annual statement filing required to be filed under this Title with the Superintendent of Insurance prepared on a basis of statutory accounting precepts. Any variations between the annual statement and the annual report must be reconciled to clearly show variances and the basis for any different values.

[RR 1993, c. 1, §64 (COR).]

**9. Nominating committee.** The board shall create a nominating committee. The nominating committee shall present to the board nominees for the at-large and the policyholder board member positions.

[PL 1997, c. 661, §6 (AMD).]

#### SECTION HISTORY

PL 1991, c. 615, §D1 (NEW). PL 1991, c. 885, §C3 (AMD). RR 1993, c. 1, §64 (COR). PL 1995, c. 551, §4 (AMD). PL 1997, c. 661, §§3-6 (AMD). PL 1999, c. 120, §1 (AMD). PL 2005, c. 683, §B19 (AMD). PL 2007, c. 125, §1 (AMD). PL 2009, c. 32, §1 (AMD). PL 2011, c. 105, §1 (AMD).

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