

**WORKERS' COMPENSATION BOARD
FACT SHEET
NOTICE OF ASSESSMENT FOR FISCAL YEAR 2024
(July 1, 2023 – June 30, 2024)**

Title 39-A, Section 154 as amended by P.L. 2003, Chapter 425 provides the following:

- The assessment imposed on an insured employer for support of the costs of the Workers' Compensation Board must be a percentage of that insured employer's premium.
- The initial assessment must be based on estimates of the premium base for the upcoming fiscal year based on the quarterly returns and anticipated trends in the insurance marketplace.
- The premium base for assessment purposes is the payroll times the filed manual rate times the employer's current experience modification factor, if applicable. The only deductible credits that may be included in the calculation are for the \$1,000 and \$5,000 indemnity deductible and the \$250 and \$500 medical deductible per 24-A M.R.S.A. §2385 and 2385-A. For policies using retrospective rating, the premium base must be calculated in accordance with this paragraph regardless of the actual retrospective premium calculation.
- The Board may prospectively adjust the assessment percentage using all insurance companies (including those who must pay in full on June 1st) up to three times during the fiscal year to ensure that receipts are high enough to cover the Board's budget allocation.
- The Board is required to return assessment payments that exceed total projected receipts by more than 10% after creating a reserve with funds equal to one-quarter of its annual budget.
- Insurers with estimated annual assessments of \$50,000 or more based on previous assessment returns may make quarterly payments. All collected payments must be submitted to the Board with the next quarterly payment. Those with an annual assessment estimate of under \$50,000 shall pay the assessment on or before June 1st.
- Affiliated insurers are permitted to consolidate their payments in order to meet the \$50,000 threshold requirement for quarterly payments.
- The Maine Bureau of Insurance shall report to the Workers' Compensation Board all newly-authorized workers' compensation carriers in order to facilitate notification to the new carrier of its obligation to collect the assessment.
- In consultation with the Bureau of Insurance, the Board may audit all returns and investigate any issues relevant to the collection and payment of the assessment.
- The assessment must be determined by the Board by May 1st of each year.
- Insurance companies or associations must begin collecting the initial assessment from all employers on July 1st of each year.
- All insurance companies and associations, in addition to filing quarterly reports, must file a final reconciled annual return on or before September 15th covering the prior fiscal year in which the previous assessment was levied. This reconciliation may result in the need for additional payments from some carriers. The amended statute requires the final return be certified by the company or association's chief financial officer. The employer's premium base is also subject to the final audit requirements of Bureau of Insurance Rule 470.
- The total assessment must be distributed among insurance companies or associations and self-insured employers in direct proportion to the pro rata share of disabling cases attributable to each group for the most recent calendar year for which data is available. This distribution must be determined on a basis consistent with the information reported by the Department of Labor, Bureau of Labor Standards, Research and Statistics Division in its annual Characteristics of Work-related Injuries and Illnesses in Maine publication provided that any segment of the market identified as "not insured" be excluded from the calculation of proportionate shares.

The pro rata share of disabling cases based on the above amounted to 8,458 disabling cases for insurance companies or 53.0149178889% of the total and 7,496 disabling cases for self-insured employers or 46.9850821111% of the total cases (15,954).