

Dear MMTA Member,

April, 2025

The workers' compensation insurance market has gone through some dramatic cycles during my professional career. When we took over our tire company in 1990, premiums in Maine were extraordinarily high because injuries were frequent, conflict between employers and employees was common, and our workers' comp. system was perpetually imbalanced. Since then, Maine made some policy adjustments and we have experienced hard (expensive) and soft (economical) insurance market cycles. Currently, we are enjoying an unprecedented soft market, but that cycle is likely to change and this message is to help you be prepared.



The reason for this history lesson is because, through hard insurance markets and soft insurance markets, my company has been insured in the **MMTA Workers' Compensation Trust (MMTAWCT)** group self-insurance program. Quite frankly, the decision to join over 30 years ago has been one of the best decisions my company made with decades of low rates and sizeable refunds that have helped our bottom line. And as a new member of the MMTA, you are now eligible to join MMTAWCT and enjoy the peace of mind that comes with inexpensive, consistent, and predictable workers' compensation insurance.

To illustrate how much of a difference the Trust has made for my company, I can point to our experience with rates and refunds since we joined in 1992. For the last 33-years, we have had only two rate increases, with the other 31-years seeing either **rate decreases or rate holds** – and as a fellow business owner, you know the importance of predictability. As for refunds, we have gotten back just under **\$500,000 – 25% of the premiums we have paid in** – as an added benefit to our group's focus on safety. That's money that goes right to the company's bottom line and it all started with a decision to join the Trust long ago.

I want to be honest and set reasonable expectations – it is difficult to qualify and it can be expensive to leave the MMTAWCT program. But being in a group of like-minded companies who focus on proper hiring practices, modified duty, aggressive injury management and a quality safety culture, spreads the risk and gives our program a leg up to produce meaningful results and significant savings over the long term. In soft insurance markets and in hard insurance markets.

If you are interested in looking at the MMTAWCT program, we want to talk with you. We are looking to grow by adding quality companies – not just anyone who will pay premiums – which has been our recipe for success since 1991 and something that our current members have come to expect.

As a way to help you decide if you should contact us, here is a breakdown of the company qualities that make successful MMTAWCT members:

- You want to look at workers' compensation insurance as a long-term investment and not a year-to-year expense;
- Your company currently pays \$10,000 or more in yearly Maine workers' compensation premiums;
- Your company is in a reasonably strong financial position (Maine law requires the program to implement financial criteria to join); and
- Your company has a strong safety culture that includes hiring the right people for the job, manages workplace risks, is active in injury management when claims happen, return injured employees to modified duty when restrictions allow, and has an overall positive approach to workplace safety.

That's my pitch to you. I hope you see trusting your workers' compensation insurance through the MMTAWCT group self-insurance program as an opportunity to get off the hamster wheel of insurance market cycles. Because, the more our program spreads the risk with quality companies like yours, the more success we will have into the future.

For more information, please contact Brian Parke at (207)623-1807, email him at bparke@mmta.com or go online to www.mmta.com/wct.

Sincerely,

Jim Lynch, Vice President
Maine Commercial Tire, Inc.
Chairman, MMTA Workers' Compensation Trust



FOR MORE DETAILS ABOUT THE MMTAWCT, PLEASE SEE THE BACK OF THIS LETTER

MMTA WORKERS' COMPENSATION TRUST AT-A-GLANCE



1991

YEAR
STARTED

2025 EST.
PREMIUMS

\$3.2M

BACKGROUND

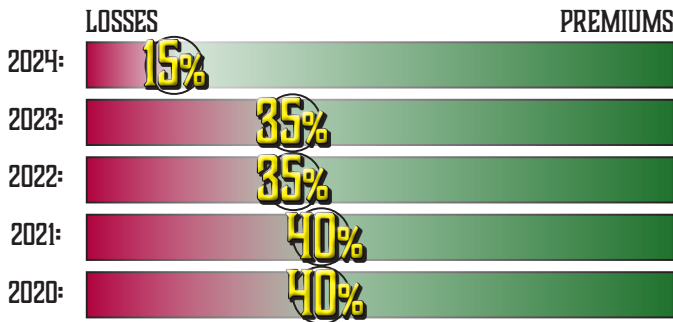
47

CURRENT
MEMBERS

RATIO OF
INVESTMENTS
TO RESERVES

368%

LOSS RATIOS LAST 5-YEARS



34-YEAR RATE STABILITY

32 RATE DECREASES OR RATE HOLDS

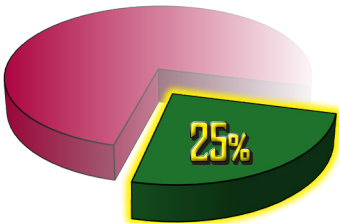


2 RATE INCREASES



CONSISTENT REFUND HISTORY

**33 SURPLUS
DISTRIBUTIONS**



**\$32.5
MILLION**

**BACK IN MEMBERS'
POCKETS !!**

ONE ASSESSMENT IN 34-YEARS

ONE ASSESSMENT IN 2015 FOR \$650,000 (12.7% OF 2015 PREMIUMS)

MEASURES IMPLEMENTED:

- INDEPENDENT CLAIM RESERVE AUDIT COMPLETED IMMEDIATELY.
- DEVELOPMENT REPORT TO TRUSTEES QUARTERLY – EARLY WARNING.
- FOCUS ON CLAIM SETTLEMENT – CLAIM DEVELOPMENT USUALLY NEGATIVE.

STAFF CONTACTS

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