MAINE MUNICIPAL ASSOCIATION
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Item 18e

DATE: August 15, 2016

TO: Members of the Workers Compensation Fund and the Property & Casualty Pool

FROM: Patricia Kablitz, CPCU, ARM
Director, Risk Management Services

RE: Dividend Payments

We are pleased to announce that the Board of Trustees of the **MMA Workers Compensation Fund** voted at its May 19, 2016 meeting to allow a dividend to the members of the Fund who meet the established criteria. Continuing members whose 2015 contributions are greater than $25,000 annually, whose 2015 loss ratio is less than 40% and whose three-year loss ratio is less than 75% will receive a 4.4% dividend. Continuing members whose 2015 contributions are less than $25,000 annually and whose loss ratio is less than 50% for the three years ending December 31, 2015, will also receive a 4.4% dividend. All losses are valued as of June 30, 2016.

The Board of Directors of the **MMA Property & Casualty Pool** voted at its May 19, 2016 meeting to allow a dividend to current members of the Pool who meet the established criteria. To earn a dividend, a member must have a loss ratio of 50% or less for the qualifying year of July 1, 2014 to June 30, 2015, calculated and valued as of June 30, 2016. Continuing members whose participation began on July 1, 2010 or prior will earn a 5.39% dividend and members who joined after July 2, 2010 will receive a 4.39% dividend.

Cost savings are realized in providing services to members who participate in both the Property & Casualty Pool and the Workers Compensation Fund. In recognition of the savings, both boards voted to add 1% to the dividends for each program for members who qualify and earn a dividend. You are among the members who participate in both the Workers Compensation Fund and the Property & Casualty Pool. Therefore, if you earned a dividend for either or both programs, the additional 1% has been included in the calculation.

Dividends are being paid in the Workers Compensation Fund and Property & Casualty Pool totaling $1,199,440. Both governing boards are very pleased with the results of their respective programs and thank you for your support and continued participation. Good management practices and sound loss prevention measures on the part of all of the members have contributed to the success of these programs. Your entity is a big part of this success.

Your check is enclosed with this letter. We have also enclosed a press release that may be used to announce the result of your successful risk management activities and good loss experience to your community. If you have any questions about the dividends or any of the Risk Management Services programs, please call me at 800-590-5583. Additional copies of this letter are included for your elected officials.

PRESS RELEASE
For Immediate Release

Municipal officials are pleased to announce that the **City of Hallowell** has received a **$3,155** dividend check from the Maine Municipal Association as a result of its good loss experience and loss prevention programs.

The Maine Municipal Association offers three self-funded pools for municipal and quasi-public entities in Maine: the Workers Compensation Fund formed in 1978, the Property & Casualty Pool formed in 1987 and the Unemployment Compensation Fund formed in 1978.

The programs are overseen by governing boards of elected and appointed municipal officials. Each year the boards review the programs' loss experience to determine if dividends may be paid. Patricia Kablitz, Director of Risk Management Services for MMA, said more than 78 percent of program participants received a dividend this year for their good risk management practices and loss experience.

This year the Workers Compensation Fund has distributed almost **$650,000** in dividends to participants and the Property and Casualty Pool has paid dividends of nearly **$550,000**, for total payments of just under $1.2 million returned directly to MMA members.

Since 1997, the two programs have returned almost **$20 million** in dividends to participating members. For more information about any of the MMA Risk Management Services programs, including online training programs and other services, check the offerings on their website at www.memun.org and click on the Risk Management Services link, or call 1-800-590-5583.