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Missouri Lawmakers Introduce Privatization Legislation on Behalf of Missouri Employers Mutual
Workers compensation provider fully supports bill that would privatize company

Missouri State Sen. Sandy Crawford and Rep. Alex Riley have separately introduced legislation for the 2023 session that would make Missouri Employers Mutual a private company. Crawford and Riley introduced the legislation on Dec. 1, the date when lawmakers began pre-filing legislation in preparation for the start of the next legislative session that will convene Wednesday, Jan. 4, 2023.

“There is no longer a crisis in work comp, and we have achieved our original purpose as a company,” Jim Owen, MEM President and CEO said. “It’s time for the next chapter to best serve our policyholders, agents and the market.”

The current statute defines Missouri Employers Mutual as an independent public corporation, created to insure Missouri employers, and to operate as a domestic mutual insurance company with the powers of a not-for-profit. If privatized, MEM will become a private mutual insurance company. MEM would also remain a mutual insurance company owned by its policyholders but would be converted to a Section 379 mutual, like other private property and casualty insurance companies.

History and Background:

MEM was created in 1993 by the Missouri legislature to address a need in the state’s workers compensation market. Insurance prices were high, and some businesses struggled to find an affordable work comp policy. In particular, businesses with a history of losses needed a work comp partner who would help them improve safety, reduce losses and lower their premium over time – not just charge unsustainably high prices.

In 1995, MEM opened its doors with a \$5 million loan from the state of Missouri and quickly brought stability to the market with a broad risk appetite and safety services. In 1999, four years after writing its first policy, MEM repaid the \$5 million startup loan with interest. In 2004, the insurance company earned an A- (Excellent) Rating from A.M. Best, demonstrating financial strength and position as market leader.

Today, MEM employs more than 300 people and provides work comp insurance coverage to companies of all sizes.

[Privatization FAQ](#)

Missouri Employers Mutual Insurance Company, created, powers, purpose.

287.902. The "Missouri Employers Mutual Insurance Company" is created as an independent public corporation for the purpose of insuring Missouri employers against liability for workers' compensation, occupational disease and employers' liability coverage. The company shall be organized and operated as a domestic mutual insurance company and it shall not be a state agency. The company shall have the powers granted a general not-for-profit corporation pursuant to section 355.090, RSMo, to the extent the provisions of such section do not conflict with the provisions of sections 287.900 to 287.920. The company shall be a member of the Missouri property and casualty guaranty association, sections 375.11 to 375.779, RSMo, and as such will be subject to assessments therefrom, and the members of shall be established pursuant to the provisions of sections 287.900 to 287.920. Preference shall be given to Missouri employers that develop an annual premium of not greater than ten thousand dollars. The company shall use flexibility and experimentation in the development of types of policies and coverages offered to employers, subject to the approval of the director of the department of insurance.