



**TO: Senator Donna Bailey, Chair**  
**Representative Kristi Mathieson, Chair**  
**Members, Joint Standing Committee on Health Coverage, Insurance and Financial Services**

**FROM: Tom Perrey, Vice President**

**DATE: February 27, 2025**

**RE: LD No. 519**

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On behalf of the Maine Chapter of the National Association of Benefits and Insurance Professionals (NABIP-ME), I am pleased to have the opportunity to submit comments on the proposed bill.

NABIP-ME is a state chapter of the National Association of Benefits and Insurance Professionals with over 15,000 members nationally. We represent licensed agents, brokers, and employee benefit consultants who sell and service individual and group health, disability, Medicare, and long-term care insurance.

We are writing regarding our support for LD 519.

We support the elimination of the pooled market and allowing group plan rates to be developed independently of the individual rates. We opposed the merger of the two markets when the proposal

was first raised in 2020. The pools differ in their demographic makeup and claims experience to the extent that the group market was going to be negatively impacted. The actuarial studies from the Bureau confirmed this. The only factor that helped the group market was using funds from the Individual market to subsidize high-cost claimants in the group market. This obviously negatively impacted on the individual market, another fact that came from the actuarial studies.

We realize the purpose of the merger was to address the declining size of the respective markets and a merger was one of the solutions. We suggest that the Bureau investigate other options for the small group market such as we recommended in our earlier testimony in 2019. Raising the small group size from 50 to 100, as other States have done, is a reasonable alternative to investigate. This will add a significant number of members to the small group market and a population which tends to have better claims experience as seen in other States such as NYS.

We also support removing the group plan market from the stop loss provided through MGARA. The program was intended initially for the individual market only and adding the group market diluted the impact on individual rates.

Currently, we take no position on the revision of MGARA to a prospective reimbursement system. While both methods have merit, the prospective system seemed to be working well for the Individual market and since this bill drops the group market from the reinsurance mechanism, a move we support, we do not have enough data to comment on the change.

We would like to thank the Committee for considering our comments and the opportunity to express our views. If you have questions, please feel free to contact me.

Respectfully,

Tom Perrey

Vice President

NABIP-ME

[tom@bilodeauins.com](mailto:tom@bilodeauins.com)

207-725-2797