

Wendy Fenderson
Limerick
LD 2022

Date: January 24, 2026

To: Senator Tipping, Chair
Joint Standing Committee on Labor and Housing
Maine Legislature

Re: LD 2022 — An Act to Clarify the Setting of Group Life Insurance Coverage
Levels Under the Maine

Public Employees Retirement System

Dear Senator Tipping and Members of the Committee,

I submit this written testimony in opposition to LD 2022. This testimony is offered for legislative consideration only and is not submitted in connection with any pending administrative appeal or individual claim.

LD 2022 proposes statutory changes affecting the administration of Group Life Insurance (GLI) benefits under the Maine Public Employees Retirement System (MainePERS). Although framed as a clarification, the bill necessarily operates within—and relies upon—the existing administrative structures and practices of MainePERS. For that reason, it is essential that the Legislature fully understand how those structures function in practice before enacting changes that may further entrench them.

Institutional Design and Administrative Posture

MainePERS is a statutory benefit-administering agency with fiduciary obligations to its members. At the same time, it is structurally designed to assume an adversarial posture in disputes involving disability, survivor, and insurance benefits.

This posture is not incidental. MainePERS formally staffs and trains internal advocacy positions whose role mirrors litigation defense. The System Representative position, supervised by agency counsel, is tasked with representing the agency in administrative appeals, preparing legal pleadings, and defending benefit determinations. This embeds a litigation-style advocacy function directly within a benefit-granting institution.

When this posture is assumed, members seeking statutory benefits are no longer treated as beneficiaries of a public program, but as adverse parties to be opposed.

Structural Consequences for Members

The practical effects of this institutional design are predictable and observable, including narrow construction of eligibility criteria; aggressive statutory and rule parsing; resistance to correcting acknowledged administrative errors; preservation of erroneous records even after *de novo* appeals; procedural defensiveness and record control; and framing determinations as final rather than correctable.

These outcomes are not the result of individual misconduct. They are the foreseeable consequences of an adversarial administrative model operating without meaningful internal or external

counterbalance.

Absence of Independent Intervention or Assistance

Once MainePERS assumes an adversarial posture, no executive-branch agency in the State of Maine

has authority to intervene, assist, or independently assess benefit disputes. Existing disability, elder, or

civil-rights offices lack jurisdiction over MainePERS determinations.

As a result, members are effectively displaced into a narrow set of options: abandonment of claims;

private legal representation at personal expense; pro se litigation against a legally resourced agency; or

judicial review in Superior Court. External litigation becomes the primary mechanism for enforcing

statutory compliance, rather than a safeguard of last resort.

Internalization of Medically Determinative Decisions

MainePERS makes determinations with significant medical consequences through internal

administrative processes following the elimination of an independent medical review body. Medical

judgment has been internalized within an agency that already operates with an adversarial posture and

without independent review safeguards.

When medical decision-making, benefit adjudication, and institutional advocacy are combined within a

single administrative structure, the burden of error correction and statutory enforcement is shifted

disproportionately onto individual members.

Relevance to LD 2022

LD 2022 would modify statutory language governing Group Life Insurance coverage levels. Even if the

bill is not intended to reduce or impair benefits, it would be implemented through the same

administrative structures described above.

Legislative changes enacted without addressing these structural conditions risk reinforcing an

adversarial system that already lacks neutrality, transparency, and effective error-correction

mechanisms. Clarifying statutory language does not resolve the underlying issue of how that language

is interpreted, enforced, and defended in practice.

Prior Legislative Recognition of Systemic Risks

Prior legislative efforts further demonstrate that concerns about MainePERS' transparency and

member protections are not new. For example, LD 1292 (124th Legislature) proposed statutory

changes requiring MainePERS to ensure that members are adequately informed of their benefits and

eligibility requirements, to provide applicants with written medical opinions relied upon in disability

determinations, and to give appropriate weight to treating providers. While LD 1292 was not enacted,

its introduction reflects legislative recognition of systemic risks in the administration of benefits—the

same risks that LD 2022 would further entrench rather than resolve.

Conclusion

For these reasons, I respectfully oppose LD 2022. Legislative reform should not proceed without first

addressing the structural conditions that shape how MainePERS administers, defends,

and enforces
statutory benefits in practice.
Respectfully submitted,
Wendy L. Fenderson
Limerick, Maine