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Community Driven

Testimony of Daigle Oil Co., Inc.

In Opposition to LD 2018 (HP 1348)

"An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program"

Dear Members of the Committee:

My name is Tim Freeman, and I am submitting testimony on behalf of Daigle Oil Co., Inc. in opposition to LD 2018.

Daigle Oil Co. is an employee-owned energy and home comfort company serving Aroostook and Northern Penobscot counties. We specialize in heating, cooling, and alternative energy products and employ Maine residents across a large rural service area.

Daigle Oil Co. has been self-insured for medical insurance since 2017 and for workers' compensation insurance for more than 20 years. Self-insurance has allowed us to provide comprehensive benefits while controlling costs for both the company and our employees. This model has proven stable, responsible, and effective over many years.

When Maine enacted the Paid Family and Medical Leave (PFML) program, Daigle Oil Co., based on our long-standing success with self-insurance, chose to self-insure under PFML as well. We devoted significant time and resources to meeting the requirements established by the Department of Labor and to ensuring that our plan provides benefits equivalent to or exceeding those offered under the State Plan for our employees.

The PFML statute does not prohibit employers from participating in trusts, cooperatives, or other collective self-insurance arrangements. The Department of Labor's revision of its PFML Frequently Asked Questions in March 2025 to prohibit group self-insurance represents administrative guidance, not statutory law. LD 2018 would codify a restriction that was never enacted by the Legislature and was not part of the original PFML framework.

The stated goal of the PFML program is to benefit employees. Restricting self-insurance options, including group or pooled arrangements, runs counter to that purpose by eliminating a model that can provide equivalent or better benefits at a lower cost. Limiting these options reduces flexibility for employers and may ultimately increase costs borne by employees.

LD 2018 represents an unnecessary statutory restriction that limits employer flexibility without improving employee benefits. Its practical effect appears to be the restriction of competition in order to retain employer participation in the State Plan, rather than to improve employee benefits or program integrity.

For these reasons, Daigle Oil Co., Inc. respectfully urges the Committee to oppose LD 2018. Any future legislative changes should preserve flexibility for responsible self-insured employers while ensuring that employees continue to receive strong, reliable PFML benefits.

Thank you for your time and consideration.

Respectfully submitted,
Daigle Oil Co., Inc.

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