

**TESTIMONY OF STACY BERGENDAHL  
SENIOR STAFF ATTORNEY  
BUREAU OF INSURANCE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**In support of L.D. 1195**

**An Act to Amend the Provisions of the Maine Workers' Compensation Act of  
1992 Governing Requirements for Self-insurers**

**Presented by Senator Bailey**

**Before the Joint Standing Committee on Health Coverage,  
Insurance & Financial Services**

**April 1, 2025 at 1:00pm**

Senator Bailey, Representative Gramlich, and members of the Committee, I am Stacy Bergendahl, Senior Staff Attorney at the Bureau of Insurance. I am here today to testify in favor of LD 1195, An Act to Amend the Provisions of the Maine Workers' Compensation Act of 1992 Governing Requirements for Self-insurers, which is a department bill put forth by the Bureau. This bill puts forth a number of clean-up changes in Title 39-A, the title that deals with workers' compensation, in the section that sets forth the requirements for self-insurers.<sup>1</sup> These changes are primarily technical clean-ups and aligning state requirements with federal rules, and they include:

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<sup>1</sup> 24-A M.R.S.A. Section 403

- Changing the confidence level requirements for letters of credit for self-insureds. This is the result of a higher confidence in letters of credit now than in the past. This balances the requirements of the federal tax code with our solvency requirements.
- Clarifying the notice period for nonrenewal of an irrevocable standby letter of credit. As currently written, the law requires the notice be sent on an exact date and not by the deadline, as intended.
- Changing the trigger for a draw on a letter of credit. This eliminates an issuing bank's ability to impede a draw on a letter of credit.
- Fixing an error related to fully funded trusts.
- Correcting an error related to group self-insurers.
- Fixing a reference to Lloyd's of London.
- Adding a requirement that the Bureau notify the workers' compensation board if an authorization for self-insurance is terminated or suspended. This is important for establishing proof of coverage.
- Correcting typos.

The Bureau supports these changes as a means of keeping the laws relating to workers' compensation self-insurers up to date.

Thank you, I would be glad to answer any questions now or at the work session.