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Testimony of Rep. Jennifer Poirier on
LD 1470, "An Act to Create a Liaison Program to
Self-insured Entities and Consumers"
Before the Joint Standing Committee on Health Coverage, Insurance
and Financial Services

April 22, 2025

Senator Bailey, Representative Mathieson, and esteemed members of the committee, I am Jennifer Poirier, and I represent House District 70, which is the wonderful community of Skowhegan.

I am pleased to present **LD 1470, "An Act to Create a Liaison Program to Self-insured Entities and Consumers"**. I submit this legislation in response to concerns brought to my attention by constituents over the past year.

The intent of this bill is to close the gap in communication and process, by establishing a dedicated liaison within the Maine Bureau of Insurance to assist the public in disputes involving self-insured businesses, particularly regarding auto insurance and general liability claims.

Businesses in Maine that self-insure are currently very limited. Even so, it is very important to recognize that self-insurance has become an increasingly popular alternative to traditional commercial insurance, especially among large corporations and fleet operators. According to the National Association of Insurance Commissioners (NAIC), nearly 40% of U.S. employers with 500 or more employees use some form of self-insurance (NAIC, 2022). However, while this method offers businesses flexibility and cost savings, it creates significant regulatory gaps, especially in states like Maine where consumers may struggle to hold self-insured entities accountable.

Consumers lack protection when dealing with self-insured entities. Self-insured businesses often manage claims through internal risk management departments or third-party administrators (TPAs), who are not directly regulated by the Bureau of Insurance. This limits the Bureau's ability to intervene in consumer complaints or enforce fair claims practices. Unlike traditional insurers licensed in Maine, these entities are not subject to the Maine Insurance Code's consumer protection provisions, including:

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- Time limits on claim responses,
- Fair claims settlement practices, and
- Availability of appeal or complaint resolution mechanisms (Title 24-A M.R.S. §2164-D).

This puts injured parties—often private citizens involved in motor vehicle accidents or slip-and-fall incidents—at a systemic disadvantage, as they must navigate opaque processes with no regulatory support.

A liaison would fill the accountability gap. A liaison within the Bureau of Insurance would serve as a point of contact, advocate, and information resource for Mainers attempting to resolve claims with self-insured businesses. Their responsibilities would include:

- Tracking complaints against self-insured entities and TPAs,
- Coordinating with the Attorney General's Office or Department of Professional and Financial Regulation when legal concerns arise,
- Educating consumers on their rights and options for civil recourse,
- Recommending legislative or regulatory actions based on observed patterns.

States such as California and Illinois have implemented similar liaison or ombudsman roles to address complaints in self-insured frameworks, especially in the workers' compensation and public liability sectors (California Department of Industrial Relations, 2023; Illinois Department of Insurance, 2022).

It is important to note that LD 1570 is intended to address concerns with auto and general liability insurance, and not workers' compensation. If the committee chooses to move forward with this legislation, we should ensure that the language is modified to make this clarification.

A lack of recourse harms public trust and delays justice. Without oversight or a point of contact, individuals dealing with self-insured entities report delays, denials, or underpayment of valid claims. A 2021 study published in *The Journal of Insurance Regulation* found that claimants dealing with self-insured companies face longer resolution times and higher rates of dispute escalation compared to those dealing with licensed insurers (Martin & Wang, 2021). Maine residents should not face unnecessary financial hardship or legal battles simply because the responsible party is self-insured. Public support for consumer advocacy is strong. Increased awareness of insurance complexity has led to broad public support for measures that provide navigational help and protection. A 2022 survey by the Insurance Research Council found that 78% of respondents favored "greater public oversight and assistance when disputes arise with corporate insurers or self-insured entities" (IRC, 2022).

Creating a liaison role in the Maine Bureau of Insurance is not about penalizing self-insured businesses—it is about restoring balance, improving accountability, and ensuring that all Maine citizens have access to fair claim resolution, regardless of who insures (or self-insures) the responsible party.

I respectfully urge the Legislature to support this proposal and to take a proactive step toward consumer protection and transparent claims handling in Maine.
Thank you for your time and thoughtful consideration. I will gladly respond to any questions you may have.

Sincerely,

Rep. Jennifer Poirier
State Representative

References

- NAIC (National Association of Insurance Commissioners). (2022). *Employer Self-Insurance Trends Report*. <https://www.naic.org>
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