



# MITCHELL TARDY JACKSON

## Testimony of Central Maine Power Neither For Nor Against

LD 1470, An Act to Create a Liaison Program to Self-insured Entities and Consumers  
April 22, 2025

Sen. Bailey, Rep. Mathieson, Honorable Members of the Health Coverage, Insurance and Financial Services Committee, I am Jim Mitchell; I reside in Waterville and am testifying neither for nor against LD 1470 on behalf of Central Maine Power.

Thank you for the opportunity to provide information to the Committee on this legislation as you consider establishing a liaison program in the Bureau of Insurance to assist consumers when seeking reimbursement for claims from a self-insured entity. This legislation appears to create an advocacy role. To my knowledge, the Maine Bureau of Insurance does not insert itself into the middle of consumer complaints against insured entities when the dispute is over decisions made resulting from the claims investigation process, interpretations of tort law and/or questions or facts regarding the details of the loss event. For those disputes we already have a long established and tested legal system here in Maine. The Bureau's role is focused on unfair claims practices related to insurance policy terms and conditions an insurer issues to the consumer, and communications/representation of the behaviors or actions of the insurer relative to their policy document.

As committee members may recall from prior hearings on vehicular self-insurance, the Bureau of Motor Vehicles within the Secretary of State's office oversees motor vehicle self-insurance. To my knowledge, CMP is the only entity currently self-insuring its motor vehicle fleet.

Given the size and variety of utility vehicle fleets, it is a fairly common practice in the U.S. for larger utilities to self-insure. Our primary motivation for doing so is cost. Since insurance either through paying premiums to a carrier or via paying claims via self-insurance is an operating expense, electric consumers we serve pay those costs. As a regulated utility under Title 35-A, we have a duty to provide safe, adequate service at just and reasonable rates. Seeking to control operating expenses is part of that duty and is

the central reason CMP maintains our vehicular self-insurance program. We believe the savings for our customers through self-insuring the first \$1million of a claim for motor vehicles and general liability is several million dollars annually.

But costs, of course, cannot be the only consideration. We are mindful that the citizens of Maine, through their elected representatives, granted CMP a franchise territory to provide electric service in 346 municipalities, encompassing approximately 11,000 square miles and delivering electricity to 650,000 customers. We meet that obligation by operating safely 2900 miles of transmission lines and 23,000 miles of distribution lines. As a central part of these Maine communities, we endeavor to be a responsible and responsive business.

Therefore, our claims management process seeks to settle claims in a convenient, expedited fashion. But, we must balance our goal of being responsive with our duty to protect our customers' interests. Therefore, we require — as you would expect — a reasonable degree of proof to substantiate any claim — in a vehicular accident or with other property damage. Our claims process is accessible online so parties can submit a claim form, or email the claims group or call customer service. Our customer service representatives are trained to explain to callers how to submit claims.

In addition, CMP's standard customer billing insert / Customer Rights notice, also informs customers of their right to contact the Maine Public Utilities Commission Consumer Assistance and Safety Division (CASD). We also inform consumers of their right to raise a dispute with the CASD, particularly if claims escalate. The following is sample language that is included in those communications: "If you are not satisfied with our response, you have the right to raise your dispute with the Consumer Assistance and Safety Division, Maine Public Utilities Commission, 18 State House Station, Augusta, ME 04333-0018; telephone 207.287.3831 or 800.452.4699; email [CASD.PUC@Maine.gov](mailto:CASD.PUC@Maine.gov)."

As a PUC regulated entity, we apply the titled Informal Dispute Resolution Process regarding the Consumer Assistance and Safety Division in section 13 of Chapter 815 in Commission rules to our claims management process. Of course, aggrieved parties can skip the CASD process entirely and proceed directly with filing a lawsuit to pursue a claim. Our objective is to make the process accessible and reasonable to avoid costly litigation.

I hope this information is helpful to the Committee as you deliberate on LD 1470. Thank you for your consideration.