



LD-2018, "An Act to Amend the Requirements Governing Self-Insurance
Plans in the Paid Family Medical Leave Program" (1-27-2026)

Senator Tipping, Representative Roeder and respective members of the Joint Standing Committee on Labor, my name is Brad Stout, I reside in the Town of Yarmouth, am a husband and a father of 3 teenage boys. I am the President and CEO of The Coutts Companies, a Maine based, employee owned business with 130 team members, servicing customers across Maine and throughout New England.

I am here today testifying in opposition to LD-2018.

Prohibiting pooling of risk, financial resources or administration among multiple employers as commonly and successfully utilized by the employer community in structured self-insurance plans across the country in order to comply with the PFML Act seems to run counter to the initial spirit of the law. In fact, this common employee benefit practice wasn't prohibited in the original version of the law that passed at all. This legislation only surfaced to change the law to prohibit the practice.

Prior to its passage, selling points of the program involved promises of flexibility the employer community would have in meeting requirements of the statute. Without first assessing the viability of group or self-insured benefit plans for this program, how could the state simply discard them as unworkable? In fact, structured pooling arrangements have proven to be highly viable in other employee benefit areas, e.g., the State's workers compensation program.

Coutts companies buy most of its insurances through “pooled” programs. Our workers compensation trust allows us to collaborate with other employers in the industry, working towards the common goal of keeping our people safe. We belong to a health insurance captive, allowing us to pool resources and share information about how to keep our people healthy, and also ensures access to the best care possible. Our general liability and automobile policies are purchased through a nationwide captive that provides access to employers in our industry and their best demonstrated practices. Our “pooled” programs are considerable factors in what makes our company a great place to work.

Also, on this same point, isn't the PFML program itself, as administrated by the State of Maine designed and operated as a “pooled” resource arrangement? It certainly appears that way. That said, why are we denying that same opportunity to its customers, the employer/employee communities. Interesting.

Finally, we are one of many great employers in Maine that want the best for our people. The opportunity to work with our peers on providing the best benefits for the fairest price is essential to maintaining our healthy culture. The proposed change to the already codified law would limit the opportunities for our company and the people that work for it.

Thank you for your time and consideration of our perspective.

Brad Stout
President/CEO
Coutts Companies