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Testimony of Representative Kristi Mathieson presenting
**LD 2018, An Act to Amend the Requirements Governing
Self-insurance Plans in the Paid Family and Medical Leave Benefits
Program**
Before the Joint Standing Committee on Labor

Senator Tipping, Representative Roeder and honorable members of the Joint Standing Committee on Labor, I am Representative Kristi Mathieson, and I represent House District 151, the seaside community of Kittery. I am here to present a bill from the Maine Department of Labor, **LD 2018, An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program**.

This bill clarifies that private group trusts, privately run employer risk sharing pools that lack the oversight and consumer protections built into the public Paid Family and Medical Leave (PFML) program and that would undermine the stability of the statewide risk pool, are not permitted under Maine's PFML law.

Since 2023, the PFML program has been working through a detailed implementation process to build a public plan with a shared risk pool across thousands of Maine workers and employers. This structure is designed to ensure stable, reliable paid family and medical leave benefits beginning May 1, 2026.

The state plan model, built around a single, statewide public risk sharing pool, was developed through extensive study and adopted by the Legislature three years ago to ensure stability and fairness across thousands of Maine workers and employers. The law already provides two well regulated alternatives: employers may purchase third party commercial insurance, which has grown into a strong and competitive market, or they may self insure if they have the financial capacity to fully fund their own plan. Both of these pathways operate under clear oversight, through the PFML program itself and in collaboration with the Bureau of Insurance, to ensure that benefits are reliable and that workers are protected.

Over the last six years on the Health Coverage, Insurance and Financial Services Committee, I have seen firsthand how critical the Bureau of Insurance's oversight is to protecting Maine people. Regulatory frameworks for insurance and self-insurance products provide clear, enforceable consumer protections and ensure any insurance product sold in Maine is financially stable, compliant with state law, and capable of delivering the benefits consumers/workers are promised. Without this level of oversight, workers and employers would be exposed to the risks of underfunded plans, inadequate benefits or unfair claims practices, problems that would undermine the integrity of the PFML system. For that reason, introducing a new exception for a private pooled plan, one that would fall outside these established oversight structures and was not envisioned when the law was enacted, would significantly weaken the public plan, which is on track to begin paying benefits later this year.

The Legislature intentionally created a public plan that balances oversight, accountability and strong consumer protections, and those principles should continue to guide our policymaking as the program evolves. Maintaining that foundation is essential to preserving the significant progress the Maine Department of Labor has already made to implement the law effectively and on schedule.

I'm glad to try to answer any general questions, but because this is a clarification bill and the Department is best positioned to speak to the technical details of the PFML program, I encourage the committee to direct any program specific questions to them for the most accurate and up to date information. Thank you for your time today and consideration of LD 2018.