



**Troy D. Jackson**  
President of the Senate

**THE MAINE SENATE**  
130th Legislature

3 State House Station  
Augusta, Maine 04333

**Testimony in Support of LD 984**  
***An Act To Allow Procurement of Surplus Lines Insurance for Commercial Forestry***  
***Construction Equipment***  
**Presented to the Joint Standing Committee on Health Coverage, Insurance, and**  
**Financial Services**  
**April 1, 2021**

Senator Sanborn, Representative Tepler, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services, my name is Troy Jackson and I represent the people of northern Aroostook County in Senate District 1. I am here today to present LD 984 "An Act To Allow Procurement of Surplus Lines Insurance for Commercial Forestry Construction Equipment".

As many of you know, I've worked in the woods in the logging industry for many years and represent a large number of loggers in northern Maine. The experiences working in this field first led me to run for the Legislature many years ago, and continue to drive many of the issues I am still just as passionate about today.

Just like so many other people across our state, loggers and wood haulers work long hours in dangerous conditions to provide for themselves and their families. In addition to these challenges, Mainers working in the woods are independent contractors who often have to purchase their own equipment, and accompanying insurance on that equipment.

As it stands now, there isn't a lot of competition in the insurance market for the logging industry. Loggers have limited options, and in my view, the plans available to them do not provide the strongest protections in the case of an unfortunate accident or fire with equipment and machinery. In some cases I know of, there are people that received a payout of only a 60 percent of the replacement costs on their damaged equipment.

The bill before you attempts to rectify the current situation by providing for more options in the current insurance marketplace by allowing for more companies offering a better payout option. As written, the bill allows insurance producers with surplus lines authority to procure insurance on commercial forestry and construction equipment from eligible surplus lines insurers without adherence to the procedures set forth in the Maine Revised

Statutes, Title 24-A, section 2004.<sup>1</sup> This change would still give the Bureau regulating these carriers the ability to pay out to consumers.

I wanted to mention to the committee that I have also spoken with the Bureau of Insurance about this bill, and I understand that they have some concerns about the ability of the Bureau to properly oversee and regulate surplus lines insurance. As always, I would be happy to work with the department, and this committee, to try and address concerns while still staying true to the spirit and intent of this bill.

As I know from firsthand experience, people working in the woods put in long hours away from their families — often without health insurance or other benefits to help them thrive and make a better life for themselves and their families. This bill would address one aspect of their financial well-being by giving consumers stronger protection in the event of a loss of extremely expensive equipment.

Thank you for your time today. I would be happy to take any questions you may have.

Sincerely,

Troy Jackson  
President of the Maine Senate  
Senate District 1

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<sup>1</sup> <http://legislature.maine.gov/statutes/24-A/title24-Asec2004.html>