



132nd MAINE LEGISLATURE

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Legislative Document

No. 1674

H.P. 1109

House of Representatives, April 17, 2025

An Act to Require Insurers to Address Climate Risk in Their Business Activities

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, reading "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative WARREN of Scarborough.
Cosponsored by Senator GROHOSKI of Hancock and
Representatives: BECK of South Portland, FRIEDMANN of Bar Harbor, OSHER of Orono.

1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 24-A MRSA c. 101 is enacted to read:

3 **CHAPTER 101**

4 **INSURING OUR COMMUNITIES ACT**

5 **§7801. Short title**

6 This Act may be known and cited as "the Insuring Our Communities Act."

7 **§7802. Definitions**

8 As used in this chapter, unless the context indicates otherwise, the following terms
9 have the following meanings.

10 **1. New fossil fuel project.** "New fossil fuel project" means a project designed to
11 facilitate the production of fossil fuels in excess of what is in development as of September
12 15, 2025, including production of new coal infrastructure, power plants or mines. "New
13 fossil fuel project" includes projects that support exploring new oil and gas fields or
14 otherwise expanding oil and gas reserves; examples of such projects include, but are not
15 limited to, the construction of new wells, pipelines, terminals or gas power plants.

16 **2. Precautionary principle.** "Precautionary principle" means an approach taken to
17 regulation that mandates that, when activities under consideration may lead to unacceptably
18 serious or irreversible harm that is scientifically plausible but uncertain, actions must be
19 taken to avoid or diminish that harm.

20 **3. Reporting year.** "Reporting year" means a 12-month period of time for which a
21 company reports its financial performance.

22 **§7803. Climate risk mitigation for insurers**

23 **1. Precautionary principle; new fossil fuel project underwriting restrictions.** The
24 bureau shall:

25 A. Integrate the precautionary principle into its regulation and supervision of insurers
26 by:

27 (1) Incorporating measures to anticipate, prevent or minimize the effects of climate
28 risk and its adverse effects; and

29 (2) Implementing cost-effective measures to address the climate risk exposure of
30 insurers, even in the absence of full economic or scientific certainty;

31 B. Require insurers, as a condition of doing business in the State, to annually submit
32 a report on their progress on plans to align their investment and underwriting activities
33 with science-based climate risk mitigation targets that are based on absolute
34 greenhouse gas emissions reduction targets and do not rely on carbon offsets or
35 unproven technology;

36 C. Require insurers to annually submit a commitment to not invest or underwrite new
37 fossil fuel projects; and

1 D. Align insurer investment and underwriting activities with science-based climate
2 risk mitigation targets by prohibiting underwriting for any new fossil fuel project and
3 directing insurers to phase out existing underwriting for exploration, extraction,
4 processing, exporting and transporting and any other significant action with respect to
5 oil, natural gas, coal or any byproduct thereof.

6 **2. Investments and underwriting reporting.** No later than September 15, 2026 and
7 annually thereafter, insurers subject to the requirements of this section pursuant to
8 subsection 4 shall submit a report to the bureau disclosing the information required under
9 this subsection for the preceding reporting year. The report must disclose:

10 A. The insurer's investments in:

11 (1) Any company that derives 10% or more of its revenue from exploration,
12 extraction, processing, exporting, transporting and any other significant action with
13 respect to oil, natural gas, coal or any byproduct thereof;

14 (2) Any project intended to facilitate or expand exploration, extraction, processing,
15 exporting, transporting and any other significant action with respect to oil, natural
16 gas, coal or any byproduct thereof; and

17 (3) Any project intended to construct any infrastructure related to projects
18 described under subparagraph (2), such as wells, pipelines, terminals and
19 refineries;

20 B. The greenhouse gas emissions associated with insurers' financing and investment
21 activities from all of the insurer's investments;

22 C. The insurer's gross premium underwriting for:

23 (1) Any company that derives 10% or more of its revenue from exploration,
24 extraction, processing, exporting, transporting and any other significant action with
25 respect to oil, natural gas, coal or any byproduct thereof;

26 (2) Any project intended to facilitate or expand exploration, extraction, processing,
27 exporting, transporting and any other significant action with respect to oil, natural
28 gas, coal or any byproduct thereof; and

29 (3) Any project intended to construct any infrastructure related to projects
30 described under subparagraph (2), such as wells, pipelines, terminals and
31 refineries;

32 D. The greenhouse gas emissions associated with the insurer's issuance of insurance
33 or reinsurance policies from all of the insurer's underwriting; and

34 E. Any other information the bureau considers necessary to effectively implement and
35 enforce any rule adopted pursuant to this chapter.

36 The superintendent shall develop and implement criteria for reporting under this subsection
37 that enable the superintendent to post the information reported pursuant to this subsection
38 on the bureau's publicly accessible website.

39 Within 3 months of receiving a report required pursuant to this subsection, the
40 superintendent shall compile and post the information in the report on the bureau's publicly
41 accessible website.

1 **3. Consultants.** The superintendent may engage the services of attorneys, actuaries,
2 accountants and other experts not otherwise a part of the superintendent's staff, at the
3 reporting insurer's expense, as is reasonably necessary to assist in the review of an insurer's
4 report submitted pursuant to subsection 2. A person engaged pursuant to this subsection
5 must be under the direction and control of the superintendent and must act in a purely
6 advisory capacity.

7 **4. Application.** The superintendent shall subject an insurer to the requirements of this
8 section if:

9 A. The insurer reports over \$10,000,000 of direct premiums written in the State on its
10 annual filing of the so-called Schedule T form, or successor form, with the National
11 Association of Insurance Commissioners;

12 B. The insurer's activities or investments may expose the insurer to a heightened level
13 of risk due to climate change; or

14 C. The superintendent otherwise determines that disclosure is in the public interest.

15 **§7804. Divestiture**

16 No later than September 15, 2030, the superintendent shall require any insurer doing
17 business in the State to certify that the insurer has divested from:

18 **1. Fossil fuel revenue.** Any company that derives 10% or more of its revenue from
19 exploration, extraction, processing, exporting, transporting and any other significant action
20 with respect to oil, natural gas, coal or any byproduct thereof;

21 **2. Fossil fuel projects.** Any project intended to facilitate or expand exploration,
22 extraction, processing, exporting, transporting and any other significant action with respect
23 to oil, natural gas, coal or any byproduct thereof; and

24 **3. Infrastructure projects.** Any project intended to construct any infrastructure
25 related to projects under subsection 2, such as wells, pipelines, terminals or refineries.

26 **§7805. Reporting**

27 No later than September 15, 2026, and once every 2 years thereafter, the superintendent
28 shall submit a report to the Legislature and the Governor pursuant to this subsection. The
29 initial report must disclose for the preceding calendar year, and the biennial report must
30 disclose for the preceding 2 calendar years:

31 **1. Efforts to implement this chapter.** The bureau's efforts to implement this chapter;

32 **2. Regulatory and supervisory actions taken.** The bureau's regulatory and
33 supervisory actions taken, if any, to bolster the resilience of insurers to the physical effects
34 of climate change;

35 **3. Affordability and availability of insurance for disadvantaged communities.**
36 The effects, if any, that the insurers' efforts to address climate risk have had on the
37 affordability and availability of insurance for disadvantaged communities;

38 **4. Readiness for climate change and energy transition.** Insurers' and the insurance
39 market's readiness for climate change and any related energy transition;

40 **5. Major sources of climate risk.** Major sources of climate risk faced by the insurers;

6. Gaps to address. Any gaps in insurers' response to climate risk that the bureau intends to address; and

7. Legislative action. Any legislative action that must be taken in order to allow the bureau to address climate risk.

The report must be made available to the public and posted on the bureau's publicly accessible website.

The report must include the bureau's planned regulatory and supervisory actions, if any, to bolster the resilience of insurers to the physical effects of climate change.

§7806. Rules

The superintendent may adopt rules to implement this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

SUMMARY

This bill establishes the Insuring Our Communities Act, which requires insurers to address climate risk in their business activities.