



**Maine LD 1674, HP 1109
Insure Our Communities Act
Proponent Testimony
Health Coverage, Insurance and Financial Services**

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Sen. Bailey, Rep. Mathieson, and members of the Joint Committee on Health Coverage, Insurance, and Financial Services,

Thank you for the opportunity to submit testimony regarding LD 1674, the Insure Our Communities Act that would require insurers to address climate risk in their business activities.

My name is Cathy Cowan Becker, and I am the Responsible Finance Campaign Director for [Green America](#), a national nonprofit founded in 1982 to harness the economic power of consumers, investors, businesses, and the marketplace to create a socially just and environmentally sustainable society.

Green America is a strong proponent of LD 1674. This ground-breaking legislation would require any insurance company doing business in Maine to:

- Submit an annual report on progress in aligning their investment and underwriting activities with science-based climate risk mitigation targets.
- Prohibit any new investment and underwriting of any new fossil fuel projects and direct insurers to phase out existing investments and underwriting of fossil fuels.
- Disclose current underwriting and investments in fossil fuel companies and projects, along with the greenhouse gas emissions associated with these activities.
- Divest from fossil fuel companies and projects by 2030.

Each provision in LD 1674 is badly needed, not just in Maine but across the country. LD 1674 would let Maine set the pace for the direction the rest of the country needs to go.

Property insurance rate increases and termination of coverage are among the most obvious effects of the climate crisis on our economy. The number of billion-dollar weather and climate disasters has greatly increased, with the costs growing ever higher. [Last year 2024](#) saw 27 such disasters costing a total of \$183 billion, according to the National Oceanic and Atmospheric Administration. The January 2025 wildfires in Los Angeles alone are expected to cost over [\\$250 billion](#).

The cost of these disasters affects property insurance rates across the country. Data released by the Federal Insurance Office in January, visualized on [Mapping the Home Insurance Crisis](#), show average premiums rising across the country. This does not just affect coastal states like Florida, Louisiana and Florida, but also broad swaths of the Midwest and Great Plains states.

Maine is not immune. People in the Isleboro zip code 04848 are now paying an average of \$3243 per year for home insurance. Those in the North Haven zip code 04853 are paying an average of \$3548, and people in the Mount Desert zip code 04662 are paying an average of \$4819.

Another indication of the insurance crisis is an increase in claim amounts. Four Maine zip codes are in the Top 100 for increase in average claim amounts between 2018 and 2022:

Zip Code	City/Town	2018 Average	2022 Average	% Increase
04951	Monroe	\$4747	\$183,285	3,761%
04691	Whiting	\$687	\$21,978	3,100%
04237	Hanover	\$455	\$11,634	2,459%
04650	Little Deer Isle	\$608	\$15,120	2,385%

When claim amounts rise so quickly, insurance companies often respond by not renewing policies or leaving the state. This has become a critical issue in Florida and California, but is happening in other states. While still low in absolute terms at 0.61%, non-renewal rates for property insurance in Maine increased by 51% between 2018 and 2023, according to a report by the [Senate Budget Committee](#).

The heart of these rapid changes in property insurance nationwide is the climate crisis driving hurricanes, wildfires, floods, droughts, extreme storms, and more. Global heating is affecting every part of the planet, including Maine, where sea level is now 7.5 inches higher than in the early 20th century. The rate of sea level rise has doubled in the past 30 years from 0.7 inches per decade to 1.4 inches per decade. Record-high sea levels were measured along the coast in 2023 and 2024, and 2023 set a new record-high annual average sea level at all three of Maine's long-term tide gauges.

Climate-related severe weather events such as coastal storms and flooding are becoming more frequent and severe in Maine, such as last year's record-breaking storms. Coastal flooding now occurs about three times more often since 2010 in Portland compared to the past century.

Insuring and investing in fossil fuels

When disasters happen, people turn to their property insurance to help them recover and rebuild. But incredibly, almost all the major insurance providers are profiting from the main driver of the climate crisis – by insuring fossil fuel projects and investing in fossil fuel companies.

Just as home buyers cannot get a mortgage without property insurance, so fossil fuel corporations cannot get loans for fossil fuel projects without insurance. While most large US insurance companies have set restrictions on underwriting coal, almost none have restricted underwriting oil and gas projects according to [Insure Our Future](#), a campaign of environmental, consumer, and grassroots organizations that holds the insurance industry accountable for its role in the climate crisis.

Three of the top eight US insurance companies — including Berkshire Hathaway, which owns GEICO and AM Guard insurance — maintain no policies whatsoever to limit underwriting and investment in fossil fuel projects, whether coal or oil and gas.

Berkshire Hathaway is especially notable: It fully owns 11 coal plants, partially owns 13 more, and ships millions of tons of coal by rail. The company’s CEO, Warren Buffett, has said climate change [should not be a factor](#) in its business decisions.

While it is difficult to find out which companies insure which projects, a [recent report](#) from Rainforest Action Network and Public Citizen identified 35 insurance companies underwriting liquified methane export terminal projects across the US Gulf South, including Chubb, Liberty Mutual, AIG, The Hartford, Travelers, Berkshire Hathaway, and Lloyd’s of London.

Insurance companies do not simply insure fossil fuel projects; they have also invested [\\$582 billion](#) from their customer premiums into fossil fuel companies. The [Investing in Climate Chaos](#) database by Urgewald, a German environmental and human-rights NGO, tracks these investments using data from the London Stock Exchange Group, and the figures are eye-opening:

Insurance Company	Shares (US\$)	Bonds (US\$)	# of Fossil Fuel Companies Invested In	Total Fossil Fuel Investments (US\$)
Berkshire Hathaway (parent of GEICO)	95.4 billion	0.3 billion	8	95.8 billion
State Farm	10.7 billion	9.9 billion	65	20.6 billion
USAA (through Victory Capital)	8 billion	3.2 billion	282	11.2 billion
AIG	1.2 billion	8.5 billion	275	9.7 billion
Nationwide	0	7.2 billion	77	7.2 billion
Allstate	7 million	4.5 billion	111	4.5 billion
Travelers	0	1.9 billion	49	1.9 billion
Liberty Mutual	0	1.8 billion	6	1.8 billion
The Hartford	166 million	1.2 billion	91	1.3 billion

Investing in Climate Chaos database by Urgewald. Data collected in May 2024. Figures rounded to first decimal.

This is why LD 1674 is so needed. Major insurance companies should not be profiting from the very fossil fuels driving the climate crisis, while pushing the costs of the climate crisis onto consumers by raising rates, not renewing policies, and abandoning entire states.

Maine has the opportunity to put a stop to this practice by passing LD 1674. We urge your committee to approve this bill so it can move on for swift passage.