

Date: May 15, 2025

Dear Members of the Committee:

I write in strong support of LR #1810, the Insuring Our Communities Act, which would require Maine insurers to address climate risk in their business activities.

The insurance industry faces a critical contradiction: while climate-related losses mount, many insurers continue underwriting new fossil fuel projects that worsen climate impacts and therefore premium inflation. Our recent analysis, published in the report [*Within Our Power - Cut Emissions Today To Insure Tomorrow*](#), shows that weather-related insured losses attributable to climate change have reached \$600 billion this century, with these losses growing at 6.5% annually—outpacing overall insured loss growth.

For insurers, fossil fuel underwriting typically represents less than 2% of overall portfolios, yet climate-attributed losses now exceed this revenue for many companies. This legislation rightly addresses the risk to the remaining 98% of insurance portfolios from the fossil fuel business lines exacerbating those very risks and costs.

Maine residents already face increasing premiums and coverage limitations due to climate impacts. Without action, insurance retreat will accelerate, creating an affordability crisis throughout the state. This bill creates transparency and accountability while promoting prudent risk management that benefits diverse stakeholders.

The precautionary principle is key before global heating reaches tipping points warned by climate scientists, that could create escalating and unpredictable losses - including a [tipping point for uninsurability](#) as warned by the Bank for International Settlements.

I urge you to support this forward-thinking legislation that aligns Maine's insurance sector with climate reality.

Respectfully,

Risalat Khan

Risalat Khan,

Senior Strategist for the Insure Our Future network

