



March 18, 2025

The Honorable Donna Bailey, Senate Chair  
The Honorable Lori Gramlich, House Chair  
Committee On Health Coverage, Insurance, and Financial Services  
100 State House Station  
Augusta, ME 04333

Re: Opposition to LD 880—An Act Regarding Nondiscrimination in Financial Services

Dear Senator Bailey, Representative Gramlich, and Distinguished Committee Members:

Thank you for the opportunity to submit comments opposing LD 880, which would apply several requirements to financial institutions (including insurance companies), including making each product that an insurance company offers available to each person in the geographic market served by it on a nondiscriminatory basis.

The Bureau of Insurance appropriately and ably regulates insurance companies and subjects them to rigorous statutory and regulatory requirements regarding risk classification, underwriting, and the availability and pricing of products. LD 880 would impose conflicting, unnecessary, and inappropriate requirements on insurance companies.

Life insurance underwriting is the practice of using risk-based factors (such as age, medical history, habits, and occupation) to assess an applicant's eligibility for coverage and determine the appropriate premium. Life insurers use sound actuarial principles and reasonably anticipated experience to place applicants in the appropriate rate classes. They group together people with similar characteristics and calculate a premium based on that group's level of risk. The use of such relevant information helps make sure an applicant with a low risk is not unfairly grouped with people who may pose high risks. The proper classification of risk ensures fair pricing for all.

Life insurers are prohibited by the Maine Insurance Code from engaging in unfair discrimination. Title 24-A, Section 2159 prohibits an insurer from "making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract." Unfair discrimination involves

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 91 percent of industry assets in the United States.

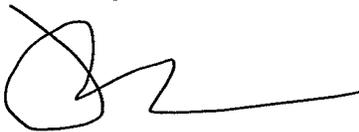
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treating similarly situated risks differently based on factors unrelated to actual risk, such as race or protected class status, rather than sound actuarial principles.

Life insurers provide millions of Americans with financial protection against the uncertainties of life. Risk classification allows the life insurance industry to guarantee its promises, which enables Americans to protect their families at every stage of life, no matter what unexpected event might occur. It is a system that is working for people and families across America.

Insurers must be able to properly classify risk. The Bureau of Insurance properly and competently oversees insurers and ensures that they do not engage in unfair discrimination. LD 880 would subject insurers to conflicting and inappropriate requirements, which would negatively impact consumers. **For these reasons, we urge you to oppose LD 880.**

Sincerely,

A handwritten signature in black ink, appearing to be "Jill Rickard", with a long horizontal line extending to the right.

Jill Rickard  
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