

**TESTIMONY OF STACY BERGENDAHL**  
**SENIOR STAFF ATTORNEY**  
**BUREAU OF INSURANCE**  
**DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**  
**In opposition to L.D. 880**  
**An Act Regarding Nondiscrimination in Financial Services**  
**Presented by Representative Quint**  
**Before the Joint Standing Committee on Health Coverage,**  
**Insurance & Financial Services**  
**March 18, 2025 at 1:00pm**

Senator Bailey, Representative Gramlich, and members of the Committee, I am Stacy Bergendahl, Senior Staff Attorney at the Bureau of Insurance. I am here today to testify in opposition to L.D. 880.

The bill applies to insurance companies but would be enforced solely by the Superintendent of the Bureau of Financial Institutions and any implementing regulations would be adopted by the Superintendent of Financial Institutions. This would have the effect of unnecessarily fragmenting regulatory authority over insurers and saddling banking regulators with significant responsibilities outside their field of expertise. If there are to be new regulations placed on insurance companies, they should be adopted and enforced primarily by the Superintendent of Insurance.

The insurance industry is sufficiently different from depository institutions that insurance companies should be excluded from the bill. Insurers are in the business of assuming and managing risk. They review applicants for coverage to determine whether the risk is acceptable, and review existing policyholders to determine whether to continue covering them. This activity, called “underwriting,” is already subject to the requirement that insurers not discriminate unfairly – in other words, that they not treat similarly situated risks differently. This bill would take away the ability to underwrite risks, by requiring them to issue a policy to any business venture if insurance is necessary to conduct their business activities or if the lack of insurance would put them at a competitive disadvantage.

In addition, the Insurance Code already prohibits discrimination on such suspect classifications as race, religion, and national origin in several provisions. While being required to work within these constraints and others in Title-24A, insurers are permitted to develop their own underwriting guidelines and standards for the types of risks they are willing to write.

Maine has a well-functioning property and casualty insurance market with over 100 companies writing new policies and strong competition. We are concerned that this bill could have an adverse impact on this market and adversely affect consumers.

Thank you, I would be glad to answer any questions now or at the work session.