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THE MAINE SENATE  
132nd Legislature

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**LD 893, "An Act to Exempt Nonprofit Agricultural Membership  
Organizations from Insurance Requirements"**

**Joint Standing Committee on Health Coverage, Insurance, and Financial Services  
March 27, 2025**

Good afternoon, Senator Bailey, Representative Gramlich, and distinguished members of the Health Coverage, Insurance, and Financial Services Committee: I'm Sen. Jeff Timberlake; and I represent the people and farmers of Senate District 17, which covers parts of Androscoggin and Kennebec Counties. I am here today to present LD 893. This bill would allow the Maine Farm Bureau to offer an affordable health coverage option to Maine farmers through a partnership with the Tennessee Farm Bureau, a program that's been supporting farmers for 75 years.

I come to you as an 8th-generation apple farmer from Turner, where my family has owned and operated Ricker Hill Farms since 1803. We grow apples, blueberries, and cranberries on over 300 acres; and our farm has been a cornerstone of our community for more than two centuries. My ancestors endured wars, economic hardships, and harsh Maine winters to keep this farm going; and I've dedicated my life to continuing that tradition. At Ricker Hill, we're not just growing crops, we're cultivating memories, traditions, and a way of life for our family and the families who visit us each season. But today, I'm here to talk about a challenge that jeopardizes that heritage: the soaring cost of health coverage for Maine farmers like me.

Farming in Maine is a calling, but it's also a gamble. We face unpredictable weather, rising expenses, and health coverage that's often out of reach. I've seen plans with costs so high that many farmers in my community—including some of my closest neighbors—go without. At Ricker Hill, we've managed to maintain coverage for our family, but it's a constant struggle. I know farmers who've avoided doctor visits, skipped necessary care, or lived in fear of injury because one medical emergency could mean losing their farm. This isn't just a financial burden—it's a health crisis, a family crisis, and a community crisis. When farmers can't afford coverage, our rural communities suffer; and our food supply becomes less secure.

LD 893 offers a solution by allowing the Maine Farm Bureau to partner with the Tennessee Farm Bureau, which has provided health coverage to farmers since 1947. Their plan has saved Tennessee farmers up to 70% on premiums compared to other options, making coverage accessible for families who otherwise couldn't afford it. For a family of four, that kind of savings can mean the difference between keeping the farm operational or having to sell out. The plan is comprehensive, covering doctor visits, hospital stays, prescriptions, preventive care like annual check-ups, and emergencies such as farm accidents—with no annual or lifetime limits. This means a farmer who gets hurt

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operating a tractor or faces a serious illness can get the care they need without worrying about hitting a cap. It's not a replacement for CoverME.gov or MaineCare. It's an additional choice for farmers who fall through the gaps, like those whose income appears high on paper due to land ownership but who are cash-poor due to debt and operating expenses.

I know this committee has raised valid concerns in past hearings, and we've worked hard to address them in this version of the bill. First, on oversight: we've heard your worries about consumer protections; and we've responded by requiring a memorandum of understanding (MOU) between the Maine Farm Bureau—or its affiliate—and the Superintendent of Insurance. This MOU will outline terms for submitting to the superintendent's complaint process, ensuring farmers have a clear path to resolve disputes. Tennessee Farm Bureau has operated under a similar model for 75 years with minimal complaints and we're confident this will provide the accountability the committee seeks while keeping costs manageable.

Second, on market impact: we've updated the eligibility criteria to ensure this plan serves only active farmers, addressing concerns about risk pool fragmentation. The plan is now limited to Farm Bureau members who meet one of these criteria: they file a Schedule F with their IRS filings, meet the US Census of Agriculture definition of a farm by producing at least \$1,000 in agricultural products annually, or file a Schedule C with agriculture as their principal activity. This ensures we're targeting genuine farmers—folks like me at Ricker Hill who are actively engaged in agriculture, not hobbyists or non-farmers. We estimate a tiny fraction compared to the 55,000 Mainers in the ACA marketplace last year, minimizing any effect on the broader market.

Third, on informed decision-making: we've added a requirement that all eligible farmers go through a navigation process with a nonprofit, such as Consumers for Affordable Health Care, or directly with CoverME.gov to explore other coverage options before enrolling. This ensures farmers are fully aware of alternatives like MaineCare or marketplace plans, addressing past concerns about transparency. We want farmers to have all the information they need to make the best choice for their families and this new step reflects that commitment.

Fourth, on coverage and financial reliability: the Tennessee plan covers what farmers need most, from annual check-ups to emergency care, with no caps on benefits. Tennessee Farm Bureau's 75-year track record proves they can pay claims; and we've added a requirement for an annual actuarial statement of plan reserves to be filed with the superintendent, providing further assurance of the plan's stability. We'll also provide detailed comparisons of this plan to other options, rate histories, and complaint data to ensure the committee has all the information needed to evaluate its value.

LD 893 is about giving Maine farmers a choice—a chance to afford the health coverage we need to keep farming. At Ricker Hill, I've seen how one health crisis can threaten centuries of hard work. This bill can help farmers stay on the land, keep our rural communities strong, and ensure Maine's food supply remains local. I urge you to support LD 893 and give farmers like me the support we need to thrive. Thank you for your time. I'm happy to answer any questions.

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

**Sec. 1. 24-A MRSA §704, sub-§1, as amended by PL 2011, c. 192, §1, is further amended to read:**

**1 Health insurance.** For purposes of this Title, except as provided in subsections 2, 3, and 4, "health insurance" means insurance of human beings against bodily injury, disablement or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance appertaining thereto, including provision for the mental and emotional welfare of human beings by defraying the costs of legal services only to the extent provided for in chapter 38.

**Sec. 2. 24-A MRSA §704, sub-§4 is enacted to read:**

**4 Nonprofit agricultural membership organization.** As used in this Title and Title 24, the use of "health insurance" and related terms such as "accident and health insurance," "accident and sickness insurance," "carrier," "health," "health benefit plan," "health care," "health insurer," or "insurer" do not include, unless specifically provided otherwise in the law, a nonprofit agricultural membership organization, or an affiliate of such an organization, providing health care benefits in accordance with this subsection, and a nonprofit agricultural membership organization, or an affiliate of such an organization, providing health care benefits in accordance with this subsection may not be considered to be engaged in the business of insurance for the purposes of this Title.

A. For the purposes of this subsection, "nonprofit agricultural membership organization" means a statewide nonprofit agricultural membership organization that is exempt from taxation under the federal Internal Revenue Code of 1986 and that:<sup>[1]</sup><sub>[SEP]</sub>

(1) Has been in existence continuously since December 31, 1951;<sup>[1]</sup><sub>[SEP]</sub>

(2) Provides health care benefits coverage for the payment of medical expenses to or for members of the organization, their dependents, and others, who meet one of the following criteria:<sup>[1]</sup><sub>[SEP]</sub>

(a) File a Schedule F, Profit or Loss From Farming, with their Internal Revenue Service filings; or<sup>[L]<sub>SEP</sub></sup>

(b) Meet the United States Census of Agriculture definition of a farm, which is any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year; or<sup>[L]<sub>SEP</sub></sup>

(c) File a Schedule C, Profit or Loss From Business, with their Internal Revenue Service filings, and the principal means of activity is agricultural-related; or

(d) Are employed by an agricultural or agricultural related business; or

(e) Are employed at a non-profit agricultural membership organization in the state.

(3) Annually files a signed, certified actuarial statement of plan reserves with the superintendent.

B. At the time an initial application for coverage for health care benefits is taken with respect to new applicants and upon renewal of coverage with respect to persons previously covered, the nonprofit agricultural membership organization, or an affiliate of such an organization, shall provide to the applicant or covered person a written notice stating that:<sup>[L]<sub>SEP</sub></sup>

(1) The coverage is not provided by an insurance company;<sup>[L]<sub>SEP</sub></sup>

(2) The plan is not subject to the laws and rules relating to insurance companies;<sup>[L]<sub>SEP</sub></sup>

(3) The plan is not under the jurisdiction of the superintendent; and<sup>[L]<sub>SEP</sub></sup>

(4) If the plan does not pay medical expenses that are eligible for payment under the plan for any reason, the individuals covered by the plan may be liable for such expenses.

C. A nonprofit agricultural membership organization, or an affiliate of such an organization, offering health care benefits under this subsection shall establish a complaint procedure substantially similar to the customer complaint procedure under the Department of Insurance for resolving disputes related to the health care benefits provided.

D. A nonprofit agricultural membership organization, or an affiliate of such an organization, offering health care benefits under this subsection must require all eligible applicants to complete a navigation process with the nonprofit agricultural membership organization or their designee to explore other health coverage options before enrolling in the plan.

#### Summary:

This revised amendment to LD 893 exempts statewide nonprofit agricultural membership organizations, or their affiliates, that provide health care benefits and meet certain requirements from the definition of "health insurance" under the Maine Insurance Code. It defines a "nonprofit agricultural membership organization" as a statewide nonprofit that is tax-exempt under the federal Internal Revenue Code of 1986, has been in existence since December 31, 1951, and provides health care benefits to eligible members. Eligibility is limited to Farm Bureau members who: (a) file a Schedule F with their IRS filings, (b) meet the US Census of Agriculture definition of a farm by producing at least \$1,000 in agricultural products annually, (c) file a Schedule C with agriculture as their principal activity, (d) are employed by an agricultural or agricultural-related business, or (e) are employed by a nonprofit agricultural membership organization in the state. The amendment requires the organization to annually file a signed, certified actuarial statement of plan reserves with the superintendent, establish a complaint procedure substantially similar to the Department of Insurance's customer complaint procedure for resolving disputes, and mandate that all eligible applicants complete a navigation process with the nonprofit agricultural membership organization or their designee to explore other health coverage options before enrolling in the plan. Additionally, it requires written notice to applicants and covered persons stating that the coverage is not provided by an insurance company, is not subject to insurance laws, is not under the superintendent's jurisdiction, and that individuals may be liable for unpaid medical expenses.