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Testimony In Opposition to LD 893
An Act to Exempt Nonprofit Agricultural Membership
Organizations from Insurance Requirements
March 27, 2025

Senator Bailey, Representative Gramlich, and Members of the Health Coverage, Insurance, and Financial Services Committee.

My name is Dan Demeritt, the Executive Director of the Maine Association of Health Plans. Insurance coverages offered or administered by our member plans provide access to care and better outcomes for many of the Mainers who receive coverage through an employer plan or the individual market. Our mission as an association is to improve the health of Maine people by promoting affordable, safe, and coordinated health care.

LD 893 would essentially allow the sale of a health insurance product that is not subject to the rules and regulations of the Maine Bureau of Insurance.

Passing LD 893 creates the following challenges and risks for our markets and for consumers:

1. It creates an unlevel playing field by allowing for the sale of an unregulated insurance product that would not be required to comply with the requirements of Maine law, such as mandated benefits.
2. It has the potential to diminish the breadth and depth of the risk pool of the merged individual and small-group markets increasing premiums;
3. Creates an unregulated health benefit product that will be marketed as insurance without the financial security and standards of licensed health plans that must maintain minimum funding requirements, are subject to actuarial review, and required to file quarterly and annual financial statements with the Bureau of Insurance.
4. Provides financial incentives to use unregulated, lower-cost options for health benefits when healthy while keeping in place guaranteed issue laws that ensure access to comprehensive care when one gets sick; and,
5. Establishes a precedent for other sectors of the Maine economy to band together in search of lower premiums for inadequate coverage from unregulated and unproven organizations.

We urge a vote of ought not to pass on LD 893.