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Testimony in Opposition to L.D. 1674
An Act to Require Insurers to Address Climate Risk in Their Business Activities
May 20, 2025

Senator Bailey, Representative Mathieson, 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.

L.D. 1674 is precedent-setting legislation that would create barriers for doing business in Maine, violate guaranteed issue requirements, and add to the cost of health insurance for employers and consumers.

Restrictive Condition For Operating in Maine

The Maine Bureau of Insurance utilizes the National Association of Insurance Commissioners Climate Risk Disclosure Survey to gather information from insurance companies about their assessment and management of climate-related risks.¹

This legislation would require health insurance carriers operating in Maine to make a commitment to not invest in or provide health insurance to any company in any corner of the world that engages in bringing a new fossil fuel project into production after September 15, 2025.

Prohibitions on providing health insurance coverage to these companies violates guaranteed issue requirements on both the state and federal level.

Requiring carriers to limit their interests and operations across the globe for any reason creates a disincentive for doing business in our small state.

\$1 Million Fiscal Note – Higher Health Insurance Assessments

L.D. 1674 creates onerous new reporting requirements for carriers licensed to operate in Maine. The Maine Bureau of Insurance projects more than \$1 million annually in additional staffing and consultants would be needed to oversee the reporting.² This additional operating expense at the bureau will be passed on to carriers in higher assessments that ultimately will be borne by Maine employers and consumers in the form of higher health insurance premiums.

Thank you. We urge a vote of Ought Not To Pass on L.D. 1674.

¹ <https://themainemonitor.org/paying-a-premium-the-challenge-of-insurance-in-a-climate-altered-world/>

² https://legislature.maine.gov/legis/bills/bills_132nd/fiscalpdfs/FN167401.pdf