

Hon. Heather Sanborn
Senate Chair
Hon. Denise Tepler
House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Affairs
Room 220, Cross State Office Building
Augusta, ME 04330

Thursday, February 25, 2021

Dear Senator Sanborn and Representative Tepler:

The Maine State Chamber of Commerce to go on record in opposition to, **L.D. 694, *An Act Concerning Business Interruption Insurance***.

L.D. 694 would require property insurers operating in this state to provide coverage for business interruption insurance through the insured property or casualty insurance policy as a result of any losses associated with the pandemic and COVID-19. Furthermore, the coverage would be retroactive in nature, effective beginning last March 15, 2020. Finally, because the bill is written as an emergency, the law would become effective immediately upon the signature of the governor.

In discussions with our policy committee, they were clear, enacting such a law in Maine would be to the detriment of Maine business. Despite the policy discussions similar legislation has engendered in other states, the concern voiced by the employer's present was that property and casualty insurers would abandon Maine as a market, making it impossible to find coverage in this critical insurance area. Furthermore, if coverage were even obtainable, it would likely be unaffordable.

Much of this organizations experience in these policy debates has focused on workers' compensation insurance. Due to the contentious nature of workers comp law in Maine, legislation such as this – particularly retroactive coverage – for a certain benefit or set of benefits, has been proposed in the past. In *all* cases, the Maine State Chamber has opposed such legislation. It was the position of our policy committee that we should be consistent with regard to this bill, as well as take into account the economic implications for the insurance market going forward.

We recognize the intent of the sponsor is to mitigate, at least in part, the tremendous losses experienced by Maine small businesses since the declaration by the World Health

organization of a global pandemic. However, in doing so, this legislation would likely leave Maine businesses with few, if any, options for property loss coverage going forward. It is for these reasons we are opposed to LD 694.

We appreciate the opportunity to provide you with our comments.

Sincerely,

Peter M. Gore
Executive Vice President
Maine State Chamber of Commerce