



Testimony of Matt Marks Against LD 984

An Act To Allow Procurement of Surplus Lines Insurance for Commercial Forestry and Construction Equipment

Thursday, April 1, 2021 1:30 PM

Joint Standing Committee on Health Coverage, Insurance and Financial Services

Good Morning Senator Sanborn, Representative Tepler, and Distinguished Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services. My name is Matt Marks; I am a resident of Scarborough and here today representing the Associated General Contractors of Maine.

AGC Maine respectfully opposes LD 984, "*An Act To Allow Procurement of Surplus Lines Insurance for Commercial Forestry and Construction Equipment.*" The process for the Maine approving coverage on insurance lines provides security for the insured that the firm providing coverage has the financial capacity to pay claims that might arise. Additionally, it allows access to the state's insolvency fund as a backup.

For the insured, changing this condition will leave them exposed to purchasing insurance that may not meet the State of Maine standards and leave them vulnerable if a claim arises. Generally speaking, the surplus market for commercial equipment should be rare; most agents can secure a plan within the approved network. Under this proposal, the insured would not be aware of the difference and potential risk.

If there is a situation where the standard approved market for this line of insurance is not meeting the industry's needs, we have not been notified. While this bill is focused on forestry and logging, it opens the door for exceptions to a process that has been in place to protect the parties that could be subject to a claim. Under this bill the state will not differentiate between the approved plans and those in the surplus market for selling, but the insured will not be provided the same level of security.

Respectfully submitted by,

Matt Marks, AGC Maine
207-530-3001
matt@agcmaine.org