



February 11, 2025

Committee on Housing and Economic Development  
c/o Legislative Information Office  
100 State House Station  
August, ME 04330

Re: LD1, An Act to Increase Storm Preparedness for Maine's Communities, Homes and Infrastructure

Dear Senator Curry and Representative Gere:

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> supports LD1. Improving climate resiliency of Maine homes is a particularly timely undertaking. It will help protect Maine residents from the ongoing impacts of climate change that are bringing more extreme weather events with less predictability.

Property casualty insurers serve as frontline responders following natural disasters, assisting policyholders in navigating the recovery process and helping their customers rebuild their lives and restore their property. For decades APCIA members have advocated for policies and increased investments that help prevent and reduce such devastation. This includes establishing and funding loss mitigation-focused organizations like the Insurance Institute for Business & Home Safety (IBHS)<sup>2</sup>.

Through the IBHS, the property casualty insurance sector has been at the forefront of developing real-world solutions to reduce harm, including scientifically proven building standards that individuals and businesses can employ to help withstand increasingly severe storms, wildfires, and other natural disasters. The Home Resiliency Program proposed in LD1 appears on its face to be in-line with the IBHS FORTIFIED program APCIA helped create. These investments also provide a payoff. The National Institute of Building Sciences has shown that every \$1 spent on natural hazard mitigation in new code construction can save \$11 in disaster repair and recovery costs.

However, APCIA members are also regulated by the Maine Bureau of Insurance, which they fund through an annual assessment. Sound functioning of the BOI is essential to assuring that Maine continues to maintain a healthy insurance market and consumers continue to receive protections to which they are accustomed. In addition to its day-to-day functions regulating the insurance industry, the Bureau needs ample funding to cover expert fees, hearings, and market conduct examinations.

LD1 proposes to sweep over \$36 million from the Bureau up-front including:

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<sup>1</sup> Representing nearly 65% of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCIA members are located in Maine and many more do business here. Together, APCIA members write over 54% of the auto insurance sold in the state.

<sup>2</sup> <https://fortifiedhome.org/>

- \$15 million for homeowner grants (A-2),
- \$10 million for a Disaster Recovery Fund (B-2),
- \$750,000 for a revolving loan fund (B-5),
- \$1.3 million for administration (B-3, B-4), and
- \$9.6 million to create the State Resilience Office and the Flood-Ready Maine project (C-4).

It also sweeps \$1.76 million annually in perpetuity for the State Resiliency Fund (C-3). We are concerned that this level of spending could create unrealistic funding expectations going forward and ultimately hinder the Bureau's crucial operations. Closely regulating annual reports on the value and functioning of this program will be essential to assuring it continues to provide Maine residents with value.

APCIA looks forward to working with the Committee to help craft a program that will maximize climate resiliency outcomes for Maine residents while protecting funding for the Bureau of Insurance.

Very truly yours,



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CC: Committee on Housing and Economic Development members:

Senator Donna Bailey  
Senator Richard Bennett  
Representative Traci Gere  
Representative Amanda Collamore  
Representative John Eder  
Representative Cheryl Golek  
Representative Cassie Julia  
Representative Marc Malon  
Representative Arthur Mingo  
Representative Tiffany Roberts  
Representative Mark Walker  
Representative Yusuf Yusuf