



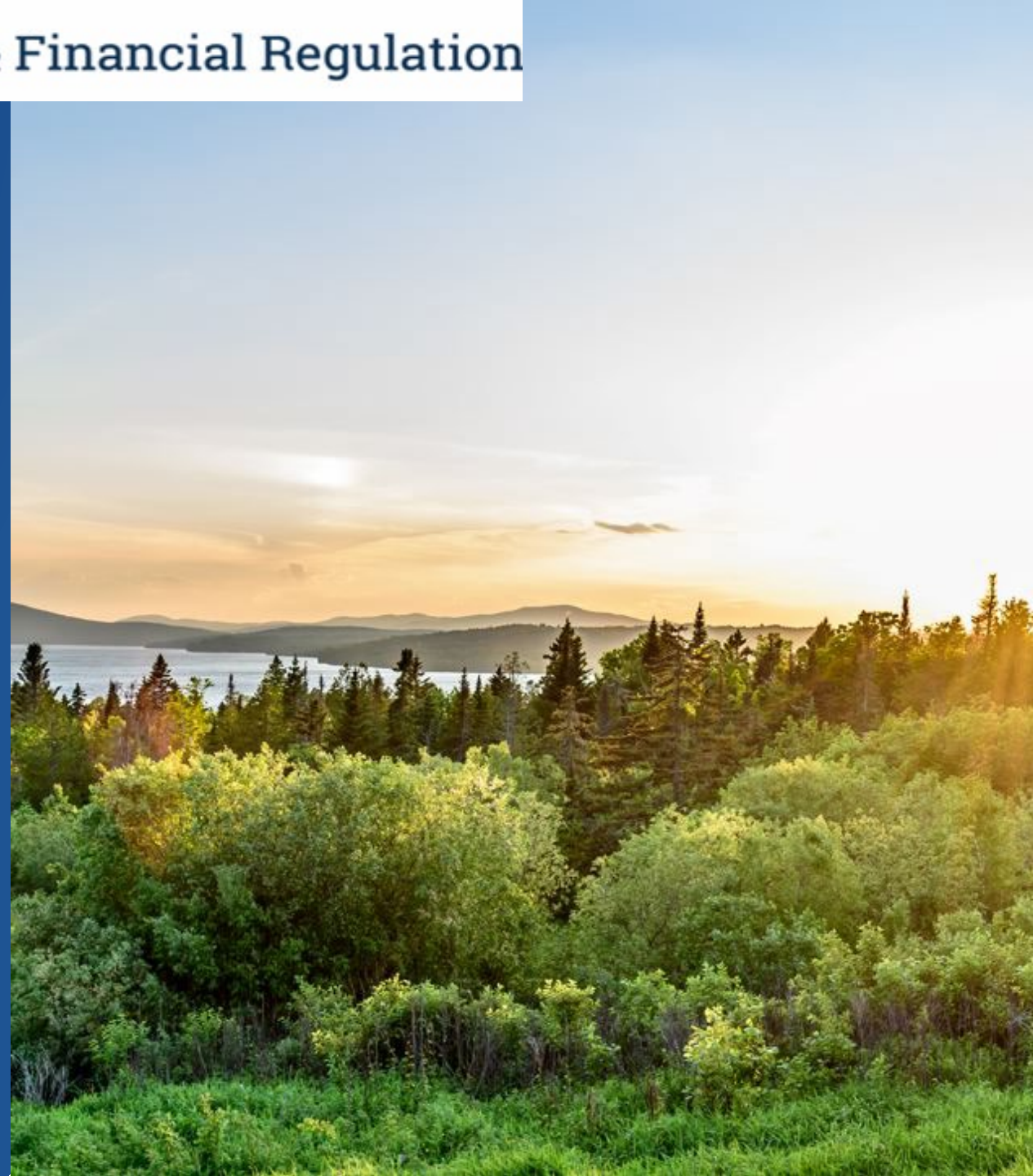
Maine Bureau of Insurance

Property & Casualty Division

132nd Maine Legislature
Health Coverage, Insurance, and
Financial Services Committee

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Property and Casualty Division

- ☐ Reviews and approves rates, rules, and forms for all Property and Casualty (P&C) products.
- ☐ Conducts consumer education and outreach, and answers consumer questions.
- ☐ Investigates consumer complaints.
- ☐ Conducts Cancellation Control Act Hearings (homeowners and auto insurance).

Lines We Regulate

Fire	Other Liability
Allied Lines	Product Liability
Farmowners Multiple Peril	Auto Liability
Homeowners Multiple Peril	Auto Physical Damage
Commercial Multiple Peril	Aircraft (all perils)
Mortgage Guaranty	Fidelity
Ocean Marine	Surety
Inland Marine	Glass
Financial Guaranty	Burglary and Theft
Workers' Compensation	Boiler and Machinery
Medical Malpractice	Credit
Earthquake	Flood Insurance

2024 Filings

❑ Filings Received: 2,765

❑ Filings Approved: 2,510

❑ Filings Closed: 2,609

❑ Forms Reviewed: 16,128

2024 Inquiries, Complaints, CCA Hearings

2024 Inquires, Complaints

- ❑ 4,228 inquiries
- ❑ Complaints opened: 258
- ❑ Complaints closed: 242
- ❑ Active complaints: 308
- ❑ Recoveries: \$2,629,769

Cancellation Control Act Hearings

P&C HEARINGS SUMMARY	2020	2021	2022	2023	2024
Number of Hearing Requests	96	88	88	134	154
Number of Hearing Requests Denied	51	33	42	49	59
Number of Hearings Scheduled	45	55	46	85	95
Number of Scheduled Hearings Dismissed	23	38	35	55	64
Number of Hearings Held/Decisions Issued	22	17	11	30	31
Number of Decisions for Policyholder	4	6	9	11	20
Number of Decisions for Company	18	11	2	19	11

Homeowner's Insurance Market

- ❑ As of 2021, Maine had the 11th lowest average homeowner's premiums, which is the most recent year for which data is available.
 - Maine has had the 9th, 10th or 11th lowest homeowner's premiums across the country since 2009.
 - Maine has had the lowest average premiums in New England for several years.
- ❑ The Maine market continues to be competitive, with the number of active companies and market distribution remaining steady.
 - As of 2023, 104 insurance companies were actively writing this coverage.

Homeowner's Insurance Market Rates

Average of Approved Rate Increase

- ❑ 2024 12.8%
- ❑ 2023 10.0%
- ❑ 2022 3.7%
- ❑ 2021 0.6%

Top Reasons for Rate Increases:

- ❑ Inflation costs of rebuilding
- ❑ Increased frequency and severity of claims
- ❑ Increased storms

Year	Premium Change	Loss Change
2022 to 2023	10%	54%
2021 to 2022	8%	50%

Automobile Insurance Market

- ❑ As of 2021, Maine had the lowest premium rates in the country. Maine has been one of the most affordable auto insurance markets in the U.S. for many years.
- ❑ Maine's personal automobile insurance market is very competitive.
 - As of 2023, 104 insurance companies were actively writing auto insurance.
- ❑ Maine was tied with Idaho for the 2nd lowest percentage of uninsured drivers in the country at 6.2%, according to an October 2023 report from the Insurance Research Council. The U.S. average uninsured driver rate was 14%.

Automobile Insurance Market Rates

Average of Approved Rate Increases

- ❑ 2024 8.1%
- ❑ 2023 9.5%
- ❑ 2022 8.1%
- ❑ 2021 4.6%

Causes of Rate Increases

- ❑ Increases in the value of vehicles and cost of repairs, including replacement parts, sensors, delays in repairs
- ❑ Increased frequency and severity of accidents

Year	Premium Change	Loss Change
2023 to 2022	11%	11%
2022 to 2021	5%	21%
2021 to 2020	5%	19%

Workers' Compensation Insurance Market

❑ The workers' compensation insurance market is highly concentrated.

- In 2023, the top 10 insurance groups wrote over 87% of workers' compensation insurance in Maine.
- Maine Employers' Mutual Insurance Company (MEMIC) actively competes in the voluntary market and is the insurer of last resort.
- MEMIC's market share for 2023 was over 64%.
- Insurers other than MEMIC can be more selective in choosing which employers to insure.

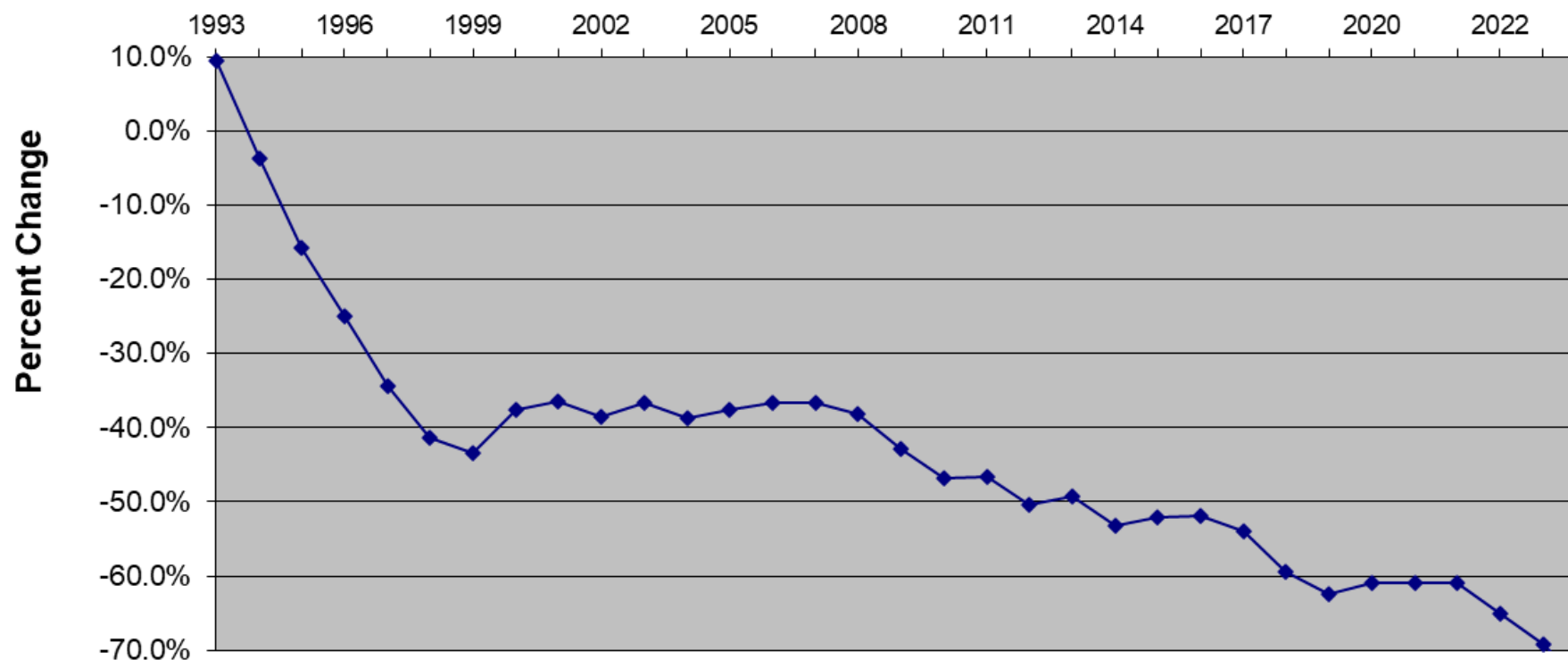
❑ The Superintendent approved the National Council on Compensation Insurance (NCCI) most recent filing for an average 19.0% reduction in advisory loss costs effective April 1, 2024.

- MEMIC received approval for a 15.7% decrease to its workers' compensation rates effective July 1, 2024.

Workers' Compensation Insurance Market (Continued)

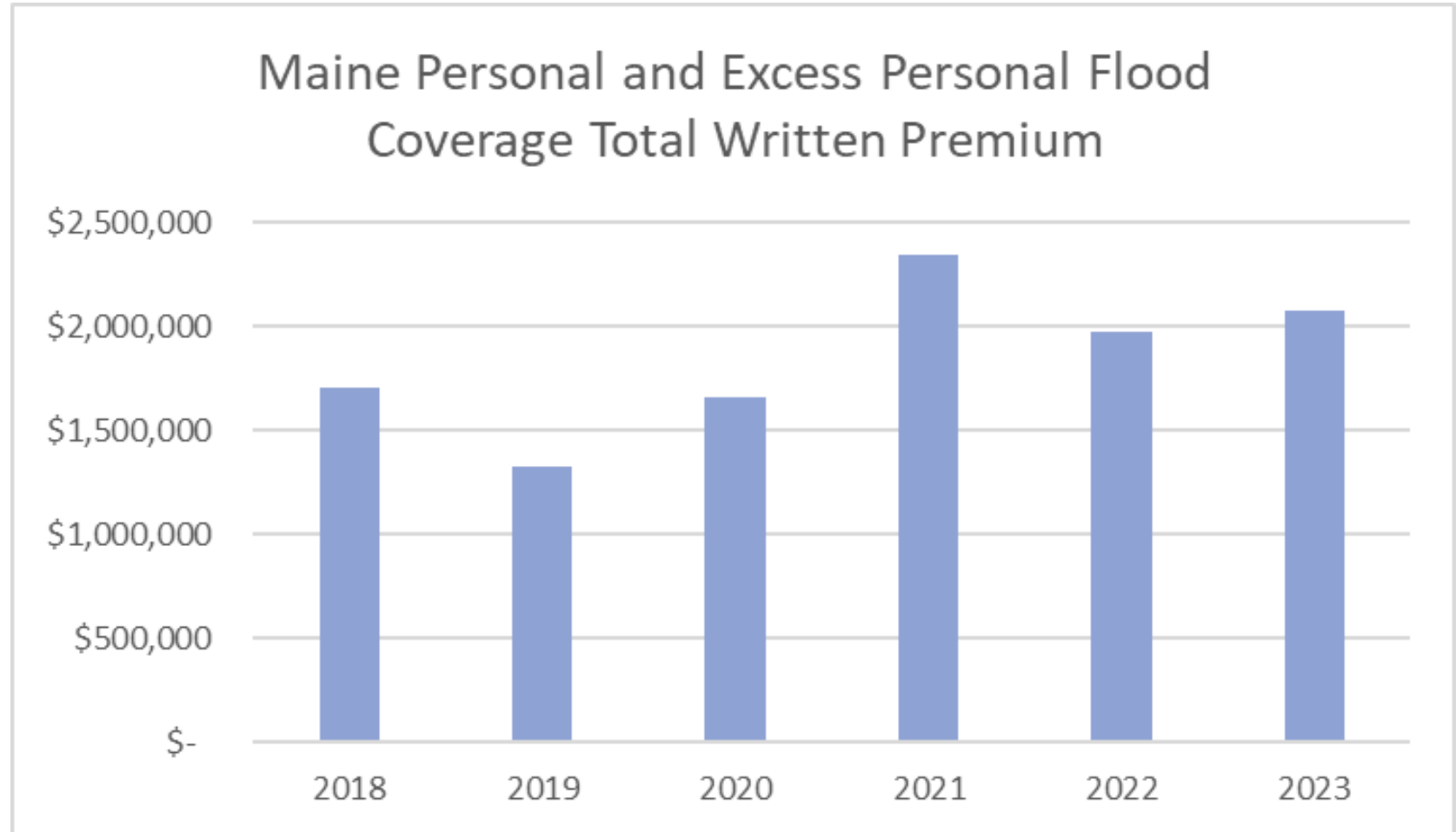
- ❑ In 2022, Maine had the 9th highest workers' compensation premium rates in the U.S.
- ❑ In 2022 Maine had the 12th highest loss costs among the 37 jurisdictions for which NCCI provides data.
- ❑ In 2023 slightly more than 30% of employers self-insured, as measured by standard premium.

Exhibit IV. Cumulative Change in Advisory Loss Costs Since 1993



Flood Insurance

- ☐ Flooding is not covered under most property policies.
- ☐ National Flood Insurance Program (NFIP), a federal program, sells flood insurance for homeowners and businesses.
- ☐ The Bureau has no jurisdiction over the NFIP program.
- ☐ There is a very small private market for flood coverage.



National Flood Insurance Program (NFIP)

NFIP Maximum Coverages

- ☐ Residential Building \$250,000
- ☐ Residential Contents \$100,000
- ☐ Non-residential Building \$500,000
- ☐ Non-residential Contents \$500,000

Resources for NFIP Information

- ☐ <https://nfipservices.floodsmart.gov/write-your-own-program>
- ☐ <https://www.floodsmart.gov/policy-quote/>

Maine Emergency Management Agency (MEMA) Provides Helpful Information About the National Flood Insurance Program

- ☐ <https://www.maine.gov/mema/home>

Storm and Resiliency Initiatives

L.D. 1, *An Act to Increase Storm Preparedness and Resilience For Maine's Communities, Homes & Infrastructure*, would launch new initiatives designed to prepare communities and infrastructure for severe weather which would reduce long-term storm-related risks. With lower risks come lower claims and that could reduce pressure on insurance costs for Maine homeowners and businesses. The bill uses federal funding and existing fee-based funding through the Bureau of Insurance and does not rely on General Funds during a tight budget cycle.

Questions?