Photo Credit: Michael Denning, 2020[1]

State of P&C Insurance in Maine 2026

An Analysis of Maine's Property and Casualty Industry

By Brandon Villalta Lopez, Molly Meller, and Dr. Andrew Kinley in collaboration with the Maine Insurance Agents Association (MIAA)

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Executive Summary

Maine's property and casualty (P&C) insurance industry is a stable part of the state's economy. The industry supports thousands of jobs and provides coverage across personal and commercial lines throughout Maine. This report describes the current state of Maine's P&C marketplace highlighting four themes:

- **Market outlook:** GDP contribution, revenue, geographic reach, and employment
- **Industry snapshot:** premiums, claims outcomes, loss ratios, and agent penetration
- **Workforce trends:** agent demographics and AI adoption
- **Challenges facing the industry:** Legislation and litigation costs

Key findings include:

- Maine's P&C insurance industry contributed $3.25 billion to state GDP in 2024, the 9th largest contribution of any industry in the state.
- Maine had the 20th lowest premium increases among U.S. states and the District of Columbia from 2023 to 2025.
- Nationally, employment of younger insurance sales agents is nearly keeping pace with expected retirements, a balance that continued recruitment could help maintain.
- The state has an emerging opportunity to help shape AI standards for insurance as adoption accelerates industrywide.
- Legislation designed to help consumers, such as Maine's 2023 mandatory towing coverage law, can raise premiums when insurers lack the claims data needed to price new requirements accurately.
- Rising third-party litigation targeting insurance is impacting insurance costs nationwide. Maine's claims data currently shows a comparatively low impact from lawsuits initiated due to denied claims relative to the rest of the country.

Maine's P&C insurance industry maintains stability even while inflation, recessions, and nationwide trends challenge businesses across industries. This report looks at the metrics behind the strength of Maine's P&C insurance market.

Methodology

Research and analysis for this report were conducted by paid graduate students at the Roux Institute at Northeastern University, with faculty oversight, on behalf of the Maine Insurance Agents Association (MIAA). The report combines quantitative data analysis of publicly available macroeconomic, labor, and population data with a review of industry metrics, legislative records, and regulatory policies. The data used in this report primarily covers the years 2020 to 2025, with some sources extending further back and some projected forward.

Quantitative findings draw on publicly available datasets from the U.S. Bureau of Economic Analysis, the U.S. Census Bureau's Annual Survey of State Government Tax Collections, and the U.S. Bureau of Labor Statistics' Occupational Employment and Wage Statistics program. This report also includes a quantitative analysis of IBISWorld's Industry Report on Maine's Property, Casualty, And Direct Insurance Sector and State Economic Overview, accessed through Northeastern University libraries.

Industry level figures on premiums, loss ratios, and market share from 2023 and 2025 come from A.M. Best Company's 2024 and 2026 "Maine Annual P&C Marketplace Summary", used by permission. Industry metrics are further supplemented by findings from the National Association of Insurance Commissioners' (NAIC) "Market Conduct Annual Statement Scorecard", "2024 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide", and "U.S. Property & Casualty and Title Insurance Industries – Full Year Results from 2022 to 2025". Additional information on legislation, litigation, and workforce trends comes from the Maine Bureau of Insurance, the Maine Legislature, the Perryman Group, the American Property Casualty Insurance Association, and the *Journal of Insurance Regulation* in collaboration with the NAIC.

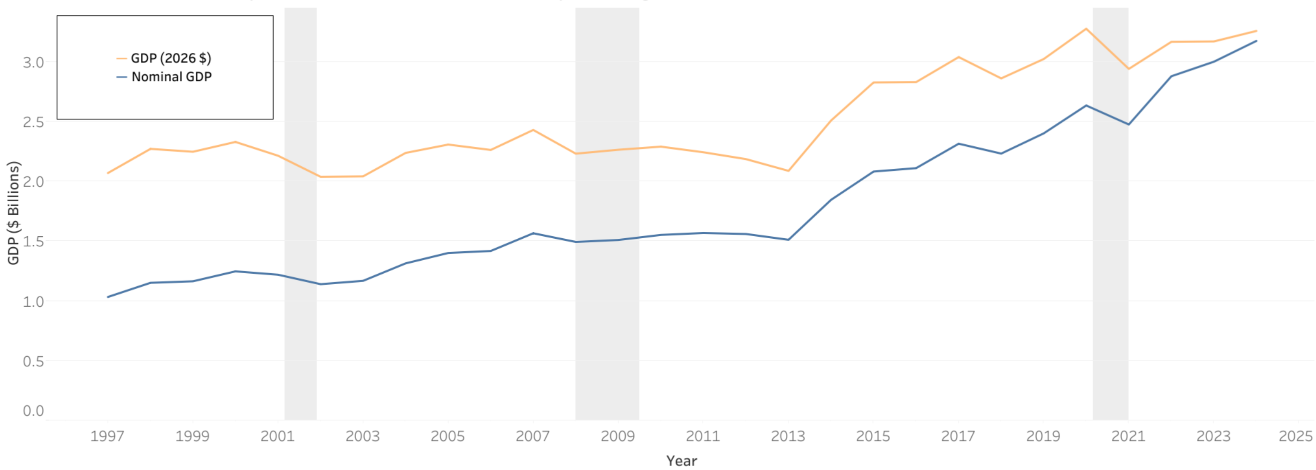
Data cleaning was performed, and chart and map visualizations of industry metrics were derived. No statistical modeling was performed for this analysis. Every factual claim in this report is checked against its original source, and figures are reported by that source without estimation or adjustment, unless otherwise noted. Draft findings were reviewed by MIAA leaders and stakeholders before publication to confirm accuracy and relevance to Maine's insurance market.

1. Market Outlook of Maine P&C Insurance

1.1: Insurance at large contributed $3.25 billion to state GDP in 2024. Insurance is the 9th biggest contributor to state GDP[2]

Maine's Insurance Industry Sustained Steady Growth

Nominal and inflation-adjusted values, 1997–2024. Adjusted figures in constant 2026 dollars.



Shaded areas indicate recession periods: 2001 Dot-Com Crash, 2008 Great Recession, and 2020 COVID-19 recession.

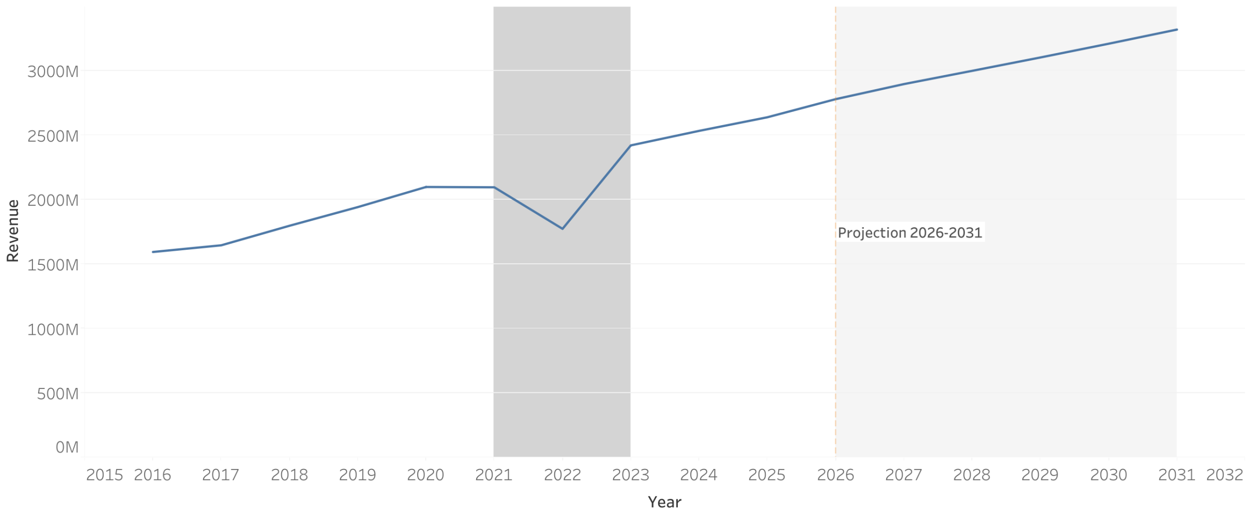
In 2024, Insurance companies in Maine contributed more than $3.25 billion to the GDP, representing 3.2% of the state's contribution.[2] Adjusted for inflation, this contribution was stable, at around $2 billion (in 2026 USD), for the 1997-2013 period. Since then, it has grown steadily, about $100 million per year, to reach $3.25 billion in 2024.

While GDP contribution dipped briefly during the 2001, 2008, and 2020 recessions, it consistently bounced back to a steady trend, reflecting the industry's stability even in economic downturns.

1.2: P&C Insurance Generated $2.5 billion in revenue in 2025, with projected sustained growth through 2031.[3]

P&C Insurance Revenue in Maine Shows Consistent Growth

Revenue in millions of dollars, 2016–2031. Figures include historical and projected values.



The 2021–2023 shaded period reflects a temporary decline in the magnitude of underwriting losses that was greater than the decline in investment income, producing a spike in net income.

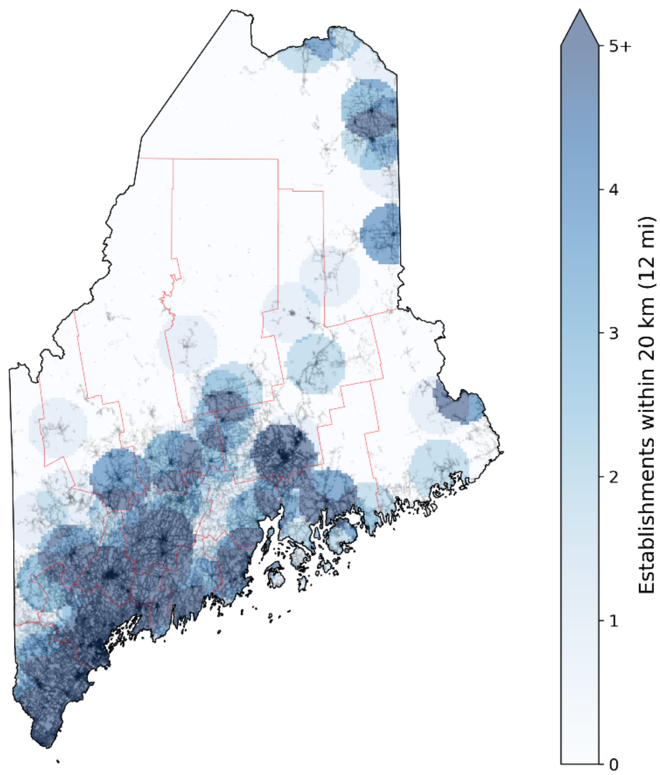
Maine's P&C insurance revenue grew consistently over the past decade, from $1.5 billion in 2016 to over $2.5 billion in 2025.[3] A brief dip in 2021 and 2022 was driven by underwriting losses that temporarily outpaced investment income, impacting insurance companies nationwide.

The 2021 and 2022 dip also followed a period of premiums being rerated due to the COVID-19 pandemic.[4] Many property and casualty premiums are based on exposure estimates like miles driven, sales, or payroll. Pandemic closures and stay-at-home orders left a significant amount of these estimates too high given that many people were commuting and traveling less. The Maine Bureau of Insurance urged insurers to let policyholders self-report these changes and adjust premiums for both personal and commercial policies. Around 98% of Maine's personal auto market received refunds, many equal to about 15% of their respective premiums for two to three months, under this guidance.[5]

Looking forward, revenue is projected to increase year-over-year, reaching $3.25 billion by 2031. This points to sustained growth within Maine's P&C market with consistent coverage demand statewide.

1.3: P&C insurance is expanding beyond Greater Portland.[3]

Maine's P&C insurance industry grew from 85 to 99 establishments between 2020 and 2026.[3] This represents expanded access to property and casualty coverage across the state, spanning beyond the Greater Portland area and Cumberland County and into Penobscot, Androscoggin, York, Kennebec, Aroostook, Hancock, Franklin, Knox, and Lincoln counties.



Local population density is represented in grayscale. The number of P&C establishments within 12 miles relates to the color bar.

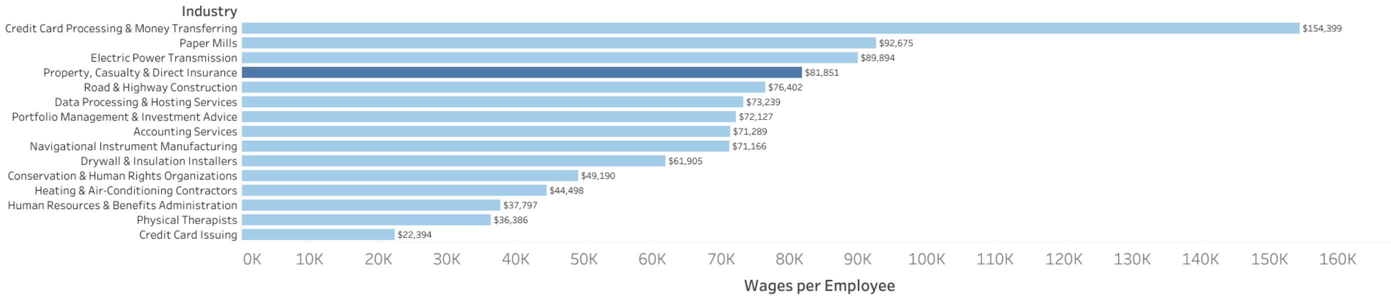
MIAA membership data[6] shows a broad distribution of P&C insurers that covers all populated areas in the state. Only a few sparsely populated regions have their nearest P&C insurer further than 12 miles away.[7]

While Cumberland County remains the industry's largest hub with 37 establishments[3], growth between 2025 and 2026 was concentrated elsewhere in the state. Penobscot, Androscoggin, Kennebec, and Hancock Counties all added new establishments over the last year.

1.4: P&C insurance is among Maine's higher-paid industries for its employment size.[8]

P&C Insurance Among Top Wage-Paying Industries for Its Employment Size in Maine

Average annual wages per employee among Maine industries with 1,500–2,500 employees, 2026.



P&C insurance employment in Maine grew from 1,744 jobs in 2020 to 1,902 jobs in 2025.[3] Among Maine industries employing between 1,500 and 2,500 workers, property, casualty, and direct insurance ranks fourth in average annual wages at $81,851 per employee in 2026.[8]

That places P&C insurance above road and highway construction ($76,402), data processing and hosting services ($73,239), accounting services ($71,289), and other industries of comparable employment size. P&C insurance trails only credit card processing and money transferring ($154,399), paper mills ($92,675), and electric power transmission ($89,894) in average annual wages per employee.

Becoming an Independent Insurance Agent in Maine

Becoming a licensed P&C independent insurance agent in Maine is not only a career with high pay potential. It carries a low cost of entry for education and licensure.

- A high school diploma or GED is the minimum educational requirement to sit for the producer exam, with no college degree required.[9]
- The exam is administered through Pearson VUE at a cost of $80.[10]
- Upon passing, a Maine “property and casualty producer” license can be obtained through the Maine Bureau of Insurance for a $25 licensing fee, bringing the total upfront cost to $105.[11]
- The Maine Insurance Agents Association offers preparation sessions to help candidates get ready for the exam.[12]

For early career professionals or those looking to change fields, the P&C insurance producer license represents an accessible pathway to a well-compensated career in Maine.

Commission Rates

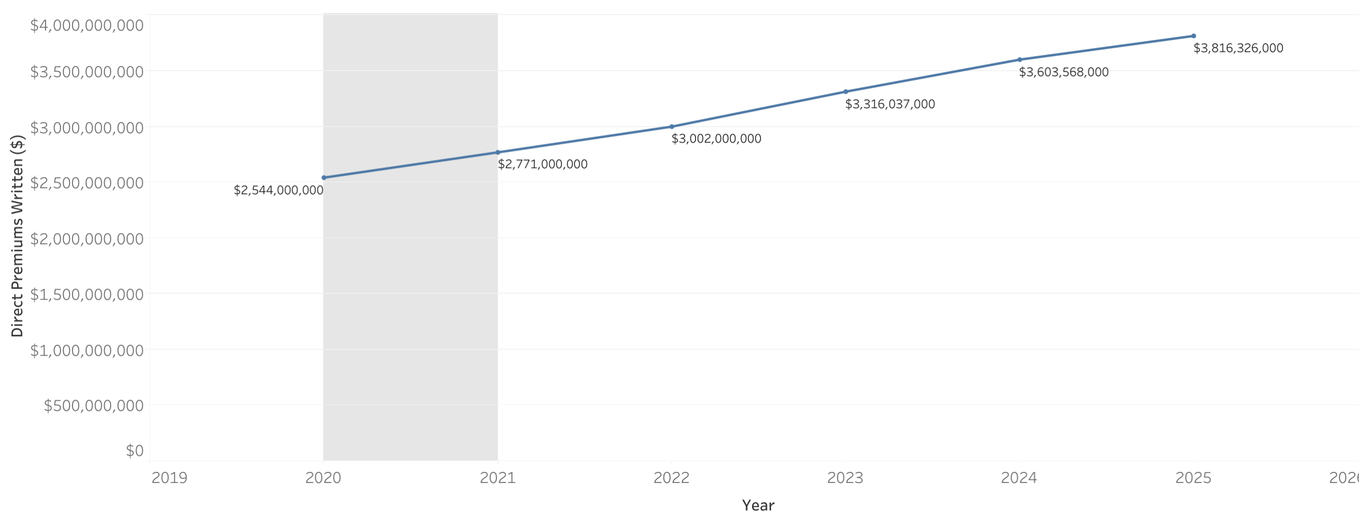
In Maine, the average first year commission rate across all P&C lines of business was 13.1% in 2025, unchanged from 2023.[13] The consistency of Maine's commission rate over the two-year period indicates a stable and competitive compensation structure for independent insurance agents operating in the state. These agents are largely Maine-based professionals and business owners, meaning commission income stays within the state and supports local economies across Maine's counties.

Independent insurance agents represent multiple insurers and earn a commission when placing a policy. Commission rates vary by line of business and company. National rates typically range from 5% to 15% of first-year premiums for personal lines such as auto and home insurance, with premium renewal commissions falling between 2% and 5% in subsequent years.[20] Notably, New England states tend to have higher commission rates, such as Maine (13.1%) and Massachusetts (13.6%).

2. Industry Snapshot of Maine P&C Insurance

2.1: Among U.S. states and the District of Columbia, Maine had the 20th lowest premium increases from 2023 to 2025.[13]

Steady 5-Year Premium Growth Points to a Stable Maine P&C Market
Direct written premiums for all lines of business combined, 2021–2025



Shaded area indicates 2020 COVID-19 recession.

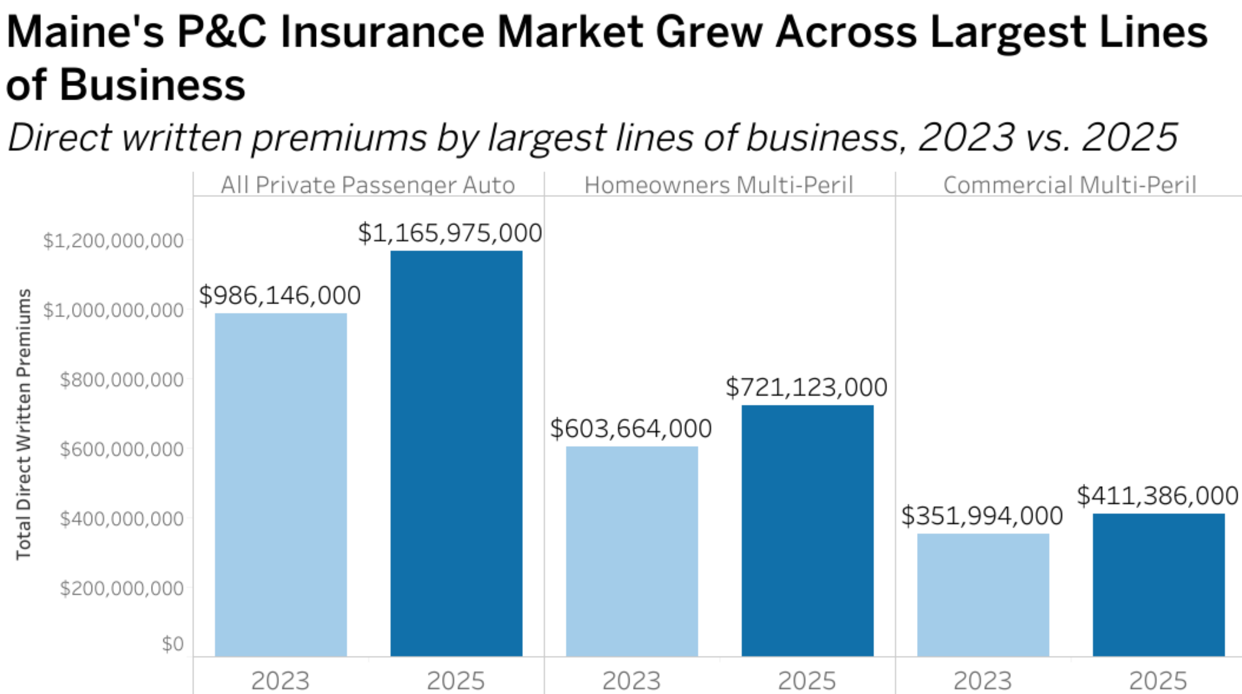
Maine's P&C insurance market generated $2.5 billion in direct written premiums in 2020, growing to $3.8 billion in 2025.[14] Per capita, the state's premium costs are $2,699 as of 2025 which is below the national average of $3,216.[13] These figures point to a steadily growing P&C insurance industry that is consistently one of the more affordable markets in the nation.

Premium increases across all lines reflect broader market forces including rising construction costs, inflation, and reinsurance expenses.[15] Under Title 24-A of the Maine Insurance Code, the Superintendent of Insurance is directed to ensure that rates are not excessive or unfairly discriminatory, providing regulatory oversight on pricing.[16]

Additionally, Maine's rate filing process requires insurers to file new rates at least 30 days before they take effect, and the law allows the Superintendent to approve an earlier effective date by request.[17] This gives insurers a way to quickly act on market conditions without a lengthy approval process.

Maine is a statutory state, meaning all drivers are required to carry a minimum amount of auto liability insurance to legally register and operate a vehicle. The state's minimum limits, including $50,000 per person, $100,000 per accident for bodily injury liability, $25,000 for property damage, and matching uninsured and underinsured motorist coverage, are among the highest nationally.[18] Yet in 2023, Maine drivers paid an average of $926 in total annual premiums, the lowest in the United States.[19] Maine's P&C insurance market maintains some of the most affordable coverage in the country despite having high statutory limits.

2.2: Maine’s three largest lines of business grew between 2023 and 2025, led by private passenger auto.[13]



All three of Maine’s largest lines of business within the P&C insurance industry grew between 2023 and 2025.[13] Private passenger auto remains the largest line by total direct written premiums, growing from $986.146 million in 2023 to $1.166 billion in 2025. Homeowners multi-peril followed, rising from $603.664 million to $721.123 million over the same period. Commercial multi-peril, while the smallest of the three lines, also grew, climbing from $351.994 million to $411.386 million.

Growth across both personal and commercial lines has been consistent over the two-year period. Per capita, personal lines average $1,334 compared to the national average of

$1,636, and commercial lines average $920 per capita against the national average of $990, reflecting a stable P&C insurance marketplace in Maine.

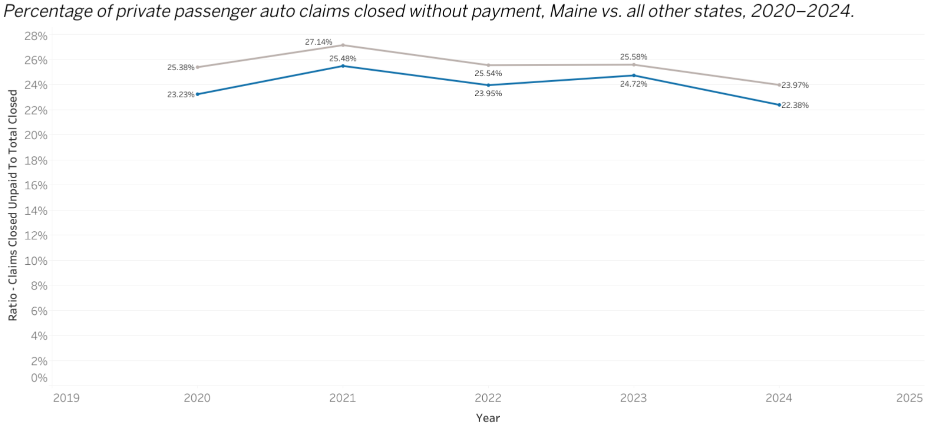
2.3: Maine P&C insurance has sustained consistent claims outcomes since 2020.

Maine's Private Passenger Auto Claims Paid and Processing[20]

Maine's private passenger auto insurers paid out a larger share of claims than all other U.S. states from 2020 to 2024.[20] Private passenger auto insurers also processed claims at a steady pace.

Maine Private Passenger Auto Insurers Close Fewer Claims Without Payment Than All Other U.S. States

Percentage of private passenger auto claims closed without payment, Maine vs. all other states, 2020–2024.



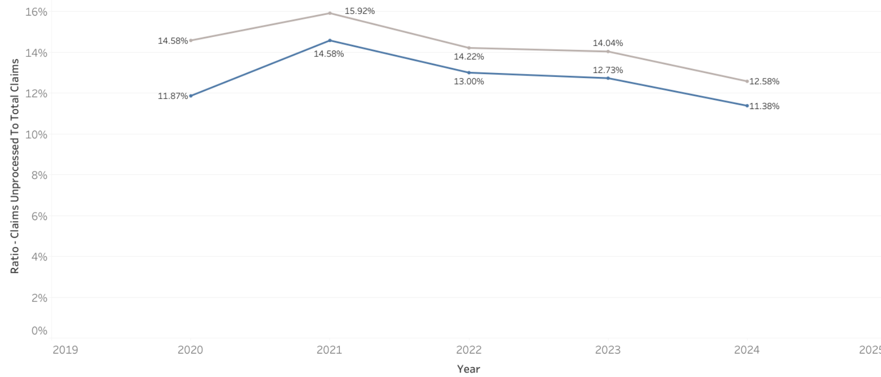
In 2024, 22.4% of Maine auto claims closed without payment, compared to 24% nationally, remaining stable every year since 2020.

Note that claims may close without payment for a variety of reasons. Most commonly, claims close without payment due to damages falling within a policy's deductible, duplicate claims, or uncovered losses based on the terms of the policy, rather than simply being denied.[21]

By the end of 2024, 11.4% of Maine auto claims remained unprocessed, compared to 12.6% nationally, holding below the national rate each year since 2020.

Maine Private Passenger Auto Insurers Have Fewer Claims Unprocessed at Year-End Than All Other U.S. States

Percentage of private passenger auto claims still unprocessed at the end of the period, Maine vs. all other states, 2020–2024.

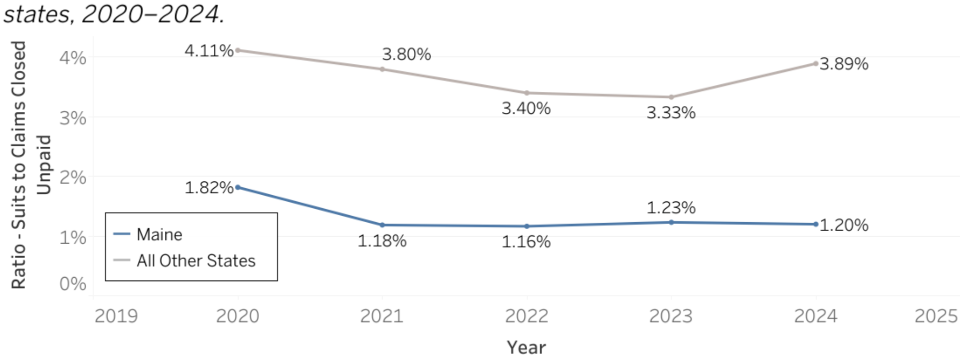


Maine's Auto and Homeowners Claim Lawsuits[20]

When a Maine auto or homeowner claim closes without payment, it results in a lawsuit less often than in all other U.S. states.[20] This reflects the ratio of lawsuits to claims closed without payment specific to Maine. While there is no direct correlation to this ratio and the growing national trend of third-party litigation funding, the finding does point to fewer unpaid claims resulting in litigation within the state. See section 4.2 for more information on third-party litigation funding, its influence on premiums nationwide, and the potential impact on Maine consumers if left unchecked.

Maine Private Passenger Auto Insurers Have Fewer Claim Disputes Escalate Into Lawsuits Than All Other U.S. States

Ratio of lawsuits opened to auto claims closed without payment, Maine vs. all other states, 2020–2024.

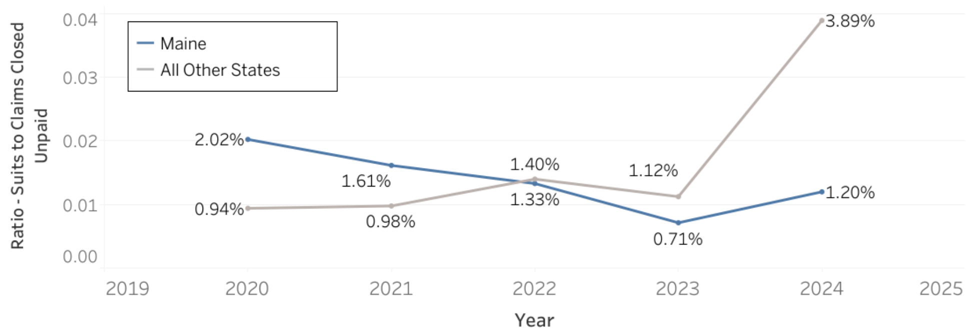


In 2024, 1.20% of Maine auto claims closed without payment resulted in a lawsuit, compared to 3.89% nationally, a stable pattern that has held every year from 2020 to 2024.

Maine homeowner claims closed without payment that resulted in a lawsuit declined steadily from 2.02% in 2020 to 0.71% in 2023, going from above all other U.S. states to below over that period.

Maine Homeowner Insurers Have Fewer Claim Disputes Escalate Into Lawsuits Than All Other U.S. States

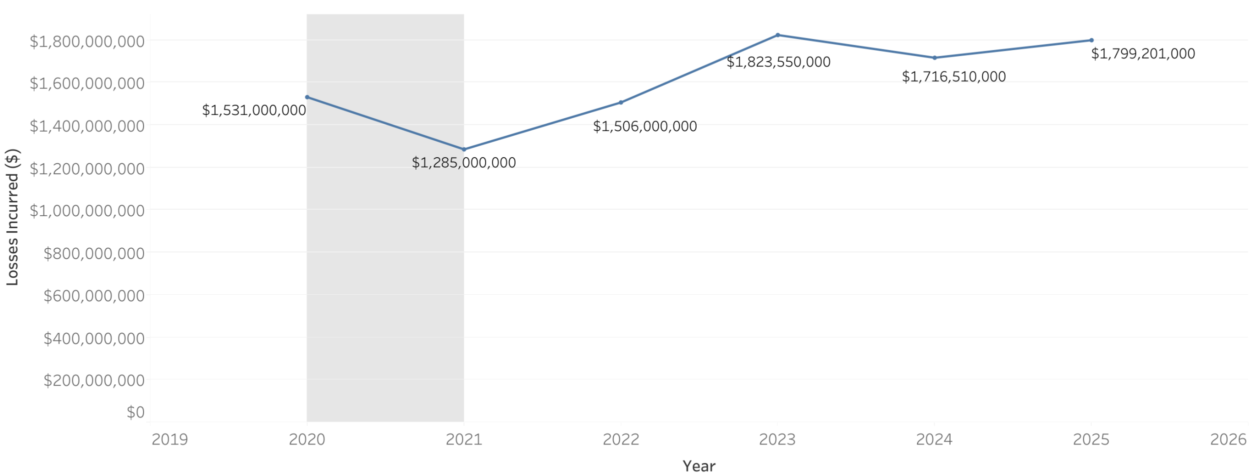
Ratio of lawsuits opened to homeowner claims closed without payment, Maine vs. all other states, 2020–2024.



Benefits Paid and Funds Set Aside for Future Claims

Maine's P&C Losses Incurred Have Remained Consistent Since 2020

Losses Incurred are benefits paid to policyholders and funds set aside for future claims. Includes all lines of business combined, 2021–2025



Shaded area indicates 2020 COVID-19 recession.

Maine's losses incurred stayed consistent year over year, totaling $1.5 billion in 2020 compared to $1.8 billion in 2025.[13] Across the full period, losses incurred stayed within a stable range.

"Losses incurred" include property and casualty insurance benefits paid to policyholders and funds set aside for future claims.[22] Insurers set funds aside, known as loss reserves, to cover claims expected during the year.

2.4: Maine P&C insurance maintains stable loss ratios, independent agent penetration, and commission rates.

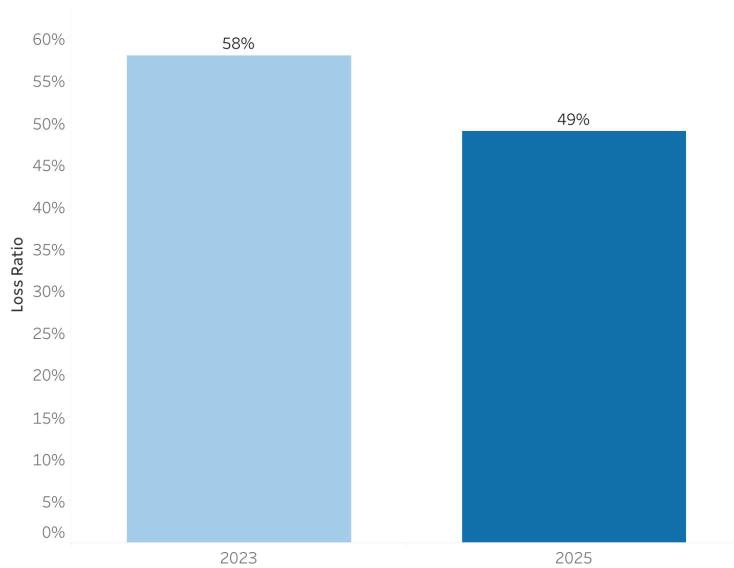
Loss Ratios

A loss ratio measures the percentage of money from premiums going directly into paying claims.[23]

- If an insurance company pays $50k in claims after receiving $100k in premiums, that's a loss ratio of 50%.
- If a company has a 100% loss ratio, all funds go directly to paying claims, which is unstable for the organization. If the company has a 0% loss ratio, all funds go directly to the insurer, meaning premiums are unjustified and customers are overcharged.
- An acceptable loss ratio generally falls in the range of 40% to 60%. Loss ratios within this threshold are meant to reflect a balance between insurance companies paying claims and maintaining financial sustainability.[24]

Maine's P&C Loss Ratios Remained Stable and Within Industry Thresholds

Overall loss ratio stayed within the industry standard 40% to 60% threshold, 2023 vs. 2025



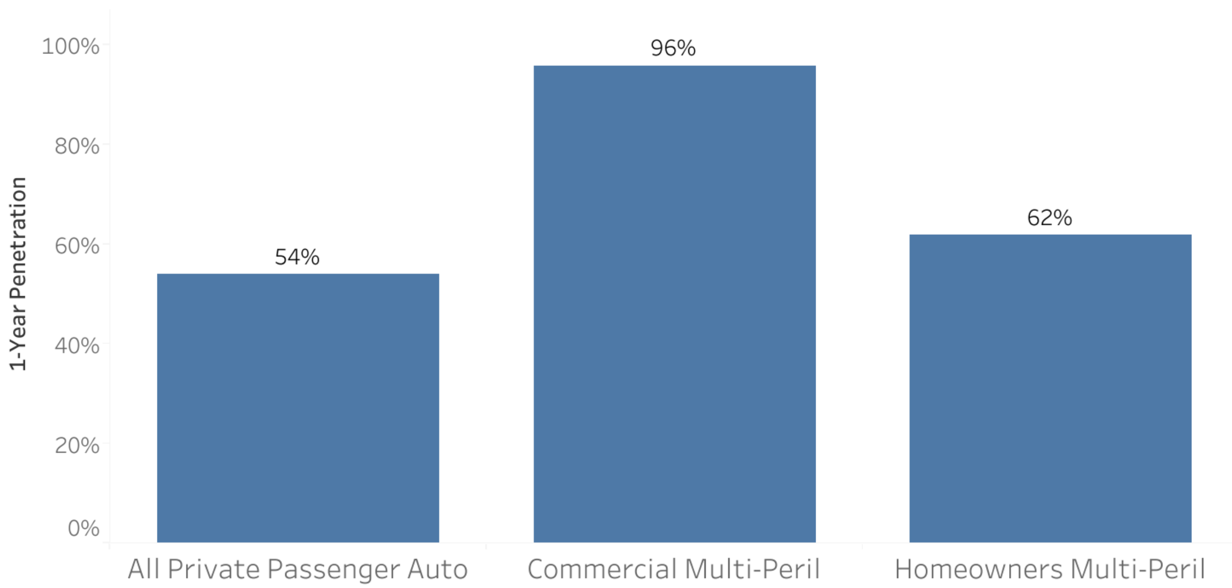
Maine's overall P&C loss ratio remained within the 40% to 60% threshold, at 58% in 2023 and 49% in 2025.[13] Maine's loss ratio figures reflect stability over this period.

Independent Insurance Agent Market Penetration

Independent insurance agents help Maine consumers compare options across multiple insurance carriers, ensuring policyholders can choose coverage that fits their specific needs.[25] In 2025, independent agents controlled 74.8% of Maine's P&C marketplace, compared to the national average of 62.1%.[13] That figure has remained stable from 2023, when independent agents held 73.9% of the market, against a national average of 62.2%. Maine policyholders have consistently chosen to work with independent insurance agents.

Many Maine Residents and Businesses Get Insurance Through Independent Agents

In 2025, independent agents sold 96% of commercial property policies, 62% of homeowners policies, and 54% of auto policies in Maine



Across the three largest lines of business, independent agent penetration is strongest for commercial multi-peril, where agents sold 96% of policies in 2025. Homeowners multi-peril followed at 62%, and private passenger auto at 54%.

2.5: Maine's 1992 workers' compensation reform created MEMIC, reducing insurance costs statewide.

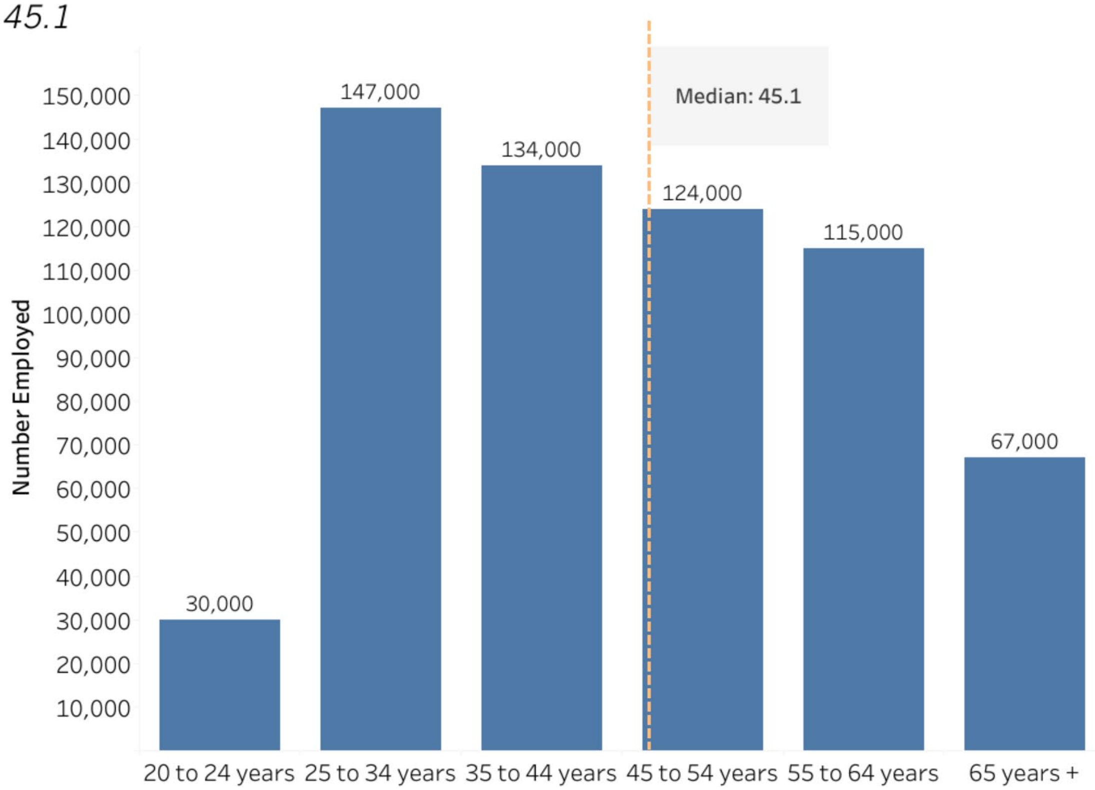
Before 1992, Maine had some of the highest workers' compensation costs nationally.[26] In response, the Maine Legislature passed a landmark workers' compensation reform law, which led to the creation of the Maine Employers' Mutual Insurance Company (MEMIC).[27] MEMIC opened for business in January 1993 and is a private mutual company governed by its own policyholders. MEMIC reports that injuries are down more than 40% and insurance costs down roughly 60% since it began operations.[28] MEMIC is now the largest workers' compensation insurer in the state, covering more than 17,500 employers.[27] In 2024, the Maine Bureau of Insurance approved a 15.7% average rate reduction in MEMIC's premiums, saving Maine employers an estimated $31 million. Additionally, MEMIC returns a portion of its yearly earnings to eligible policyholders through dividend payments, having distributed over $263 million to employers across Maine since 1998.[28]

3. Workforce Trends and Maine P&C Insurance

3.1: Strong growth nationally in younger workers entering the profession.

Employed Insurance Sales Agents Nationally by Age, 2025

Workforce is concentrated in the 25 to 54 age range, with a median age of 45.1



The median age of insurance sales agents nationally is 45.1 years. The largest share of agents falls in the 25 to 34 age range (147,000), followed by 35 to 44 (134,000), 45 to 54 (124,000), and 55 to 64 (115,000) cohorts.[29] Agents 65 and older account for an additional 67,000 workers nationally.

While the 55 to 64 and 65 and older cohorts combined represent approximately 182,000 agents who may exit the workforce within the next ten years, the two youngest cohorts, workers aged 20 to 34, total 177,000. That near parity could mean the national pipeline of younger agents is keeping pace with expected retirements, though sustained recruitment will be critical to maintain that balance.

For Maine, where independent sales agents handle 74.8% of all P&C insurance, continued investment in recruiting and preparing younger workers will help ensure that balance holds at the state level, especially as Maine's workforce continues to age into retirement. State demographic projections point to an aging population, with Mainers over 65 years old expected to increase by 39% from 2022 to 2032. [30] Over the same period, the 20- to 39-year-old population is projected to decrease by 3.3%, and the 40- to 64-year-old population by 5.4%.

3.2: Maine has an opportunity to shape how AI is used in its insurance market.

Insurers nationally are deploying artificial intelligence (AI) solutions across underwriting, pricing, customer service, claims handling, marketing, and fraud detection. Common use cases include chatbots that field 24/7 customer questions and tools that assess property damage from photos to estimate repair costs.[31] While we cannot assess the accuracy of AI tools for repair cost estimates, it is worth cautioning that any models used for this purpose that function as a "black box" (unable to explain the reasoning behind an estimate), may cause trouble if a policyholder (or their legal representative) disagrees with the estimate and decides to resolve the dispute via litigation (see Section 4.2). Judgment and oversight remain a human activity in 2026.

AI adoption for P&C insurance is widespread, especially for personal lines. 88% of personal auto insurers and 70% of homeowner insurers either use AI tools already, plan to, or are actively exploring them.[32] Insurers who have not adopted AI often cite limited internal resources or expertise, reliance on legacy systems that are difficult to integrate with new technology, or no clear business case for investment as reasons.

Large language models (LLMs) such as ChatGPT, Claude, Gemini, and Copilot are also being used by insurance companies for tasks like document summarization and drafting.[23] However, LLMs can present limitations including factual incorrectness, and a lack of contextual understanding that human thinking provides. That makes human oversight of AI systems critical to ensuring the best consumer outcomes. AI is poised to assist insurance professionals rather than replace them, with actuaries, underwriters, claims staff, and agents continuing to exercise judgment that AI cannot replicate.

As of 2025, 24 states have adopted the NAIC Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers.[24] Maine is the only New England state that has not done so. With AI adoption accelerating across the industry, the state has an emerging opportunity to define standards suited to the state's consumers and its independent agent community. The NAIC Model Bulletin offers some guidance by encouraging (and requiring) accountability from insurers who decide to utilize AI tools. This bulletin's implementation in neighboring states offers an opportunity to study its effectiveness in comparable markets to determine if its adoption would benefit the Maine public.

4. Challenges for Maine P&C Insurance

4.1: Proposed and recently enacted legislation can increase premiums, even when bills are consumer focused.

Mandatory Towing Coverage.

Maine's 2023 mandatory towing coverage law (L.D. 1661)[33] raised liability-only premiums by an estimated $14 annually, with some policyholders seeing increases up to $106.[34] The law requires auto liability policies to cover up to $500 per accident in towing and storage costs when a vehicle is towed at the request of a law enforcement officer.

Because Maine was the first state to enact a law of this kind, insurers had no national data to draw on, and several carriers indicated they plan to wait for claims experience to develop before fully incorporating costs into their rates. Premium impacts could rise further as the law matures.

As Maine lawmakers weigh new coverage mandates, the Maine Bureau of Insurance's review of the towing law recommended clarifying ambiguous statutory language, such as the term "continued," to avoid unintended mid-policy coverage requirements and the added costs they create.

(Defeated) Mandatory Coverage for Homeowners with Plug-in Solar.

A defeated provision to an enacted bill aimed at making plug-in solar panels more affordable for Mainers (L.D. 1730)[35] would have required insurers to issue policies to any homeowner with a plug-in solar generation device, regardless of whether they met other underwriting criteria.

This would have undermined the insurer's ability to evaluate risks before issuing policies, which in turn could have put them at risk of more frequent/expensive claims, increasing loss ratios (see 2.1), and eventually increasing the premiums paid by consumers. Furthermore, it would have removed incentives for safe home construction, renovation, and maintenance, putting more Mainers at risk of avoidable damages.

4.2: Rising Third-Party Litigation Increases Insurance Costs Nationwide.

When outside investors fund lawsuits for profit, consumers pay the price through higher premiums, fewer coverage options, and carriers leaving the market. Legal system abuse, including third-party litigation funding, has the potential to increase premium rates for consumers while limiting their coverage options. Misleading attorney advertising campaigns are designed to convince consumers that hiring a trial lawyer will deliver outsized payouts, often demonizing institutions and encouraging distrust of insurers. Industries targeted by large lawsuits, including trucking companies and nonprofit foster care agencies, have had increasing difficulty finding insurance coverage at all, as the unpredictable risk makes insuring those sectors more difficult for carriers.[36]

Nationally, third-party litigation funding costs consumers an estimated $193 per person and $607 per household annually in lost earnings and reduced purchasing power. Direct annual losses associated with third-party litigation funding are estimated to be $35.8 billion, and the economic impact on U.S. business activity includes $54.2 billion in lost gross product each year. Third-party litigation funding also contributes to inflation, raising auto insurance costs by an estimated 0.231% and home insurance costs by an estimated 0.421%.[37]

The American Property Casualty Insurance Association proposes several reforms to address third-party litigation funding and broader legal system abuse, including requiring disclosure when third-party litigation funders invest in and profit from lawsuit outcomes, capping awards of non-compensatory damages, reining in misleading attorney advertising, and addressing insurance fraud schemes.[36] The Association highlights that states which have enacted these types of reforms are seeing reduced litigation and improved affordability. It would be worth studying the evolution of this issue in states like Georgia, where effective January 1, 2026, third-party litigation funders are required to be registered at the Georgia Department of Banking and Finance, such that they may be held liable for frivolous litigation.[38] This and other states with varying degrees of reform may serve as real time examples to inform what actions to be taken in Maine.

5. Key Takeaways for Maine P&C Insurance

This report has examined Maine's P&C insurance across its economic contribution, current market conditions, workforce trends, and the challenges the industry is facing. Several of these findings point toward specific takeaways that could sustain the industry's stability going forward.

- Maine's P&C insurance industry has grown steadily in economic contribution and geographic reach, a foundation that supports continued investment and expansion into underserved counties across the state.
- Nationally, employment of younger insurance sales agents is nearly keeping pace with expected retirements, a balance that continued recruitment could help maintain as Maine's broader workforce increasingly reaches retirement age.
- The state has an emerging opportunity to help shape AI standards for insurance as adoption accelerates industrywide, including through adoption of the NAIC's Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems.
- Legislation meant to help consumers, such as Maine's 2023 mandatory towing coverage law, can raise premiums when insurers lack the claims data needed to price new requirements accurately. The Maine Bureau of Insurance's review of the law recommended clarifying ambiguous statutory language to avoid unintended coverage requirements and the added costs they create.
- Rising third-party litigation funding is increasing insurance costs nationwide, though Maine's own claims data shows a comparatively low rate of lawsuits following denied claims relative to the rest of the country. The American Property Casualty Insurance Association has proposed reforms, including disclosure requirements for third-party litigation funders and limits on non-compensatory damages, and reports reduced litigation and improved affordability in states that have adopted them.

For decades, Maine P&C insurance has been a market centered around stability, with room to build on that foundation through workforce recruitment, AI standards, legislative clarity, and greater awareness of legal abuse. The findings in this report are intended to support that work as lawmakers, regulators, and industry stakeholders continue to shape Maine's insurance landscape.

References

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