

February 17, 2025

Superintendent Robert L. Carey
Bureau of Insurance
Department of Professional & Financial Regulation
#34 State House Station
Augusta, ME 04333-0034

Re: Recommendations for the Fortify Maine Home Resiliency Program

Dear Superintendent Carey,

Thank you for your efforts to establish the Fortify Maine Home Resiliency Program and encouraging the use of surplus funds from the Bureau of Insurance to fund the program. As climate change transforms the state economy and disasters increase costs for Maine households, resilience and mitigation investments are essential. To ensure the Fortify Maine Home Resiliency Program is accessible to households across the state, we encourage the Bureau to adopt the program improvements outlined in this letter.

The increased frequency and severity of climate disasters is raising costs for state and local governments and households across the country. The U.S. spent nearly \$1 trillion dollars on disaster recovery and other climate-related needs over the 12 months ending May 1, 2025, totalling three percent of GDP.¹ These costs are increasingly falling on state and local governments. Investments in resilience provide significant cost savings—every \$1 spent on climate resilience and preparedness saves communities an estimated \$13 in damages, cleanup costs, and economic impact—but the more state and local budgets are strained by disaster response, the less they are able to invest in adaptation and resilience.² Growing climate-related costs fall particularly hard on the 40 percent of Mainers with low incomes and limited assets, households and communities that are both overrepresented in climate vulnerable areas and have fewer resources to make the adaptation and resilience investments needed to mitigate climate damages.³

Homeowners and renters are also facing rising costs from property insurance. In response to the impacts of climate change, insurers have raised rates significantly on households and, in some cases, withdrawn from communities entirely. Between 2021 and 2024, property insurance costs increased by

¹ Eric Roston, US Spending on Climate Damage Nears \$1 Trillion Per Year, Bloomberg (June 17, 2025), <https://www.bloomberg.com/news/articles/2025-06-17/us-spending-on-climate-damage-nears-1-trillion-per-year?embedded-checkout=true>.

² New report finds investing in resilience saves jobs and incomes, U.S. Chamber of Commerce (June 25, 2024), <https://www.uschamber.com/climate-change/new-report-finds-investing-in-resilience-saves-jobs-and-incomes>.

³ <https://www.unitedforalice.org/introducing-ALICE/maine>; Brooklyn Montgomery and Monica Palmeira, Bluelining: Climate Financial Discrimination on the Horizon, The Greenlining Institute, (Aug. 2023), https://greenlining.org/wp-content/uploads/2023/08/FINAL-GLI_Bluelining_report_2023.pdf.

24 percent, outpacing inflation by 11 percent.⁴ In Maine, insurance premiums increased by 20 percent over this period.⁵ Raising rates and withdrawing from climate-vulnerable communities has proved profitable for insurers. In 2024, property insurers took in \$25.4 billion in underwriting profit and \$164.3 billion in investment income.⁶ 2025 is expected to be another windfall year for the property insurance industry. S&P Global Market Intelligence estimates insurers made nearly \$60 billion in underwriting profit nationwide last year.⁷ Though insurers remain profitable, the rising cost of insurance is financially straining households—driving up household debt and mortgage and credit card delinquencies.⁸

FORTIFIED roof upgrades work across roof types to enhance home resilience against a variety of perils, including wind, hail, and severe rain, and to protect homes from costly climate damage.⁹ A study of insurance claims and payments in Alabama following Hurricane Sally in 2020 found that homes with FORTIFIED roofs had at least 55 percent lower claim frequency and 15 percent lower claim severity than homes with standard roofs.¹⁰ The Fortify Maine Home Resiliency Program will help mitigate costs for households as climate-related impacts grow, but the program must extend to low-income households and communities that face the most climate risk and have the fewest resources to invest in climate resilience. Additionally, the property insurers currently boosting their own profitability by passing along costs to households and communities should assume greater responsibility for resiliency investments. Finally, the state should combine this effort on resilience with similar investments in emissions reduction to ensure resilience investments have a stronger chance of success. We recommend the following changes to the program to better accomplish these goals:

- 1. Allow eligible recipients to use grant funding to cover all upfront costs associated with FORTIFIED roof upgrades.** To incentivize program uptake, particularly for low-income households, any upfront costs associated with FORTIFIED roof upgrades, such as evaluator assessments, should be eligible for grant funding. Upgrade-related fees not covered by the grant will disincentivize participation from residents with the most financial need.
- 2. Extend grant eligibility to multifamily properties, with a focus on affordable housing developments.** Grant eligibility under the Fortify Maine Home Resiliency Program should extend to multi-family properties, which comprise nearly 22 percent of Maine housing, with a

⁴ Sharon Cornelissen et al., *Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and its Impacts on American Homeowners*, The Consumer Federation of America (April 2025), <https://consumerfed.org/wp-content/uploads/2025/03/OverburdenedReport.pdf>.

⁵ Id.

⁶ Kenny Stancil, *Don't Let Home Insurers Fool You. They're More Profitable Than Ever*, Revolving Door Project (Jul. 14, 2025), <https://therevolvingdoorproject.org/mapping-the-home-insurance-crisis-underwriting-profits/>.

⁷ Jean Eaglesham, *The Uproar Over Affordability Is Coming for Insurers*, The Wall Street Journal (Jan. 22, 2026), https://www.wsj.com/finance/the-uproar-over-affordability-is-coming-for-insurers-3a85723a?gaa_at.

⁸ Shan Ge, Stephanie Johnson, and Nitzan Tzur-Ilan, *Climate Risk, Insurance Premiums, and the Effects on Mortgage and Credit Outcomes*, the Federal Reserve Bank of Dallas (Jan. 2025), <https://www.dallasfed.org/-/media/documents/research/papers/2025/wp2505.pdf>.

⁹ <https://fortifiedhome.org/>

¹⁰ *Performance of IBHS FORTIFIED Home™ Construction in Hurricane Sally*, Alabama Department of Insurance & Center for Risk and Insurance Research, University of Alabama (May 5, 2025), <https://aldoi.gov/PDF/News/PerformanceIBHSFortifiedHomeConstructionHurricaneSally.pdf>.

focus on affordable housing developments.¹¹ Affordable housing operators are acutely impacted by the rising costs and reduced availability of property insurance. Declining insurance access makes it more difficult to increase the supply of affordable housing or preserve existing affordable units—exacerbating housing affordability challenges in Maine.¹² Rising insurance costs also reduce the ability of affordable housing operators to invest in needed repairs and upgrades, including investments in climate resilience and energy efficiency. The Bureau should increase per property grant eligibility for multi-family properties as appropriate for upgrades in compliance with the FORTIFIED Multifamily designation.

- 3. Require all insurers operating in Maine to offer a minimum premium discount for insured properties with a certified FORTIFIED roof.** All Maine residents with a certified FORTIFIED roof, whether or not the roof upgrade was made with grant funding through the Maine Home Resiliency Program, should receive a premium discount from their insurer. Insurers should report to the Bureau on FORTIFIED roof discounts given to policyholders, and agents should be required to inform policyholders of their eligibility for discounts and grants. In the event of a climate disaster, insurers benefit from climate resilience investments made by the property owner. Insurance premiums should reflect the benefit a FORTIFIED roof upgrade provides to insurers.
- 4. Collect census tract-level data on disaster impacts, insurance costs, and insurance claims to ensure resilience investments are targeted towards in-need communities.** Focusing the pilot program solely on counties with high homeowner loss claims can skew the program towards communities with high property values rather than towards communities most in need of grant funding for upgrades.¹³ Collecting and publishing census tract-level data from insurers will allow the Bureau to better target grant funding towards communities most impacted by climate disasters and with the most financial need. Collecting census tract-level data will have utility for the Bureau beyond the Fortify Maine Home Resiliency Program, including by helping the Bureau track changes to insurance affordability and availability across the state.
- 5. Increase Bureau fees to support long-term maintenance of the resiliency program.** To ensure the Fortify Maine Home Resiliency Program can meet the needs of as many eligible Maine residents as possible and to make it possible for the Bureau to offer other climate resiliency grant programs in the future, the Bureau should increase fees on property insurers operating in the state. While modest fee increases are a drop in the bucket for property insurers making record profits, they can be a meaningful source of revenue to fund climate resilience investments.
- 6. Address insurance and energy costs together and establish an interagency Resilience and Mitigation Council.**

¹¹ <https://mainestatehousingdata.org/comparison>

¹² Emily Flitter, Soaring Insurance Costs Could ‘End’ Affordable Housing, Developers Warn, The New York Times (Aug. 25, 2024), <https://www.nytimes.com/2024/08/25/business/home-insurance-costs-affordable-housing.html>.

¹³ No counties with incomes below the Maine median income are included in the pilot program.

Effectively cutting climate-related costs over the long-term requires pairing resilience investments with emissions reduction measures. We recommend the state coordinate the provision of resilience grants with measures that provide similar assistance with energy efficiency and emission reductions, such as the installation of heat pumps and rooftop solar. To coordinate these efforts, the state should establish an interagency council, following the lead of Alabama's Fortified program. In Maine, the council should include both climate resilience and climate mitigation expertise. By convening experts on a quarterly basis, a Maine Resiliency and Mitigation Council can take advantage of existing housing and energy expertise across agencies to reduce costs for Maine residents.

Thank you for your attention to this critical matter and for your commitment to protecting Maine households and communities from climate impacts. We welcome additional opportunities for feedback or engagement with the Maine Bureau of Insurance on this program.

CC:

Charles A. Mercer
Fortify Maine Homes

Sincerely,

Public Citizen
Americans for Financial Reform Education Fund
Consumer Federation of America
Maine Affordable Housing Coalition
Maine Conservation Voters
Natural Resources Defense Council
Union of Concerned Scientists
Sierra Club, Maine Chapter