Maine Office of Community Affairs

Maine Working Waterfront Advisory Council

Insurance Working Group Summary & Recommendations
June – August 2026

1. Introduction & Context

In May 2026, the Working Waterfront Advisory Council approved the formation of a Council working group to pursue the priority topic of insurance challenges related to working waterfront businesses and infrastructure in Maine. The working group consisted of several members of the Council and members of the Maine Bureau of Insurance and was supported by Council staff. This working group held two hybrid meetings in June and July 2026, both of which were open to collaborators, state agency partners, and members of the public.

The purpose of the working group was to explore the pressing needs and challenges around insurance and financing for working waterfronts and to propose opportunities to address these challenges to the full Council at the September 2026 meeting. This topic has been identified as an urgent issue by multiple stakeholder groups and processes, including the Working Waterfront Coalition recommendations for the Council in 2025, and a draft memo from the Working Waterfront Trust Team in 2026 that includes information from interviews with working waterfront business owners and experts in the field. Additionally, this topic is referenced in the 2026 Maine Office of Community Affairs Director's Report, submitted to the Legislature as part of the annual reporting requirements of the Council.

This topic focused initially on the intersection of flood insurance and financing since flood insurance is required to access federally backed loans. Flood insurance through the National Flood Insurance Program (NFIP) is available for most commercial waterfront properties, but the real challenges are the limitations of coverage for overwater structures, coverage gaps, affordability concerns, lender requirements, and lack of familiarity with supplemental coverage options. Discussions on this topic also highlighted that insurance challenges can directly affect financing opportunities, as lenders often require specific insurance coverage and underwriting standards that may be difficult or costly for working waterfront property owners to satisfy. As discussions progressed in the Council, this topic was expanded upon and other themes arose that informed the working group process, summarized below:

1. A need for better understanding of commercial insurance options and the insurance claims process for working waterfront and overwater infrastructure, and, specifically in

the case of the current flood insurance system, what is and is not covered regarding damage to overwater infrastructure (wharves, piers, floats, etc.).

2. A need for better understanding and education on the different types of available insurance coverage (e.g. NFIP coverage, private coverage, add-ons to private policies like pier and wharf endorsements, etc.) and what may be appropriate for different waterfront properties and equipment.

3. A need for more available funding and resources for resilience upgrades and improvements to mitigate future risk for working waterfront properties. The current insurance structure covers the cost of rebuilding to the original state but does not provide coverage for making improvements. Relatedly, insurance coverage can become unavailable if the rebuild is not fortified against future risk. Improvements could also potentially help reduce high insurance premiums in the long term.

4. A need for clarity and guidelines around how to build and maintain properties that meet fortified standards and that could endure future storms and climate impacts. Standards or guidelines should be evidence-based and grounded in current and predicted future climate conditions.

5. A need for greater understanding of the relationship between insurance and financing. Insurance coverage limitations, exclusions, deductibles, and replacement cost requirements can affect a working waterfront business's ability to obtain financing, refinance existing loans, or secure funding for property acquisition and resilience investments. These interconnected challenges may influence business continuity, infrastructure investment, and long-term waterfront viability.

The full Council discussed several potential solutions to address the above challenges. These included using the new Fortify ME Homes Program as a model for a state program to support and incentivize working waterfront resilience upgrades and developing educational resources for insurance consumers and agents to navigate insurance coverage in the working waterfront sector. The Fortify ME Homes Program is a new grant program through the Maine Bureau of Insurance that provides residents funding to help make their homes more resilient to severe weather events and lower insurance costs. Funding supports residential roof replacements that comply with the Insurance Institute for Business and Home Safety (IBHS) "FORTIFIED" standards and is a pilot program modelled after a successful program in Alabama.

There was general agreement on the need for state funding in Maine to support the widespread need to fortify and upgrade existing public and private working waterfront infrastructure against future extreme weather events. However, several barriers were identified that would need to be addressed before a state program could exist. Identified barriers included: funding to support this work, identification of and capacity for a state agency to host such a program, and the need for defined resilience standards to be developed and decided upon by an entity that has the appropriate knowledge and experience in this sector. Additionally, there was concern with having funding tied to standards that small businesses may not be able to meet, potentially excluding a significant portion of working waterfront entities from obtaining critical support.

The working group explored these ideas and challenges, ultimately recommending a stepwise approach for advancing funding support to make public and private working waterfront infrastructure more resilient. The following two proposed pathways begin to address the outlined challenges and would facilitate additional solutions, like a potential state-backed funding program. Additional support would be needed to fully address all barriers and pursue the creation of a state program to support working waterfront businesses and infrastructure.

2. Working Group Recommendations

The working group identified two opportunities as initial steps in addressing the identified challenges, described below.

Proposed Activity #1: Develop a suite of educational materials for targeted audiences that help increase understanding and knowledge around what insurance coverage for waterfronts encompasses and what is needed for working waterfronts.

Additional Details for Activity #1
The purpose of this proposed activity is to 1) provide educational resources for insurance consumers to better understand coverage options both within the current flood insurance system and additional coverage options that may be relevant, and 2) to help insurance agents and bankers/finance providers better understand the nuances and needs of working waterfront businesses and properties so that insurance and finance offerings can better meet those needs.

The proposed format for these educational resources would consist of both digital content that could be easily shared on existing online outreach platforms and printed versions in a pamphlet or trifold format that are easily digestible and shareable. These materials could include coverage comparison guides, visual illustrations of insurance coverage for various waterfront property and equipment types, lender insurance requirement checklists, case studies from recent storm recovery experiences, and directories of insurers and other technical assistance resources serving working waterfront businesses. Target audience and contributors would include commercial and municipal working waterfront insurance consumers, commercial marine underwriters, excess/surplus line carriers, bankers/finance providers, and non-profits and other service providers working in this space. Much of this information already exists so a first step in this project would be to identify contributors and compile existing information before creating additional materials as needed and tailoring resources for target audiences.

Proposed Activity #2: Develop a set of best practices (voluntary standards) for construction and maintenance of resilient working waterfront infrastructure.

Additional Details for Activity #2:
The purpose of this proposed activity is to provide voluntary construction and maintenance standards for working waterfront property owners that would help alleviate risk of damage from future storms and could potentially reduce insurance premiums in the long term. The

development of such standards is intended to provide guidance and inform future resilience investments rather than create new regulatory requirements. Additionally, these types of resiliency standards would need to be in place to support any type of state-backed funding program or financial incentives for resilience upgrades (as discussed in the previous section). As part of this work, the Council may also wish to evaluate and quantify the economic benefits of resilience investments, including avoided storm losses, reduced business interruption, reduced public disaster recovery costs, and potential insurance premium savings. Some of this resilience investment information may already exist on a broad scale from FEMA but work could include compiling information specific to Maine and its working waterfront industry.

The proposed standards should incorporate practical, operational experience from commercial fishermen, aquaculture operators, seafood processors, fuel distributors, marina operators, and other working waterfront users who have rebuilt following recent storm events. Information could also be pulled from existing waterfront building standards and resiliency guidelines, like the National Flood Insurance Program's building standards, both within and outside the state to help inform the guidelines. Another source of information that the working group identified as crucial would be identifying the criteria and recommended guidelines that insurance agents use to determine what to insure and at what level, and to use this information as well as data from claim experiences to inform the development of building guidelines. Resiliency guidelines could also include sections on storm preparedness and a recommended maintenance schedule for properties and equipment, in addition to the content focused on new construction and upgrades to existing infrastructure. Finally, the process could include the compilation of a summary appendix highlighting examples of infrastructure that performed well and poorly during the 2023-2024 winter storms, including design attributes that contributed to performance outcomes.

The working group is **seeking approval** from the full Council on:

1. Pursuing the two proposed pathways as future work for the Council and/or recommendations to the Legislature to help address the identified challenges related to insurance, and

2. Including these activities, as well as any additions from the Council, as recommendations to the Legislature in the upcoming Council report due to the Legislative committees on February 1st, 2027.
    a. Pending Council approval, this summary document could serve as initial content and an outline for the full Council report, to be edited and expanded upon per Council feedback.

3. Funding Needs

1. Funding to support the development of educational materials for insurance consumers and agents that would help address current challenges and would be a necessary first step in clarifying new programmatic and/or policy needs. Funding could be added to the established Working Waterfront Information and Technical Assistance Fund, or be secured separately.

2. Funding to support the development of resilience best practices (voluntary standards) for construction and maintenance of resilient working waterfront infrastructure. The development of such standards would be a critical first step in support of a potential state-backed program that would provide grants and/or incentives to working waterfront property owners to fortify their infrastructure against severe weather events.

In addition to direct legislative appropriations, potential funding sources could include federal resilience and hazard mitigation programs, NOAA coastal resilience initiatives, FEMA mitigation and recovery programs, Economic Development Administration funding, existing state working waterfront assistance programs, philanthropic organizations focused on coastal resilience, and public-private partnerships involving insurers, lenders, and industry stakeholders. Identifying potential funding pathways and estimated resource needs will help inform future implementation and demonstrate the feasibility of these recommendations.

4. Conclusion

Maine's working waterfront infrastructure represents critical economic assets supporting commercial fishing, aquaculture, marine transportation, seafood processing, tourism, and coastal communities. Insurance affordability, availability of appropriate coverage, and resilience of waterfront infrastructure are interconnected issues that directly affect business continuity, financing, and long-term economic viability. The Council believes that targeted education, development of resilient infrastructure guidance, and future investment in resilience programs are prudent first steps toward addressing these challenges.