January 15, 2025

Members of the House Commerce and Consumer Affairs Committee
Concord, New Hampshire

New Hampshire Businesses for Social Responsibility (NHBSR) is writing to express concern related to HB 359, relative to prohibiting denial of banking and insurance services based on any factor that is not quantitative, impartial, and risk-based as measured by an objective standard. HB 359 potentially limits businesses from understanding the risks associated with decisions in the normal course of their operations.

Many of the disallowed measures described in this bill are associated with environmental, social and governance, also known as ESG measurements. ESG factors are used to understand how a company is doing on important issues like protecting customer data and privacy, worker training, chemical safety, executive compensation, etc. These are basic measures that help professionals in financial management and insurance fields understand all of the risks and opportunities that might be material to long-term financial success.

This kind of analysis is similar to steps a bank requires of us when securing a mortgage on our homes and we personally require to protect our investment in a home. Most of us would not consider signing on the dotted line before having a home inspector verify that issues like lead, leaks, or mold were not present, or that a title search is clear. It's important to know your investment starts off strong or you at least know what you are up against.

Taking away tools that a business deems important limits their ability to make the strongest possible decisions. Is it enough to loan money or insure the future value of a property or business based on a subset of the data available to assess risk? Or should you take into consideration the risks a company or property owner might face in the future or other factors known to materially impact a firm's long-term financial performance and ability to thrive in a rapidly changing world?

Disallowing many of the measures described in this bill will increase the liability of banks and insurance companies in New Hampshire and will make it more difficult to make good business decisions. For these reasons, we are opposed to HB 359.

Sincerely,

Michelle Veasey

Michelle Veasey, Advocacy Director, NHBSR