

MAINE STATE LEGISLATURE

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L.D. 918

Date: 5/8/25 MINORITY

(Filing No. H-124)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 583, L.D. 918, "An Act to Allow a Qualifying Religious Organization to Self-insure for Automobile Insurance"

Amend the bill by striking out the title and substituting the following:

'An Act to Allow a Qualifying Religious Organization Whose Religion Prohibits Using Insurance to Self-insure for Automobile Insurance'

Amend the bill by striking out all of section 4 and inserting the following:

'Sec. 4. 29-A MRSA §1613 is enacted to read:

§1613. Self-insurance permitted for certain religious organizations

Notwithstanding any other provision of this Title to the contrary, the Secretary of State may grant an exemption from any provision of this subchapter for any motor vehicle owned or operated by a religious organization or its members subject to the following minimum requirements.

1. Qualifying religious organization. In order to be eligible to self-insure under this section, a religious organization must demonstrate with documentation to the satisfaction of the Secretary of State that:

A. The religious organization has been recognized by the United States Social Security Administration as an eligible religious group under Section 1402(g) of the United States Internal Revenue Code of 1986, as amended, and has filed Form 4029 or a substantially similar form with the federal Internal Revenue Service;

B. The religious organization has established tenets and faith-based teachings and has been in existence continuously since December 31, 1950;

C. The religious organization and its members operate 5 or more motor vehicles in this State that are owned or leased by the religious organization or one of its members;

D. Each member of the religious organization that owns a motor vehicle has filed Form 4029 or a substantially similar form with the federal Internal Revenue Service;

COMMITTEE AMENDMENT

E. The religious organization and its members hold a common belief in mutual financial assistance in time of need to the extent that they share in financial obligations of members who would otherwise not be able to meet their obligations;

F. The religious organization and its members have met all of their responsibilities for financial responsibility under this subchapter for the 2 years preceding its application to self-insure under this section;

G. The religious organization is financially solvent and not subject to any actions of bankruptcy, trusteeship, receivership or any other court proceedings in which the financial solvency of the religious organization is at issue;

H. The religious organization and its members are not subject to any judgments arising out of the operation, maintenance or use of a motor vehicle that have remained unsatisfied for more than 30 days after final judgment was issued;

I. There are no factors causing the Secretary of State to believe that the religious organization and its members do not have the financial ability to pay any future judgments against them; and

J. The religious organization and its members meet any other requirements prescribed in rules adopted in accordance with this section.

2. Requirements for self-insurance. Upon application under this section, the religious organization shall file with the Treasurer of State satisfactory proof in the form of an irrevocable letter of credit from a qualified financial institution valid for a period of 6 years, and updated annually, or the deposit of money and securities as provided in section 1605, subsection 3, paragraph B and section 1605, subsection 4 that the religious organization meets the following minimum requirements:

A. For 5 to 10 motor vehicles, the amount of the irrevocable letter of credit or deposit of money and securities must be equal to a combined single limit of \$250,000; and

B. For more than 10 motor vehicles, the amount in paragraph A must be increased by \$5,000 per motor vehicle.

Upon application under this section, the religious organization shall submit to the Secretary of State a receipt from the Treasurer of State showing the filing of an irrevocable letter of credit or the deposit of money and securities in the amounts required by this subsection and a list of the motor vehicles owned or operated by the religious organization and its members, including information identifying for each motor vehicle the legal owner of the motor vehicle; the vehicle identification number; and the make, model and year of the motor vehicle.

Upon receiving an application in accordance with this subsection, the Secretary of State may require a religious organization to submit a fee not to exceed \$100 as established in rules adopted by the Secretary of State pursuant to subsection 6.

3. Issuance of certificate of self-insurance. Upon demonstration that a religious organization has met the requirements of subsections 1 and 2 and has paid any required application fee, the Secretary of State shall issue a certificate of self-insurance to the religious organization. The certificate of self-insurance serves as evidence of financial responsibility required by section 1605, subsection 2. Any member of the religious organization may provide the certificate of self-insurance as evidence of financial

1 responsibility required by section 1605, subsection 2 to register a motor vehicle owned or
2 operated by that member.

3 **4. Quarterly reporting.** A religious organization granted a certificate of self-insurance
4 under this section shall report to the Secretary of State on a quarterly basis on any claims
5 made to the organization arising out of the operation, maintenance or use of a motor vehicle
6 owned or operated by the religious organization and its members, including, but not limited
7 to, the number of claims made during the reporting period; the number of claims still open
8 from a previous reporting period; the number of claims satisfied during the reporting
9 period; and for each claim made during the reporting period, the date the incident
10 underlying the claim occurred, the type of the claim, the amount paid, the date of any
11 payment made by the religious organization, the name of the individual paid and the name
12 of any insurance company or insurance adjuster involved in the claim. The religious
13 organization shall also provide on a quarterly basis an updated list of motor vehicles owned
14 or operated by the religious organization and its members as initially required upon
15 application in accordance with subsection 2 if any motor vehicle owner or operated by the
16 religious organization and its members is removed or added.

17 **5. Notice of withdrawal.** A religious organization granted a certificate of self-
18 insurance under this section shall notify the Secretary of State in writing if any member of
19 the religious organization ceases to be a member within 10 days of that member's departure
20 or removal from the religious organization.

21 **6. Termination of self-insurance.** The Secretary of State may:

22 A. At any time after granting a certificate of self-insurance, terminate the authorization
23 for self-insurance if the secretary determines that the religious organization no longer
24 meets the requirements for self-insurance under this section. Notice of the termination
25 must be provided to the religious organization in writing at least 30 days prior to the
26 termination of the authorization; and

27 B. Terminate the authorization for self-insurance if the religious organization or its
28 members are subject to a judgment arising out of the operation, maintenance or use of
29 a motor vehicle and that judgment has remained unsatisfied for more than 30 days after
30 the final judgment was issued. The Treasurer of State may hold deposited money or
31 securities until the judgment is satisfied.

32 **7. Rules.** The Secretary of State may adopt rules as necessary to implement the
33 requirements of this section. Rules adopted pursuant to this subsection are routine technical
34 rules as defined in Title 5, chapter 375, subchapter 2-A.

35 **8. Applicability.** A certificate of self-insurance granted by the Secretary of State
36 pursuant to this section does not apply to:

37 A. A motor vehicle with a registered gross weight of 26,001 pounds or more or a motor
38 vehicle requiring its operator to hold a commercial driver's license;

39 B. An emergency vehicle;

40 C. A for-hire transportation vehicle for transporting freight or merchandise;

41 D. A for-hire transportation vehicle for transporting passengers;

42 E. A school bus; or

F. A rental vehicle.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

SECRETARY OF STATE, DEPARTMENT OF

Administration - Motor Vehicles 0077

Initiative: Provides allocations to establish one Public Service Manager II position, 2 Public Service Coordinator I positions, one Assistant Risk Assessor position, one Attorney position and one Office Specialist I position and for related All Other costs to establish a program to evaluate the ability of qualifying religious organizations to self-insure motor vehicles.

HIGHWAY FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	6.000	6.000
Personal Services	\$860,065	\$887,587
All Other	\$953,726	\$54,211
HIGHWAY FUND TOTAL	\$1,813,791	\$941,798

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the minority report of the committee, makes the following changes to the bill.

1. It clarifies that the religious organization must have established tenets and faith-based teachings and have been in existence continuously since December 31, 1950.

2. It clarifies that members of the religious organization must provide documentation that the members have filed Form 4029 with the federal Internal Revenue Service.

3. It increases the financial responsibility requirements to \$5,000 per vehicle instead of \$2,500 per vehicle for a religious organization applying to self-insure more than 10 motor vehicles.

4. It requires a religious organization to file evidence of an irrevocable letter of credit or the deposit of money and securities with the Treasurer of State instead of the Secretary of State and requires submission of a receipt to the Secretary of State as proof of financial responsibility.

5. It requires that the religious organization submit a list of the motor vehicles to be self-insured at the time of application and requires quarterly updates to be submitted if motor vehicles are added or removed.

6. It requires the religious organization to submit quarterly reports to the Secretary of State related to any claims submitted to the religious organization arising out of the

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COMMITTEE AMENDMENT "A" to H.P. 583, L.D. 918

1 operation, maintenance or use of a motor vehicle owned or operated by the religious
2 organization and its members.

3 **FISCAL NOTE REQUIRED**
4 **(See attached)**

**132nd MAINE LEGISLATURE****LD 918****LR 891(02)****An Act to Allow a Qualifying Religious Organization to Self-insure for Automobile Insurance**

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-124)
Committee: Health Coverage, Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
Highway Fund	\$1,813,791	\$941,798	\$970,201	\$999,513
Appropriations/Allocations				
Highway Fund	\$1,813,791	\$941,798	\$970,201	\$999,513

Fiscal Detail and Notes

The bill includes Highway Fund allocations of \$1,813,791 in fiscal year 2025-26 and \$941,798 in fiscal year 2026-27 to the Department of Secretary of State to establish one Public Service Manager II position, two Public Service Coordinator I positions, one Assistant Risk Assessor position, one Attorney position, one Office Specialist I position and related All Other costs to establish a program to evaluate the ability of qualifying religious organizations to self-insure motor vehicles.

Additional costs to the Office of Treasurer associated with this legislation are expected to be minor and can be absorbed within existing budgeted resources.