

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SIXTH LEGISLATURE

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**Legislative Document**

**No. 1**

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H. P. 1

Office of the Clerk of the House

Filed November 20, 1972 under Joint Rule 6 by Mr. Ross of Bath. To be printed and delivered to the House of Representatives of the 106th Legislature.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Ross of Bath.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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### **AN ACT Providing for a No-fault Automobile Liability Insurance Law.**

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Be it enacted by the People of the State of Maine, as follows:

**Sec. 1. R. S., T. 24-A, § 2902, sub-§ 1, amended.** The first sentence of subsection 1 of section 2902 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

No policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle shall be delivered or issued for delivery in this State with respect to any such vehicle registered or principally garaged in this State, unless coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death or personal property, resulting from the ownership, maintenance or use of such uninsured or hit-and-run motor vehicle.

**Sec. 2. R. S., T. 24-A, § 2902, sub-§ 2, repealed and replaced.** Subsection 2 of section 2902 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

2. The amount of coverage to be so provided shall not be less than the maximum limits for bodily injury, death and property damage liability insurance provided for under the motorist financial responsibility laws of this State. The coverage for property damage shall be subject to a \$250 deductible

for property damage arising out of any one accident unless the insurer and the insured agree in writing to a different deductible. Each insured shall be offered the option to purchase additional coverage for personal injury or death up to a limit of \$300,000 but not to exceed the limits for personal injury set forth in the basic policy. As used in this subsection, the term "property damage" shall include the loss of use of a vehicle.

Sec. 3. R. S., T. 29, c. 5, sub-c. 1, amended. Subchapter 1 of chapter 5 of Title 29 of the Revised Statutes is amended by adding a new article 1-A to read as follows:

### ARTICLE 1-A. INSURANCE

#### § 131. Requirement of insurance for all motor vehicles registered in Maine

No owner of a motor vehicle registered in the State shall operate or authorize any other person to operate such vehicle unless the owner has insurance on such motor vehicle providing the following minimum insurance coverage.

1. Indemnity for legal liability. Indemnity from legal liability for bodily injury, death or property damage arising out of ownership, maintenance or use of the vehicle to the limit, exclusive of interest and costs, of at least \$25,000 for any one accident or to the limit of the Financial Responsibility Law, whichever is greater.

2. Bodily injury. Compensation to injured persons for reasonable and necessary expenses for medical, hospital, dental, surgical, medicine, x-ray, ambulance or prosthetic services, professional nursing and funeral services and for loss of earnings and reasonable and necessary extra expense for personal services which would have been performed by the injured person had he not been injured, arising out of an accident involving such motor vehicle and incurred or medically ascertainable within 12 months of said accident. This compensation shall have minimum limits of \$10,000 for any one person and \$20,000 for all persons injured in any one accident. The compensation for funeral services shall not exceed the sum of \$2,000 per person.

A. The coverage required by this subsection shall be applicable to each person occupying such motor vehicle and to any other person injured in an accident involving such motor vehicle, other than an occupant of another motor vehicle.

B. The owner of a vehicle may elect to have the coverage described in this subsection written subject to certain deductibles, waiting periods, sub-limits, percentage reductions, excess provisions and similar reductions offered by insurers in accordance with filings made by such insurers with the Insurance Department, applicable to expenses incurred as a result of injury to the owner of the vehicle or members of his household. This election must be made in writing and signed by the owner of the vehicle; insurers issuing such policies may not require such reductions.

3. Property damage. Compensation for damage to property, in or upon the motor vehicle, and other property damaged in an accident involving the

motor vehicle, other than damage to a motor vehicle, with the minimum limits of \$5,000 for any one accident.

A. The owner of the motor vehicle may elect to have coverage described in this subsection written to exclude in whole or in part the following :

- (1) Aircraft, water craft, self-propelled mobile equipment and any property in or upon any of the aforementioned;
- (2) Any property in or upon the vehicle when the owner of said property is not occupying the vehicle.

B. This election must be made in writing and signed by the owner of the vehicle and the insurer issuing such policies may not require such reductions. Any reductions shall be in accordance with filings made by the insurer with the Insurance Department.

4. Damage to insured motor vehicle. Compensation for damage to the insured motor vehicle, including loss of use of the motor vehicle, not to exceed the actual cash value of the vehicle at the time of the loss and \$10 per day, with a maximum payment of \$300 for loss of use of such motor vehicle.

A. The owner of the motor vehicle may elect to exclude, in whole or in part, the coverage described in this subsection by the use of certain deductibles and exclusions in accordance with filings made by the insurer with the Insurance Department.

(1) Only insurance policies validly issued by companies authorized to write in this State all the kinds of insurance embodied in the required coverages shall satisfy the requirements of this section.

(2) Nothing in this section shall be construed to prohibit the issuance of policies providing coverage more extensive than the minimum coverages required by this section, or to require the segregation of such minimum coverages from other coverages in the same policy.

(3) Policies purporting to satisfy the requirements of this section shall contain a provision which states that, notwithstanding any of the other terms and conditions of the policy, the coverage afforded shall be at least as extensive as the minimum coverage required by this section.

(4) The coverage described in subsections 1 to 4 may be subject to conditions and exclusions customary to the field of liability, casualty and property insurance and not inconsistent with the requirements of this section.

(5) Insurers providing benefits described in subsections 1 to 4 shall be subrogated to the rights, including claims under any workmen's compensation law, of the person for whom benefits are provided, to the extent of the benefits provided.

(6) Any person eligible for benefits described in subsection 2 or 3, other than an insurer in an action brought pursuant to subparagraph (5), is precluded from pleading or introducing into evidence in an action for

damages against a tortfeasor those damages for which compensation is available under subsection 2 or 3 without regard to any elective reductions in such coverage and whether or not such benefits are actually recoverable.

(7) Nothing in this section shall be construed to require an insurer to insure any particular risk.

(8) Every insurance policy shall require the insurer to submit to arbitration a claim for damage to a motor vehicle, other than the insured motor vehicle, including loss of use of such vehicle upon the request of the owner of the damaged vehicle. Such request shall be in writing and mailed to the Insurance Commissioner within 90 days from the date of the accident causing such damage.

(a) All arbitrations shall be administered by the Insurance Commissioner or his nominee.

(b) The Insurance Commissioner or his nominee shall establish a panel of arbitrators consisting of attorneys authorized to practice law in the State of Maine and insurance adjusters licensed to act as such in the State of Maine.

(c) The Insurance Commissioner, or his nominee, shall select 3 individuals from the panel of arbitrators, at least one of which shall be an attorney authorized to practice law in the State of Maine, to hear each request for arbitration.

(d) The Insurance Commissioner or his nominee shall promulgate all rules and regulations necessary to implement this arbitration program.

(e) The right to require such arbitration shall be purely optional and neither party shall be held to have waived any of their rights by any act relating to arbitration.

(f) The Insurance Commissioner shall establish a schedule of costs of arbitration, provided the arbitrators fee shall not exceed \$25 per arbitrator for any one arbitration.

(g) The cost of arbitration shall be payable to the State of Maine, Insurance Department, and shall be maintained in a special fund identified as the "Arbitration Fund" which shall be administered by the Insurance Commissioner. These funds under no circumstances shall revert to the General Fund. All costs of arbitration including administrative expenses of the Insurance Department and the arbitrators fees shall be payable from this fund.

(h) The cost of arbitration shall be borne equally by the parties to the arbitration.

(9) Whoever violates any provisions of this section shall be guilty of a misdemeanor and punished by a fine of not less than \$300 or more than \$1,000 and by imprisonment for not more than 6 months.

**(10) The Superior Court shall have exclusive original jurisdiction of any violation of this section.**

**STATEMENT OF FACT**

The purpose of this bill is to provide no-fault automobile liability insurance for bodily injury and property damage. This proposal would resemble fire and theft insurance. The policyholder would apply to his own company for compensation. This would speed up payments, reduce legal fees and help clear congested court dockets.