

MAINE STATE LEGISLATURE

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(New Title)
New Draft of H. P. 1435, L. D. 1814

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1932

H. P. 1698

House of Representatives, June 12, 1975

Reported by Majority from Committee on Business Legislation. Printed under Joint Rules No. 18.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Provide Maine No-fault Motor Vehicle Insurance Reform.

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

Sec. 1. 24-A, c. 40-A is enacted to read:

CHAPTER 40-A

MAINE PLAN FOR MOTOR VEHICLE INSURANCE REFORM

§ 2951. Title

This chapter shall be known and may be cited as the "Maine Plan for Motor Vehicle Insurance Reform."

§ 2952. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings:

1. Highway. "Highway" means the entire width between the boundary lines of every way publicly maintained when any part thereof is open to use of the public for purposes of vehicular travel.

2. Injury. "Injury" means bodily harm and bodily malfunction, disease or aggravation of disease including death resulting therefrom at any time arising out of an accident involving a motor vehicle, provided that the injury must appear within 2 years following the accident or it must be medically ascertainable within 2 years following the accident that an extension or complication of the original injury is reasonably expected to continue or develop.

3. Insured motor vehicle. "Insured motor vehicle" means the motor vehicle identified or described in the policy issued to the name insured.

4. Loss. "Loss" means economic detriment which accrues within 4 years following the date of the accident as a result of injury consisting only of allowable expense, work loss, replacement services loss and, if the injury caused death, survivor's loss.

A. "Allowable expense" means reasonable charges incurred for reasonably needed products, services and accommodations including those for medical, hospital, dental, chiropractic, x-ray, nursing, ambulance and prosthetic services and rehabilitation and rehabilitative occupational training and education and for any other remedial treatment and care, including any non-medical remedial treatment and care rendered in accordance with a recognized religious method of healing. Allowable expense does not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home, or any other institution engaged in providing nursing care and related services, in excess of reasonable and customary charges for semiprivate accommodations unless intensive care is medically required; and does not include a total charge in excess of \$1,000 for expenses of all types in any way related to funeral, cremation and burial.

B. "Survivor's loss" means loss after decedent's death of contribution of money or tangible things of economic value, not including services that his surviving next of kin would have received from the decedent had the decedent not suffered the injury causing death.

C. Work loss means 80% of the loss of gross income from work the injured person would have performed, including income from self-employment, had he not been injured, reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available and appropriate substitute work which he was capable of performing but unreasonably failed to undertake, and expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those which, had he not been injured, he would have performed not for income but for the benefit of himself or his family.

The work loss of an injured person who is seasonally employed shall be calculated by determining his probable weekly income by dividing his probable annual income by the number of weeks he normally works and multiplying that quantity by the number of work weeks, or fraction thereof, the injured person was unable to perform work during the accrual period but for the injury.

The work loss of an injured person who is not employed when the accident resulting in injury occurs shall be calculated by determining his probable weekly income by dividing his probable annual income by 52 and multiplying that quantity by the number of work weeks, or fraction thereof, if any, the victim would reasonably have been expected to realize income during the accrual period.

As used in this section, "probable annual income" means :

(1) For an injured person regularly employed at the time of the accident, 12 times the monthly gross income earned by the injured person from work in the month preceding the month in which the accident resulting in injury occurs or the average annual income earned by the injured person from work during the years, not to exceed 3, preceding the year in which the accident resulting in injury occurs, whichever is greater.

(2) For an injured person seasonally employed or not employed at the time of the accident, the average annual gross income earned by the injured person from work during the years in which he was employed, not to exceed 3, preceding the year in which the accident resulting in injury occurs.

Sums for work loss shall be periodically increased in a manner corresponding to annual compensation increases that would predictably have resulted but for injury. In no event shall basic benefits provided for work loss pursuant to this chapter exceed \$400 per week.

D. "Replacement services loss" means 75% of all reasonable and necessary expenses incurred for replacement of essential services in lieu of those that, but for the injury, the injured person would have performed without income for the benefit of his household.

5. Motor vehicle. "Motor vehicle" shall mean any self-propelled vehicle not operated exclusively on tracks, but not including motorcycles as defined in Title 29, section 1, subsection 4, snowmobiles as defined in Title 12, section 1971, aircraft or any vehicle prohibited by law from operating on the public highways.

6. Net loss. "Net loss" means loss less subtractable benefits. "Subtractable benefits" means those benefits or advantages from sources other than no-fault insurance which are required by the provision on subtractable benefits, section 2958, to be subtracted from loss in calculating net loss.

7. No-fault benefits. "No-fault benefits" means those benefits payable under the provisions on benefits provided by no-fault insurance, section 2954, subject to exclusions, limitations and other conditions of this chapter.

8. No-fault insured. "No-fault insured" means a person identified by name as an insured in an insurance contract with respect to which motor vehicle liability insurance required by this chapter has been issued and while residing in the same household with a named insured, the following persons not identified by name as an insured in any other contract of motor vehicle liability insurance complying with this chapter: A spouse or other relative of the named insured; and a minor in the custody of a named insured or of a relative residing in the same household with the named insured. A person resides in the same household if he usually makes his home in the same family unit, although temporarily living elsewhere.

9. Operation of a motor vehicle. "Operation of a motor vehicle" means the use of a motor vehicle for the transportation of one or more persons, or transportation of property, including occupancy of the vehicle by one or more

persons when stopped or parked and the maintenance of a motor vehicle, except when the maintenance is within the course of a business of repairing, servicing or otherwise maintaining motor vehicles unless the conduct occurs off said business premises. Any person who is entering into or alighting from a motor vehicle is an occupant of said vehicle.

10. Pedestrian. "Pedestrian" means any person who is not an occupant of a motor vehicle or a motorcycle.

§ 2953. Mandatory motor vehicle insurance coverage; limits

1. Coverage. Every owner of a motor vehicle principally garaged in this State for more than 4 months of any year or which vehicle is required to be registered in this State who operates it or permits it to be operated in this State shall provide, prior to such operation, motor vehicle liability insurance coverage, under provisions approved by the Superintendent of Insurance, insuring against loss resulting from liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of a motor vehicle and such coverage shall be at least in an amount or limit of:

- A. \$20,000, exclusive of interest and costs on account of injury to, or death of, one person, in any one accident;
- B. Subject to such limit for any one person so injured or killed, \$40,000, exclusive of interest and costs, on account of injury to, or death of, more than one person in any one accident; and
- C. \$10,000, exclusive of interest and costs, for damage to property in any one accident.

In addition, every such owner further shall be required to provide the proof of financial responsibility under Title 29, chapter 9, subchapter 1.

2. Self-insurer. Subject to approval of the Secretary of State, the motor vehicle liability insurance coverage required by this chapter may be provided by self-insurance by filing with the Superintendent of Insurance in satisfactory form:

- A. A continuing undertaking by the owner or other appropriate person to pay basic benefits and to perform all other obligations imposed by this chapter;
- B. Evidence that appropriate provision exists for the prompt and efficient administration of all claims, benefits and obligations provided by this chapter; and
- C. Deposits or commitments exist providing assurance for payment of basic benefits and all other obligations imposed by this chapter substantially equivalent to those afforded by a policy of insurance that would comply with this chapter. A person who provides security under this subsection is a self-insurer.

3. Penalty. It shall be unlawful for any owner, operator or registrant of a motor vehicle registered or principally garaged in this State to operate or

cause to be operated a motor vehicle upon any public road or highway in this State knowingly without motor vehicle liability insurance coverage as required by this chapter. A violation of this chapter is a civil violation for which, upon judgment, a person shall forfeit not more than \$100 and shall forthwith forfeit his right to operate a motor vehicle upon any public road or highway in this State for a period up to 3 months from the date of such judgment. Upon petition and filing of proof of the required coverage, the Secretary of State shall restore to such person his right to operate a motor vehicle in this State prior to the expiration of said period of suspension.

§ 2954. Mandatory no-fault benefits

Every motor vehicle liability insurance policy, insuring a motor vehicle as defined in this chapter against loss resulting from liability imposed by law for injury and death sustained by any person arising out of ownership, operation, maintenance or use of a motor vehicle, shall provide additional coverage, as hereinafter in this chapter defined under provision approved by the Superintendent of Insurance, for the payment of benefits without regard to negligence, liability or fault of any kind, to the no-fault insured, to other persons sustaining injury while occupying the motor vehicle of the no-fault insured, or while using such motor vehicle with the permission of the no-fault insured, and to pedestrians sustaining injury caused by the no-fault insured's motor vehicle, or struck by an object propelled by or from such motor vehicle.

The minimum limit of liability of the insurer obligated to pay no-fault benefits, in this chapter called "basic benefits," shall be in the amount of \$5,000 with respect to each person entitled to receive benefits under this chapter and without limit as to the total number of recipients of benefits.

Each insurer who offers coverage for no-fault benefits in the minimum amount of \$5,000 per person shall offer additional coverage to each named insured, increasing the limit of the insurer's liability to each recipient of no-fault benefits in multiples of \$10,000 to each and including limits of \$50,000 to each recipient.

§ 2955. Protection against duplication of benefits

1. **Work loss.** A named insured who at the time of purchasing the coverage required under section 2954 states that he does not expect to be employed, by virtue of being a student, retired or disabled or that he does not expect to receive any earned income during the period for which the coverage is being purchased shall not be required to purchase coverage for his own work loss as defined in section 2952, subsection 4, paragraph C. When such coverage is excluded, the coverage required under section 2954 shall be offered at appropriately reduced premiums.

2. **Submission of plans.** Insurers who offer coverage, including those nonprofit hospital or medical service organizations subject to Title 24, for all or any part of no-fault benefits required by this chapter shall file a plan or plans with the Superintendent of Insurance, to provide for deductibles or to coordinate no-fault benefits with other benefits provided by other insurers.

If approved by the superintendent, such plans shall be implemented. If not approved, the superintendent shall set forth in writing the reasons for his disapproval. Insurers who offer coverage for all or any part of no-fault benefits must, upon disapproval, resubmit plan or plans to meet the requirements of this section.

3. Other benefits

A. To the extent a named insured is covered by medicare, medicaid, any system of national health insurance, any health program administered by the Veterans' Administration or the Armed Services, said named insured shall not be required to purchase additional or duplicate coverage in regard to any benefits provided by said program or programs. The Superintendent of Insurance shall certify the extent to which any said program meets the requirements of this chapter.

B. Insurers shall ascertain of a named insured, prior to the sale of any insurance to said named insured providing all or part of the benefits required by this chapter and on forms provided by the Superintendent of Insurance, whether or not said named insured is covered by any of the programs as set forth in paragraph A. If the named insured indicated such coverage, no insurer may sell any policy of insurance to said named insured which duplicates the coverage of said program or programs as set forth in paragraph A, unless the named insured requests such duplicate coverage on a form or forms approved by the Superintendent of Insurance.

4. The superintendent shall, within 14 months following the effective date of this Act, report to the Legislature concerning the operation of this section.

§ 2956. Basic benefits provided by no-fault benefit insurance

Except as provided in this chapter, the no-fault benefit insurer is liable to pay basic benefits, without reference to fault, under the conditions stated in this chapter, reimbursing persons suffering net loss through injury arising out of the operation of a motor vehicle. Such benefits shall extend to pedestrians and to passengers sustaining injury caused by an uninsured or unidentified motor vehicle. Such pedestrian, in such event, shall recover under the terms of sections 2976, 2977 and 2978.

§ 2957. Intentional injuries

A person intentionally causing or attempting to cause injury to himself or another is disqualified from no-fault benefits for injury arising from his acts, including benefits otherwise due him as a survivor. In the case of the death of a person intentionally causing or attempting to cause injury to himself, his surviving next of kin are not entitled to benefits for survivors' loss. A person intentionally causes or attempts to cause injury, if he acts or fails to act for the purpose of causing injury. A person intentionally causes or attempts to cause injury, if he acts or fails to act for the purpose of causing injury or with knowledge that injury is substantially certain to follow. A person does not intentionally cause or attempt to cause injury merely because his act or failure to act is intentional, or done with his realization that it creates a grave risk of causing injury, or if the act or omission causing the injury is for the purpose of averting bodily harm to himself or another person.

§ 2958. Converted vehicle

A person who converts a motor vehicle is disqualified from basic benefits or any additional benefits under this chapter, including benefits otherwise due him as a survivor, for injuries arising from the maintenance or use of the converted vehicle, and, in the case of his death, his surviving next of kin are not entitled to benefits for survivors' loss. For the purpose of this section, a person is not a converter if he uses the motor vehicle in the good faith belief that he is legally entitled to use it.

§ 2959. Subtractable benefits

1. Social Security, workmen's compensation, health care. All benefits or advantages a person receives or is entitled to receive because of the injury from Social Security, medicare, medicaid, any health care program administered by the Department of Health and Welfare, the Veteran's Health and Welfare, the Veteran's Administration or any other health care program under any state or federal statute, or pursuant to Workmen's Compensation or any similar law, shall be subtracted in calculating net loss under this chapter.

2. Nontaxable. If a benefit or advantage received to compensate for loss of income because of injury, whether from basic benefits or from any source of benefits or advantages subtracted under subsection 1, is not taxable income, the income tax saving that is attributable to his loss of income because of injury is subtracted in calculating net loss. Subtraction may not exceed 15% of the loss of income and shall be in a lesser amount if the claimant furnishes to the insurer reasonable proof of a lower value of the income tax advantage.

§ 2960. Partial abolition of tort liability

Tort liability with respect to accidents occurring in this State and arising from the ownership, maintenance or use of a motor vehicle is abolished except under the following circumstances in which recovery may be had for all damages recognized by law:

1. Liability for injury. That a person in the business of designing, manufacturing, repairing, servicing or otherwise maintaining motor vehicles remains liable for injury arising out of a defect in such motor vehicle which is caused or not corrected by an act or omission in the course of such business, other than a defect in a motor vehicle which is operated by such business; or

2. Required coverage not provided at time of accident. The coverage required under section 2953 was not provided at the time of the accident; or

3. Intentional damage or harm. The damage or harm to person or property was intentionally caused; or

4. Death or certain serious injuries. The injured person dies or suffers permanent disability or permanent serious disfigurement, permanent and significant loss of any important bodily function or loss of a body member in whole or in part, regardless of the right of such person to receive basic benefits under section 2954; or

5. Medical and hospital costs of \$500 or more. An injured person's costs of medical and hospital expenses are \$500 or more. For purposes of this subsection, "costs of medical and hospital expenses" are defined as the reasonable value for necessary services rendered for medical, hospital, dental, surgical, ambulance, professional nursing and rehabilitation services, chiropractic services, but exempting diagnostic x-rays in excess of \$100.

The term "costs of medical and hospital expenses" may also mean costs for any nonmedical remedial care and treatment rendered in accordance with a recognized religious method of healing.

6. Property damage. Property damage.

§ 2961. Insurers' rights of reimbursement

Whenever a recipient of no-fault benefits recovers in tort for injury, the insurer, including those nonprofit hospital or medical service organizations subject to Title 24, paying the no-fault benefits has a right of reimbursement out of the tort recovery. The reimbursement shall be in the amount of no-fault benefits paid by the insurer. The tort recovery shall also be credited against no-fault benefits thereafter accruing.

The no-fault benefit insurer has no right of subrogation to any cause of action of a recipient of no-fault benefits or to bring such an action in its own name, nor may the policy of no-fault benefit insurance confer such rights upon the insurer.

§ 2962. Priority of applicability of insurance policies

1. Priorities. The following priorities shall apply:

A. The no-fault insurance for payment of no-fault benefits applicable to injury to a no-fault insured is the insurance under which the injured person is covered as a no-fault insured;

B. The no-fault insurance for payment of no-fault benefits applicable to injury to the driver or other occupant of an involved motor vehicle who is not covered as a no-fault insured shall be the insurance covering that vehicle;

C. The no-fault insurance for payment of no-fault benefits applicable to injury to a person not otherwise covered who is not the driver or other occupant of an involved motor vehicle is the insurance covering any involved motor vehicle. An unoccupied parked vehicle is not an involved motor vehicle unless it was parked so as to cause unreasonable risk of injury.

2. Proration. If 2 or more obligations to pay no-fault benefits are applicable to an injury under the priorities set out in this section, benefits are payable only once and the insurer against whom a claim is asserted shall process and pay the claim as if wholly responsible, but is thereafter entitled to recover contribution pro rata for the no-fault benefits paid and the costs of processing the claim. When contribution is sought among insurers responsible under subsection 1, paragraph C, proration shall be based on the number of involved motor vehicles.

§ 2963. Territorial coverage

No-fault benefit insurance applies to injury suffered by the no-fault insured within the State of Maine, the United States, its territories and possessions, the Dominion of Canada and the Republic of Mexico.

§ 2964. Approval of terms and forms

Terms and conditions of no-fault benefit insurance and of policy forms used by insurers in offering these coverages are subject to approval and regulation by the Superintendent of Insurance. He shall approve only terms and conditions which are consistent with the purposes of this chapter and fair and equitable to all persons whose interests may be affected and which limit the variety of coverages available to give insurance purchasers reasonable opportunity to compare the cost of insuring with various insurers.

§ 2965. Payment of benefits

1. **Time.** No-fault benefits are payable semimonthly as loss accrues. Loss accrues not when injury occurs, but as work loss, survivors' loss, replacement services loss or allowable expense is incurred. Benefits for work loss, survivors' loss and replacement services loss are overdue if not paid within 15 days after the insurer receives reasonable proof of the fact and amount of loss realized. Benefits for allowable expenses are overdue if not paid within 30 days after the insurer receives reasonable proof of the fact and amount of loss realized. If reasonable proof is supplied as to only one part of a claim time provided by this section. Allowable expenses may be paid by the insurer upon written assignment by the claimant directly to persons supplying products, services or accommodations to the claimant.

2. **Work loss.** A claim for work loss shall be paid as provided by this section without deduction for subtractable benefits, if the subtractable benefits have not been paid to the claimant before benefits are overdue. The insurer is entitled to reimbursement from the person obligated to pay the subtractable benefits, or from the claimant who later receives the subtractable benefits.

3. **Overdue payments.** Overdue payments bear interest at the rate of 18% per year.

4. **Mailing.** Every policy of insurance purporting to provide the benefits required under this chapter shall plainly state an address where a demand for benefits may be mailed. A demand for benefits mailed to such address will be deemed conclusive proof that the demand for such benefits was communicated to the carrier and a certified or registered mail receipt will be deemed conclusive proof of the date of the demand. In the alternative, a demand for benefits may be mailed to any authorized agent of the carrier so licensed as an authorized agent by the Bureau of Insurance.

§ 2966. Limitation of action

If any no-fault benefit is not paid when due, an action for the recovery of the overdue benefits must be commenced within 2 years after the loss for which recovery is sought has accrued.

§ 2967. Claims against wrong insurer

If timely action for no-fault benefits is commenced against an insurer and benefits are denied because of a determination that the insurer's coverage is not applicable to the claimant under the provisions in section 2962, a claim against the next applicable insurer or assigned claims plan may be made within a reasonable time after such determination becomes final. An action by the claimant on the subsequent claim may not be commenced later than 120 days after such determination becomes final or the last date on which the action could otherwise have been commenced, whichever is later.

§ 2968. Fees of claimants' attorney

1. In any legal action arising from an accident involving a motor vehicle as a result of which benefits under this chapter are furnished or are to be furnished, an attorney representing or acting on behalf of any claimant of said benefits shall be entitled to a contingent fee or any other fee only as to the amount by which any damages recovered in such action exceeds the amount of benefits furnished pursuant to this chapter.

2. There shall be no adjustment of fees as to the remainder of any recovery.

3. The Supreme Judicial Court shall promulgate appropriate rules to enforce this section.

§ 2969. Fees of insurers' attorney

An insurer shall be allowed a reasonable attorney's fee for defending a claim that was fraudulent. This fee may be treated as an offset to benefits due or which thereafter accrue, and judgment may be entered against the claimant for any part of the fee not offset or otherwise paid.

§ 2970. Lump sum and installment settlements

Rights and obligations arising under no-fault benefit insurance as to a claim, inclusive of future loss arising from an injury or death, may be discharged at any time. Any payment pursuant to this section must be approved by the District Court.

§ 2971. Judgments for future benefits

If an action for no-fault benefits is commenced, a lump sum judgment by a court of proper jurisdiction may be entered for benefits that would accrue after the date of the award.

§ 2972. Exemption of benefits

Benefits for work loss and survivors' loss payable under this chapter are exempt from garnishment, attachment, execution and other process or claims to the extent provided in any law exempting earnings or wages from process or claims.

§ 2973. Mental or physical examination of injured person

1. **Order for examination.** If the mental or physical condition of a person is material to any claim for past or future basic or additional benefits hereunder, the no-fault benefit insurer may petition the Superior Court for an order directing the person to submit to a mental or physical examination by a physician. The order may be made only for good cause shown and upon notice to the person to be examined and to all persons having an interest. The order shall specify the time, place, manner, conditions and scope of the examination and the physician by whom it is to be made.

2. **Reports.** The insurer causing a mental or physical examination to be made shall deliver to the person examined a copy of a detailed written report of the examining physician setting out his findings, including results of all tests made, diagnosis, conclusions and reports of earlier examination of the same condition. This subsection applies to examinations made by agreement of the person examined and the insurer, unless the agreement provides otherwise. This subsection does not preclude discovery of a report of an examining physician or taking a deposition of the physician in accordance with any rule of court or other provision of law. In making said order, the court shall take into account whether refusal to submit to a mental or physical examination is based upon the person's right to the free exercise of his religion.

§ 2974. Discovery of facts about an injured person

If relevant to a claim for no-fault benefits and upon request of a no-fault benefit claimant or insurer, information shall be disclosed as follows:

1. **Work record and earnings.** An employer shall furnish a statement of the work record and earnings of an employee upon whose injury the claim is based. The statement shall cover the period specified by the claimant or insurer making the request and may include the entire period after, and a reasonable period before, the injury.

2. **Medical treatment.** An injured person upon whose injury the claim is based shall deliver to the insurer, upon request every written report available to him concerning any medical treatment, previously or thereafter made, connected to the injury upon which the claim is based and shall authorize the insurer to inspect and copy records connected with the injury upon which the claim is based of physicians, hospitals, clinics or other medical institutions.

3. **Treatment.** A physician, hospital, clinic or other medical institution furnishing services or accommodations to an injured person in connection with a condition alleged to be connected with an injury upon which a claim is based upon authorization of the injured person shall furnish a written report of the history, condition, diagnosis, medical tests, treatment and dates and costs of treatment of the injured person, and permit inspection and copying of records as to the history, condition, treatment and dates and cost of the treatment.

4. **Cost.** Any person providing information under this section, other than the claimant, may charge the person requesting the information a reasonable amount for the cost of providing it.

5. Order of discovery. In the case of a dispute as to the right of a claimant or insurer to discover this information, the claimant or insurer may petition the Superior Court for an order for discovery. The order may be made only for good cause shown and upon notice to all persons having an interest, and it shall specify the time, place, manner, conditions and scope of the discovery. The court in order to protect against annoyance, embarrassment or oppression, may enter an order refusing discovery or specifying conditions of discovery and order payment of costs and expenses of the proceeding including, reasonable attorneys' fees.

§ 2975. Proof of insurance

The Secretary of State, upon receipt of notice from the clerk of any court in this State that a person has been found in violation under section 2953, shall suspend the license or the right to obtain a license, or right of such person to operate, and all the registration certificates and registration plates of such person until proof of insurance complying with this chapter is supplied.

§ 2976. Assigned claims plan

1. Plan. A person entitled to basic benefits because of injury occurring in this State and covered by this chapter may obtain basic benefits through the assigned claims plan or bureau established pursuant to the provisions relating thereto in section 2977 and in accordance with the provision for making assigned claims as provided in section 2978, if:

A. Basic benefits are not applicable to the injury for some reason other than those specified in sections 2957 and 2958;

B. Basic benefits for self-insurance applicable to the injury cannot be identified;

C. Basic benefits applicable to the injury, because of financial inability of an insurer or self-insurer to fulfill its obligation, are inadequate to provide the contracted for benefits; or

D. A claim for basic benefits is rejected by an insurer or self-insurer on some ground other than the person is not entitled to basic benefits under this chapter.

2. Subrogation. If a claim qualified for assignment under subsection 1, paragraph B, C or D, the assigned claims bureau of any insurer or self-insurer to whom the claim is assigned shall be subrogated to all of the rights of the claimant against any insurer or self-insurer, its successor in interest or substitute, legally obligated to provide benefits to the claimant, for no-fault basic benefits provided by the assignment.

3. Limitation. A person shall not be entitled to basic benefits through the assigned claims plan or from any insurer, with respect to injury which he has sustained, if at the time of such injury he was the owner of a motor vehicle for which motor vehicle liability insurance is required under this chapter and he failed to have such security in effect.

§ 2977. Assigned claims bureau

Self-insurers and insurers writing motor vehicle liability insurance in this State may organize and maintain, subject to approval and regulation by the Superintendent of Insurance, an assigned claims bureau and an assigned claims plan and adopt rules for their operation and for the assessment of costs on a fair and equitable basis consistent with this chapter. If they do not organize and continuously maintain an assigned claims bureau and an assigned claims plan in a manner considered by the superintendent to be consistent with this chapter, the superintendent shall organize and maintain an assigned claims bureau and an assigned claims plan. Each self-insurer and insurer writing motor vehicle liability insurance in this State shall participate in the assigned claims bureau and the assigned claims plan. Costs incurred shall be allocated by the Superintendent of Insurance in a fair manner among insurers and self-insurers.

§ 2978. Notification to assigned claims bureau

A person authorized to obtain basic benefits through the assigned claims plan shall notify the bureau of his claim within the time that would have been allowed for filing an action for basic benefits. If timely action for basic benefits is commenced against an insurer or self-insurer who, because of financial inability, is unable to fulfill his obligations, a claim through the assigned claims plan may be made within a reasonable time after discovery of the financial inability.

§ 2979. Construction and severability

The provisions of this chapter shall be severable and if any phrase, clause, sentence or provision of this chapter is declared to be contrary to the Constitution of this State or of the United States, the applicability thereof to any person, government agency, or circumstance is held invalid, the invalidity of the remainder of this chapter and the applicability thereof to any person, government agency, or circumstance, shall not be affected thereby, provided that if either section 2953 or section 2960 shall be declared to be contrary to the Constitution of this State or of the United States, then, and in that event, this entire chapter shall be deemed as of the date of such declaration totally invalid, null and void.

Sec. 2. 24 MRSA § 2318 is enacted to read:

§ 2318. Coordination of benefits

Nonprofit hospital or medical service organizations shall file plans with the Superintendent of Insurance to provide for deductibles or to coordinate payments for all or any part of medical or health related no-fault benefits as required by Title 24-A, chapter 40-A and if approved by the superintendent such plans shall be implemented. If not approved, the superintendent shall set forth in writing the reasons for his disapproval. Insurers who offer coverage for all or any part of no-fault benefits must, upon disapproval, resubmit a plan or plans to meet the requirements of this section.

Sec. 3. 24-A MRSA § 2741 is enacted to read:

§ 2741. Coordination of benefits

Insurers providing health insurance pursuant to this chapter shall file plans with the Superintendent of Insurance to provide for deductibles or to coordinate payments for all or any part of medical or health related no-fault benefits as required by chapter 40-A. If approved by the superintendent, such plans shall be implemented. If not approved, the superintendent shall set forth in writing the reasons for his disapproval. Insurers who offer coverage for all or any part of no-fault benefits must, upon disapproval, resubmit a plan or plans to meet the requirements of this section.

Sec. 4. 24-A MRSA § 2832 is enacted to read:

§ 2832. Coordination of benefits

Insurers providing group or blanket health insurance pursuant to this chapter shall file plans with the Superintendent of Insurance to provide for deductibles or to coordinate payments for all or any part of medical or health related no-fault benefits as required by chapter 40-A. If approved by the superintendent, such plans shall be implemented. If not approved, the superintendent shall set forth in writing the reasons for his disapproval. Insurers who offer coverage for all or any part of no-fault benefits must, upon disapproval, resubmit a plan or plans to meet the requirements of this section.

Sec. 5. 24-A MRSA § 2902, sub-§ 2, as enacted by PL 1969, c. 132 § 1, is amended by adding at the end the following new sentence:

Each insurer shall be obliged to furnish an amount of uninsured vehicle coverage at least equal to the minimum limits for bodily injury liability insurance as defined in section 2953, subsections 1 and 2.

Sec. 6. Effective date. This Act shall become effective on July 1, 1976. Accidents occurring before the effective date of this Act are not covered by or subject to this Act. The Superintendent of Insurance shall exercise, prior to the effective date of this Act, the authority vested in him under this Act to do all things necessary to implement the Act on the effective date.

STATEMENT OF FACT

This new draft clarifies the language of the original bill, modifies the benefit and threshold levels and adds new provisions to cover seasonably employed and unemployed persons. The new draft also increases the efficiency of the present insurance repairment system.