

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 1665**

H. P. 1431

House of Representatives, April 19, 1977

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Raymond of Lewiston.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT to Require Compulsory Motor Vehicle Liability Insurance.**

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

29 MRSA c. 8 is enacted to read:

**CHAPTER 8**

**MOTOR VEHICLE LIABILITY INSURANCE**

§ 751. Motor vehicle liability insurance required

No resident of the State shall operate a motor vehicle on any way, unless the operator owns a motor vehicle liability insurance policy and possesses the certificate of an insurance company authorized to transact business specified in Title 24-A. The insurance company shall certify that it has issued to or for the benefit of any person a motor vehicle liability policy covering the motor vehicle which meets the minimum amounts specified in section 782. The insurance company shall specify on the certificate the date the policy was issued and the expiration date of the policy. The expiration date shall be the date on which the insurance premium payment is due.

§ 752. Certificate to be carried and exhibited on demand

Every licensed operator of a motor vehicle registered in Maine shall have his certificate of motor vehicle insurance in his immediate possession at all times when operating a motor vehicle and shall display the certificate upon demand of a police officer. No person charged with violating this section shall be convicted if he produces in court a certificate of motor vehicle liability insurance, verified by the court with the insurance company and valid at the time of the issuance of a court summons. If the person charged

shall exhibit to a law enforcement officer designated by the summoning officer a certificate of motor vehicle liability insurance verified by the officer with the insurance company, not later than 24 hours before the time set for the court appearance, then the complaint shall not be issued.

§ 753. Penalty

Any person found guilty of operating a motor vehicle without motor vehicle liability insurance shall be punished by suspension of his license and by a fine of not less than \$50 nor more than \$100 for the first offense and not less than \$100 nor more than \$300 for each subsequent offense. The person found in violation of this chapter shall post a motor vehicle liability bond, as defined in section 781, subsection 1, paragraph C, with the court in the amount specified in section 781 until the operator obtains a motor vehicle liability insurance policy or until the operator's license is suspended by the court or the Secretary of State.

1. New license application. Any person found guilty under this section shall not be allowed to apply for a new license unless the person presents evidence of a valid motor vehicle liability insurance policy.

2. Fraudulent certificate. Any person who possesses a fraudulent certificate of insurance shall be guilty of a Class E crime and upon conviction shall have his license revoked for one year.

§ 754. Notice to the Secretary of State; ensuing procedure

Upon conviction of an operator of a motor vehicle for failure to own or possess a valid motor vehicle liability insurance policy, the court may suspend the license and shall immediately notify the Secretary of State. In the event that the court does not suspend the license, the Secretary of State shall immediately notify the violator in writing that he is in violation of this chapter and shall suspend the violator's motor vehicle operator's license within 30 days from the date of notice, unless the person convicted under this chapter shall present to the Secretary of State a certificate of a valid motor vehicle liability insurance policy paid in full and effective for at least one year from the date of issuance and in the amount specified in section 782.

§ 755. Restoration of license

Any person found guilty for failure to own a motor vehicle liability insurance policy and whose license has been revoked may have his license restored by presenting to the Secretary of State or his designee a certificate of a valid motor vehicle liability insurance policy effective for one year from the date of issuance.

## STATEMENT OF FACT

The intent of this bill is to require operators of motor vehicles to own or possess motor vehicle liability insurance. There are many operators of motor vehicles in Maine who are not covered by liability insurance, which increases insurance costs to insured motor vehicle operators in Maine.

According to the National Association of Independent Insurers, insured operators of motor vehicles in the United States pay \$500,000,000 more per year for motor vehicle liability insurance than they would if all operators possessed insurance. Many motorists in Florida, for example, are paying as much as \$50 additional fees per year for insurance because of the number of uninsured motor vehicle operators in Florida. Roughly 20% of all motor vehicle operators in the nation are uninsured.

A number of states have enacted laws to require compulsory and/or no-fault motor vehicle insurance. According to the National Traffic Safety Foundation, there are 22 states which have compulsory insurance laws and 25 states have no-fault insurance laws.

### COMPULSORY AND NO-FAULT INSURANCE LAWS

The following states have compulsory and/or no-fault insurance laws with the limits shown :

	Compulsory	No-Fault	Limits*
Alaska			25/50/10
Arkansas		X	10/20/ 5
California	X		15/30/ 5
Colorado	X	X	15/30/ 5
Connecticut	X	X	20/40/ 5
Delaware	X	X	10/20/ 5
Florida	X	X	15/30/ 5
Georgia	X	X	10/20/ 5
Hawaii	X	X	25/no/10
Idaho	X		10/20/ 5
Illinois		X	10/20/ 5
Kansas	X	X	15/30/ 5
Kentucky	X	X	10/20/ 5
Maryland	X	X	20/40/ 5
Massachusetts	X	X	no/ 5/10
Michigan	X	X	20/40/10
Minnesota	X	X	10/20/ 5
Nebraska			15/30/10
Nevada	X	X	15/30/ 5
New Jersey	X	X	15/30/ 5
New Mexico			15/30/ 5
New York	X	X	10/20/ 5
North Carolina	X		15/30/ 5
North Dakota	X	X	10/20/ 5
Oregon		X	15/30/ 5
Pennsylvania	X	X	15/30/ 5
South Carolina	X	X	15/30/ 5
South Dakota		X	15/30/10
Texas		X	10/20/ 5
Utah	X	X	15/30/10
Virginia		X	25/50/ 5

This information where different supersedes that given under the heading **Accidents and Financial Responsibility** on page 16 and in the individual state summaries.

In most states in which insurance is compulsory there are serious penalties, both fines and imprisonment, for anyone, including visitors and new residents, who operates a motor vehicle without the required coverage. \*Limits: e.g., the entry 25/50/10 indicates requirements for bodily injury of \$25,000 any one person, \$50,000 any one accident and \$10,000 property damage.

This bill does not create a complex and costly administrative procedure as it has in some other states. Each person is required to possess a certificate of insurance which, in case of a violation of Maine's motor vehicle laws, must be presented to a law enforcement officer upon demand along with the license and registration. Any person who is not covered by insurance while driving a motor vehicle and who is arrested and convicted will automatically have his license suspended by the Secretary of State until the individual presents a valid certificate of insurance to the Secretary of State.

This bill does not require proof of insurance in order to register a motor vehicle and it does not require the Division of Motor Vehicles to revoke registration plates. In addition, the bill does not establish a costly and lengthy hearing procedure for license suspension or revocation. An individual's hearing for license suspension or revocation is provided in court.