

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1429

S. P. 463

In Senate, March 26, 1979

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

Presented by Senator Chapman of Sagadahoc.

MAY M. ROSS, Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Amend the Maine Automobile Insurance Cancellation Control Act.

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

Sec. 1. 24-A MRSA § 2916-A is enacted to read:

§ 2916-A. Nonrenewal—reasons

No notice of norenewal shall be issued, unless it is based upon a reason for which the policy could have been cancelled or unless it is based upon one or more of the following grounds which occurred during the 36-month period preceding the yearly anniversary date of the policy.

1. Convictions. When a named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy is convicted of any of the following:

A. Operating a motor vehicle while intoxicated or impaired by the consumption of alcohol or drugs;

B. Homicide or assault arising out of the use of the operation of a motor vehicle, criminal negligence in the use or operation of a motor vehicle resulting in the injury or death of another person or use or operation of a motor vehicle directly or indirectly in the commission of a felony;

- C. Operating a motor vehicle in excess of the speed limit or in a reckless manner where injury or death results therefrom;**
- D. Operating a motor vehicle in excess of the speed limit or reckless driving or any combination thereof on 2 or more occasions;**
- E. Operating a motor vehicle insured under the policy without a valid license or registration in effect, except when the person convicted had possessed a valid license or registration which had expired and was subsequently renewed, or during a period of revocation or suspension thereof or in violation of the limitations set forth on the operator's license;**
- F. Operating a motor vehicle while attempting to avoid apprehension or arrest by a law enforcement officer;**
- G. Filing or attempting to file a false or fraudulent automobile insurance claim or knowingly aiding or abetting in the filing or attempted filing of any such claim;**
- H. Leaving the scene of an accident without reporting;**
- I. Filing a false document with the Secretary of State or the Motor Vehicle Division or using a license or registration obtained by filing a false document with the Secretary of State or the Motor Vehicle Division;**
- J. Operating a motor vehicle in a race or speed test; or**
- K. Knowingly permitting or authorizing an unlicensed driver to operate a motor vehicle insured under the policy.**

2. Accidents. When a named insured or any other person who operates a motor vehicle insured under the policy is individually or are aggregately involved in 2 or more vehicle accidents while operating a motor vehicle insured under the policy, resulting in either personal injury or property damage in excess of \$300. For the purpose of this subsection any of the following occurrences involving a motor vehicle operated by a named insured or such other person shall not be considered an accident when:

- A. The motor vehicle was struck from the rear;**
- B. The motor vehicle was struck while parked;**
- C. Only the operator of another motor vehicle involved in the accident was convicted of a crime, offense or violation contributing to the accident; or**
- D. The named insured or other operator of the motor vehicle insured under the policy or the insurer thereof, was reimbursed by or on behalf of, a person responsible for the accident or has a judgment against that person.**

When more than one motor vehicle in a household is insured by the same insurer, the number of accidents which would permit nonrenewal shall, for the aggregate, be increased by one for each additional motor vehicle insured.

3. Insurability. When there is a material change in the type of motor vehicle insured which so substantially increases the hazard insured against as to render the motor vehicle uninsurable in accordance with the insurer's underwriting standards in effect at the time the policy was issued or last renewed; provided that if the insured motor vehicle is uninsurable for physical damage coverages only, the insurer shall offer to renew the policy without the physical damage coverages.

Sec. 2. 24-A MRS § 2920, last sentence, as amended by PL 1977, c. 694, § 426, is further amended to read:

Acting in conformity with the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter II, the Insurance Superintendent ~~shall~~ may adopt rules and regulations for carrying out this section.

STATEMENT OF FACT

This bill will resolve the problems caused by the failure of the Act as presently written to define and limit the reasons for nonrenewing an automobile insurance policy.

It is believed that the addition of proposed Title 24-A, section 2916-A, Nonrenewal—reasons, obviates the need for rules or regulations because the reasons for cancellation and nonrenewal are specific.