

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 2085

6
7 H.P. 1575

House of Representatives, February 16, 1984

8 Submitted by the Joint Standing Committee on Business Legislation as
9 approved by the Legislative Council on May 25, 1983.

10 Reported by Representative Pouliot from the Committee on Business
Legislation and printed under Joint Rule 19.

EDWIN H. PERT, Clerk

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FOUR
16

17 AN ACT to Require Maintenance of
18 Financial Responsibility by All Motorists.
19

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

22 Sec. 1. 24-A MRSA §2412, sub-§6 is enacted to
23 read:

24 6. Motor vehicle insurance identification cards.
25 Pursuant to this section, the superintendent, with
26 the advice of the Secretary of State, shall prescribe
27 a uniform motor vehicle insurance identification card
28 form. The superintendent shall require all insurance
29 companies transacting business within this State to
30 provide with each motor vehicle liability insurance
31 policy an insurance identification card for each ve-
32 hicle, describing the vehicle covered. When an in-
33 sured has 5 or more motor vehicles registered in this
34 State, the insurer may use the designation "all owned
35 vehicles" on each card in lieu of a specific descrip-
36 tion.

1 The superintendent shall prescribe a similar form to
2 accompany a binder for this type of coverage. The
3 superintendent, with the advice and assistance of the
4 Secretary of State, shall promulgate such rules as
5 are necessary to the implementation of this subsection.
6

7 Sec. 2. 29 MRSA c. 9, sub-c. I, as amended, is
8 repealed.

9 Sec. 3. 29 MRSA c. 9, sub-c. I-A is enacted to
10 read;

11 SUBCHAPTER I-A

12 GENERAL FINANCIAL RESPONSIBILITY

13 §791. Definitions

14 As used in this subchapter, unless the context
15 otherwise indicates, the following terms have the
16 following meanings.

17 1. Certificate. "Certificate" means the certif-
18 icate of an insurance company authorized to transact
19 the business specified in Title 24-A, that it has is-
20 sued to or for the benefit of any person a motor ve-
21 hicle liability policy covering a motor vehicle,
22 trailer or semitrailer. The insurance company or
23 surety company may, at its election, specify on the
24 certificate the expiration date of the motor vehicle
25 liability policy and, if the company elects to so
26 provide, the policy shall, on and after the date, be
27 terminated for purposes of this subchapter, unless
28 the policy or bond is previously canceled or super-
29 seded in accordance with section 794, subsection 7.
30 Where no expiration date is specified on the certifi-
31 cate, the policy or bond shall, for the purposes of
32 this subchapter, continue in effect until it is can-
33 celed or superseded in accordance with section 794,
34 subsection 7.

35 2. Insurance identification card. "Insurance
36 identification card" means a card issued to an in-
37 jured by an insurer pursuant to Title 24-A, section
38 2412, subsection 6; or a card issued pursuant to sec-
39 tion 794, subsection 9.

1 3. Judgment. "Judgment" means any judgment
2 which becomes final by expiration without appeal of
3 the time within which appeal might have been perfect-
4 ed, or by final affirmance on appeal, rendered by a
5 court of competent jurisdiction of any state of the
6 United States.

7 4. Motor vehicle liability policy. "Motor vehi-
8 cle liability policy" means a policy of liability in-
9 surance certified as proof of financial responsibili-
10 ty in accordance with section 794, and which provides
11 indemnity for or protection to the insured and any
12 person responsible to him for the operation of the
13 insured's motor vehicle, trailer or semitrailer who
14 has obtained possession or control thereof with his
15 express or implied consent, against loss by reason of
16 the liability to pay damages to others for damage to
17 property, except property of others in charge of the
18 insured or his employees, or bodily injuries, includ-
19 ing death at any time resulting therefrom, acciden-
20 tally sustained during the term of the policy by any
21 person other than the insured, or employees of the
22 insured actually operating the motor vehicle or of
23 any other responsible persons who are entitled to
24 payments of benefits under any Workers' Compensation
25 Act, arising out of the ownership, operation, mainte-
26 nance, control or use within the limits of the United
27 States or Canada of the motor vehicles, trailer or
28 semitrailer, to the amount or limit of at least
29 \$20,000 on account of injury to or death of any one
30 person, and subject to such limits as respects injury
31 to or death of one person, of at least \$40,000 on ac-
32 count of any one accident resulting in injury to or
33 death of more than one person, and of at least
34 \$10,000 for damage to property of others, or a binder
35 pending the issue of that policy.

36 5. Owner. "Owner" means a person who holds the
37 legal title to a motor vehicle, trailer or semitrail-
38 er, or in the event a motor vehicle, trailer or semi-
39 trailer is the subject of an agreement for the condi-
40 tional sale or lease thereof with the right of pur-
41 chase upon performance of the conditions stated in
42 the agreement and with an immediate right of posses-
43 sion vested in the conditional vendee or lessee, or
44 in the event a mortgagor of a motor vehicle, trailer
45 or semitrailer is entitled to possession, then that

1 conditional vendee or lessee or mortgagor shall be
2 the owner for the purposes of this subchapter.

3 6. Person. "Person" means every person, firm,
4 copartnership, association or corporation, but not
5 the State or any political subdivision thereof.

6 7. State. "State" means any state of the United
7 States, the District of Columbia or any province of
8 Canada.

9 §792. Secretary of State to administer rules

10 The Secretary of State shall administer and en-
11 force this subchapter and may adopt and enforce such
12 rules as may be necessary for that administration.

13 §793. Required maintenance of financial responsibil-
14 ity

15 1. Requirement. Every operator of or owner of a
16 motor vehicle, trailer or semitrailer shall at all
17 times maintain in force the amounts of financial re-
18 sponsibility specified in section 794, subsection 2.

19 2. Penalty. Violation of this section is a civ-
20 il violation, for which a forfeiture of not more than
21 \$100 may be assessed.

22 3. Suspension. The Secretary of State shall
23 suspend, in accordance with chapter 17, the license,
24 right to operate and right to obtain a license of any
25 person operating a motor vehicle, and the registra-
26 tion certificate and registration plates and the
27 right to register of any person owning a motor vehi-
28 cle, trailer or semitrailer under the following cir-
29 cumstances:

30 A. Upon receipt by the Secretary of State of a
31 copy of an adjudication of a violation of subsec-
32 tion 1; or

33 B. If it otherwise appears from the records of
34 his office or other sufficient evidence that a
35 person is in violation of subsection 1.

1 4. Term of suspension. Any suspension issued
2 under this subchapter shall remain in effect until
3 the person provides the Secretary of State with sat-
4 isfactory evidence of financial responsibility by one
5 of the methods provided in section 794, subsection 3.

6 §794. Proof of financial responsibility

7 1. Security and proof of financial responsibili-
8 ty may be required. Notwithstanding any other provi-
9 sion of this subchapter, the Secretary of State may
10 require any motor vehicle operator or owner to file
11 with this office proof of financial responsibility
12 for a period not to exceed 3 years from the date of
13 requirement, that period to be determined by the Sec-
14 retary of State, under any of the following condi-
15 tions:

16 A. Noncompliance with section 793, subsection 1;

17 B. Accident record; or

18 C. Record of motor vehicle violations.

19 2. Amount of proof required. Proof of financial
20 responsibility means proof of ability to respond in
21 damages for any liability thereafter incurred, aris-
22 ing out of the ownership maintenance, control or use
23 of a motor vehicle, trailer or semitrailer in the
24 amount of \$20,000 because of bodily injury or death
25 to any one person, and subject to the limit respect-
26 ing one person, in the amount of \$40,000 because of
27 bodily injury to or death to 2 or more persons in any
28 one accident, and in the amount of \$10,000 because of
29 injury to and destruction of property in any one ac-
30 cident. Whenever required under this subchapter,
31 that proof in those amounts shall be furnished for
32 each motor vehicle, trailer or semitrailer registered
33 by that person, except that any trailer, semitrailer,
34 camp trailer or mobile home registered in the name of
35 any person required to file proof of financial re-
36 sponsibility, which is automatically covered by a
37 policy on any motor vehicle registered by that per-
38 son, which also provides the coverage required for a
39 motor vehicle liability policy, shall not be subject
40 to this section.

1 3. Methods of giving proof. Proof of financial
2 responsibility when required under this subchapter
3 may be given by any of the following methods:

4 A. By filing with the Secretary of State a cer-
5 tificate, as defined in section 791, subsection
6 1, of an insurance company or of a surety compa-
7 ny;

8 B. By the deposit of money or securities as pro-
9 vided in subsection 4; or

10 C. By satisfying the Secretary of State that any
11 corporation has financial ability to comply with
12 the requirements of this subchapter.

13 4. Money or securities deposited as proof. A
14 person may give proof of financial responsibility by
15 delivering to the Secretary of State a receipt of the
16 Treasurer of State showing the deposit with the Treas-
17 urer of State of money in an amount or of securities
18 approved by the Treasurer of State and of a market
19 value in a total amount, as would be required for
20 coverage in a motor vehicle liability policy fur-
21 nished by the person giving proof under this subchap-
22 ter. The securities shall be of a type which may leg-
23 ally be purchased by savings banks or for trust
24 funds. All money or securities so deposited shall be
25 subject to execution to satisfy any judgment men-
26 tioned in this subchapter but shall not otherwise be
27 subject to attachment or execution.

28 5. Limitation. The Treasurer of State shall not
29 accept any deposit or issue a certificate therefor
30 and the Secretary of State shall not accept any cer-
31 tificate, unless accompanied by evidence that there
32 are no unsatisfied judgments against the depositor
33 registered in the office of the clerk of the Superior
34 Court for the county where the depositor resides.

35 6. May substitute other proof. The Secretary of
36 State shall return any certificate of insurance, or
37 shall direct the Treasurer of State to return any
38 money or securities to the person entitled thereto
39 upon the substitution and acceptance of other ade-
40 quate proof of financial responsibility pursuant to
41 this subchapter.

1 7. Cancellation of policy. No motor vehicle li-
2 ability policy may be canceled until at least 10 days
3 after notice of cancellation of the insurance so cer-
4 tified is filed in the office of the Secretary of
5 State, except that such a policy subsequently pro-
6 cured and certified shall, on the effective date of
7 its certification, terminate the insurance previously
8 certified with respect to any motor vehicle desig-
9 nated in both certificates.

10 8. Operating without giving proof. Any person
11 whose operator's license or registration certificates
12 or other privilege to operate a motor vehicle, trail-
13 er or semitrailer has been suspended or revoked, res-
14 toration thereof or the issuance of a new license or
15 registration being contingent upon the furnishing of
16 security or proof of financial responsibility, and
17 who, during that suspension or revocation or in the
18 absence of full authorization from the Secretary of
19 State, drives any motor vehicle, trailer or semi-
20 trailer upon any highway or knowingly permits any mo-
21 tor vehicle, trailer or semitrailer owned by that
22 person to be operated by another upon any highway,
23 except as permitted under this subchapter, shall be
24 punished as provided in section 2184. Where any per-
25 son is required under this subchapter to maintain
26 proof of financial responsibility, the Secretary of
27 State may issue a restricted license to that person,
28 authorizing the operation of any motor vehicle,
29 trailer or semitrailer so long as the owner thereof
30 shall maintain proof of financial responsibility.

31 9. Identification card. The Secretary of State
32 shall approve for use an insurance identification
33 card, as defined in section 791, subsection 2, by any
34 person who elects in lieu of maintaining a motor ve-
35 hicle liability policy, to provide proof of financial
36 responsibility in any other manner authorized by this
37 section. The Secretary of State shall determine the
38 form of the card insofar as possible to be consistent
39 with the form prescribed by the Superintendent of In-
40 surance for similar cards issued by insurers pursuant
41 to Title 24-A, section 2412, subsection 6.

42 §795. Policy form

1 1. Policy form. No motor vehicle liability pol-
2 icy, as defined in section 791, subsection 4, may be
3 certified as proof of financial responsibility in ac-
4 cordance with section 794 until a copy of the form of
5 the policy has been on file with the Superintendent
6 of Insurance for at least 30 days, unless, before the
7 expiration of that period, the Superintendent of In-
8 surance approves the form of the policy in writing,
9 or if the Superintendent of Insurance notifies the
10 company in writing that, in his opinion, the form of
11 the policy does not comply with the laws of the
12 State, provided that he shall notify the company in
13 writing within the period of his approval or disap-
14 approval thereof. The Superintendent of Insurance
15 shall approve a form of policy which contains the
16 name and address of the insured, a description of the
17 motor vehicles and trailers or semitrailers covered,
18 with the premium charges therefor, the policy period,
19 the limits of liability and an agreement that insur-
20 ance is provided in accordance with and subject to
21 this subchapter.

22 2. Required provisions. A motor vehicle liabil-
23 ity policy certified as proof of financial responsi-
24 bility in accordance with section 794 is subject to
25 the following provisions which need not be contained
26 therein.

27 A. The liability of any company under a motor
28 vehicle liability policy shall become absolute
29 whenever loss or damage covered by the policy oc-
30 cur, and the satisfaction by the insured of a
31 final judgment for that loss or damage shall not
32 be a condition precedent to the right or duty of
33 the company to make payment on account of that
34 loss or damage. No such contract of insurance
35 may be canceled or annulled by any agreement be-
36 tween the company and the insured after the in-
37 sured has become responsible for the loss or dam-
38 age, and any such cancellation or annulment shall
39 be void. Upon the recovery of a final judgment
40 against any person for any loss or damage speci-
41 fied in this section, if the judgment debtor was,
42 at the accrual of the cause of action, insured
43 against liability therefor under a motor vehicle
44 liability insurance policy, the judgment creditor
45 shall be entitled to have the insurance money ap-
46 plied to the satisfaction of the judgment.

1 B. The policy, the written application therefor,
2 if any, and any rider or endorsement which shall
3 not conflict with this subchapter shall consti-
4 tute the entire contract between the parties.

5 C. No statement made, by the insured or on his
6 behalf, and no violation of the terms of the pol-
7 icy, may operate to defeat or avoid the policy so
8 as to bar recovery within the limit provided in
9 the policy.

10 D. If the death, insolvency or bankruptcy of the
11 insured occurs within the policy period, the pol-
12 icy during the unexpired portion of that period
13 shall cover the legal representatives of the in-
14 sured. The policy shall contain such provisions
15 as are not inconsistent with this subchapter as
16 may be required by the Superintendent of Insur-
17 ance.

18 E. Damages shall not be assessed except by spe-
19 cial order of the court in a civil action, pay-
20 ment of the judgment wherein is secured by a mo-
21 tor vehicle liability policy and the defendant
22 has been defaulted for failure to enter an ap-
23 pearance until the expiration of 30 days after
24 the plaintiff has given notice of that default to
25 the company issuing or executing the policy and
26 has filed an affidavit thereof. This notice may
27 be given by mailing it, postage prepaid, to the
28 company or to its agent who issued or executed
29 the policy. Upon receipt of information and hav-
30 ing become satisfied that the insured has failed
31 to comply with the terms of his policy in regard
32 to notice to the company of an accident, the Sec-
33 retary of State, pursuant and subject to chapter
34 17, shall revoke his license and registration for
35 such period as the Secretary of State shall de-
36 termine.

37 3. Prohibition. No motor vehicle liability pol-
38 icy other than that defined in section 791 may be
39 certified as proof of financial responsibility in ac-
40 cordance with section 794, by any authorized insur-
41 ance company, except that an authorized insurance
42 company may certify what is known as a standard auto-

1 mobile liability policy containing an agreement that
2 insurance is provided in accordance with and subject
3 to this subchapter which agreement has been approved
4 by the Superintendent of Insurance.

5 §796. Presentation of insurance identification card

6 1. Requirement. The insurance identification
7 card issued for a vehicle subject to section 793
8 shall at all times, while the vehicle is being oper-
9 ated within this State on a public way or any place
10 where public traffic may reasonably be anticipated,
11 be in the possession of the operator of the vehicle
12 or carried in the vehicle and shall be produced upon
13 the request of a law enforcement officer.

14 2. Penalty. Violation of this section is a
15 traffic infraction.

16 3. Dismissal. If a person charged with a viola-
17 tion of this section exhibits to a law enforcement
18 officer designated by the issuing officer an insur-
19 ance identification card or a certificate of an in-
20 urance company showing maintenance of financial re-
21 sponsibility at the time of the issuance of the Uni-
22 form Traffic Ticket and Complaint, no later than 24
23 hours before the time set for the court appearance,
24 then the traffic infraction proceeding shall be dis-
25 missed.

26 §797. Judgment debtors

27 Upon receipt by the Secretary of State of a copy
28 of any judgment which has been rendered against ei-
29 ther the owner or the operator of the motor vehicle
30 involved in an accident required to be reported under
31 section 798, subsection 1, which judgment resulted
32 from a cause of action that arose from that accident,
33 the Secretary of State shall, pursuant to chapter 17,
34 immediately suspend the license, the right to obtain
35 a license or the right to operate of a person operat-
36 ing who has thus become a judgment debtor, and the
37 registration certificates and plates or the right to
38 register any vehicle of any person owning a motor ve-
39 hicle, trailer or semitrailer involved in the acci-
40 dent who has thus become a judgment debtor, until:

1 1. Satisfied judgment. The judgment is satis-
2 fied, in the following amounts:

3 A. When \$20,000 has been credited upon any judg-
4 ment or judgments rendered in excess of that
5 amount because of bodily injury to or death of
6 one person as the result of any one accident;

7 B. When, subject to such a limit of \$20,000 be-
8 cause of bodily injury to or death of one person,
9 the sum of \$40,000 has been credited upon any
10 judgment or judgments rendered in excess of that
11 amount because of bodily injury to or death of 2
12 or more persons as the result of any one acci-
13 dent; or

14 C. When \$10,000 has been credited upon any judg-
15 ment or judgments rendered in excess of that
16 amount because of injury to or destruction of
17 property of others as a result of any one acci-
18 dent.

19 Credit for these amounts shall be deemed a satisfac-
20 tion of any such judgment or judgments in excess of
21 the amounts only for the purposes of this subchapter.

22 Payments made in settlement of any claims because of
23 bodily injury, death or property damage arising from
24 a motor vehicle accident shall be credited in reduc-
25 tion of the amounts provided for in this section;

26 2. Written release. The judgment debtor or
27 debtors secure a written release, in the form re-
28 quired by the Secretary of State, from the judgment
29 creditors; or

30 3. Bankruptcy. The judgment debtor obtains a
31 discharge of the debt in bankruptcy.

32 §798. Reports

33 1. Contents of report and duty of the Chief of
34 the State Police. Where an accident on a public way,
35 or in any place where public traffic may reasonably
36 be anticipated, has resulted in bodily injury to or
37 death of any person, or in property damage to an ap-
38 parent extent of \$300 or more, the accident report

1 required by section 891 shall contain, in a form pre-
2 scribed by the Secretary of State, such additional
3 relevant information as the Secretary of State shall
4 require. The Secretary of State may rely upon the
5 accuracy of the information unless and until he has
6 reason to believe that the information is erroneous.

7 2. Verification by insurer. Upon receipt of no-
8 tice from the Secretary of State that an automobile
9 liability policy was carried at a certain time, or
10 that the liability of the owner or operator for dam-
11 ages resulting from an accident was covered by any
12 other form of insurance or bond, the insurance carri-
13 er shall notify the Secretary of State within 15
14 days, in such manner as he may require, if the policy
15 was not in effect at the time of the accident. When
16 erroneous information with respect to the existence
17 of insurance is furnished to the Secretary of State,
18 he shall take appropriate action after receiving cor-
19 rect information with respect to that coverage.

20 3. Penalty. Any person who gives information
21 required in a report or otherwise, as provided for in
22 this section, knowing or having reason to believe
23 that information is false, commits a Class E crime.

24 §799. Application of provisions to nonresidents and
25 accidents in other states

26 1. Nonresidents. The operation of a motor vehi-
27 cle, trailer or semitrailer on a public way of the
28 State by a nonresident, or with his express or im-
29 plied consent if an owner, shall be deemed equivalent
30 to an appointment by the nonresident of the Secretary
31 of State or his successor in office to be his true
32 and lawful attorney, upon whom may be served all law-
33 ful processes in any action against the nonresident
34 growing out of any accident in which he may be in-
35 volved while so operating or so permitting to be op-
36 erated a motor vehicle on such a way.

37 2. Information to home state. When a
38 nonresident's operating privilege is suspended, pur-
39 suant to section 793, the Secretary of State shall
40 transmit a certified copy of the record of the action
41 to the official in charge of the issuance of licenses
42 and registration certificates in the state in which

1 the nonresident resides, if the law of that state
2 provides for action in relation thereto similar to
3 that provided for in subsection 3.

4 3. Accidents in other states. Upon receipt of
5 the certification that the operating privilege of a
6 resident of this State has been suspended or revoked
7 in any other state pursuant to a law providing for
8 its suspension or revocation for failure to provide
9 proof of financial responsibility, under circum-
10 stances which require the Secretary of State to sus-
11 pend a nonresident's operating privilege had the ac-
12 cident occurred in this State, the Secretary of State
13 may suspend the license of that resident and all reg-
14 istration certificates and registration plates. The
15 suspension may continue until that resident furnishes
16 evidence of his compliance with the law of the other
17 state and until that resident files proof of finan-
18 cial responsibility if required by that law.

19 §800. Opportunity for hearing

20 1. Desire for hearing. Any person entitled un-
21 der this subchapter to a hearing on the decision of
22 the Secretary of State in applying or invoking the
23 requirements of this subchapter shall notify the Sec-
24 retary of State in writing of his desire for a hear-
25 ing within 10 days after receipt of the requirement.
26 Pending the hearing, the requirement of the subchap-
27 ter may not be invoked. This provision shall not be
28 construed to relieve any person from maintaining a
29 form of financial responsibility as required by sec-
30 tion 793, subsection 1.

31 2. Determination of issuance. If the Secretary
32 of State, in carrying out his responsibilities to ad-
33 minister and enforce this subchapter, holds a hearing
34 as provided in section 53 to determine whether or not
35 a motor vehicle operator's license or certificate of
36 registration should be issued to a person against
37 whom the motor vehicle financial responsibility law
38 has been invoked, he shall provide notice of the
39 hearing to the other party or parties in the accident
40 which gave rise to that law being invoked.

41 §801. Limitation and saving clause

1 Like the current law, this bill does not require
2 the filing of actual proof of financial responsibility
3 for all owners and operators. This would still be
4 reserved for motorists who violate the law.

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