

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION

2  
3 ONE HUNDRED AND TWELFTH LEGISLATURE

4  
5 Legislative Document

No. 1021

6  
7 H.P. 711

House of Representatives, March 13, 1985

8 On motion of Representative Brannigan of Portland, referred to the  
9 Committee on Business and Commerce. Sent up for concurrence and ordered  
10 printed.

EDWIN H. PERT, Clerk

Presented by Representative Rolde of York.

Cosponsored by Representative Foster of Ellsworth, Representative  
11 Hillock of Gorham and Representative Mills of Bethel.

12 STATE OF MAINE

13  
14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT to Regulate Rate of Insurance Charged  
18 to Motor Coaches used in the Tourist  
19 Trade.  
20

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

23 Sec. 1. 29 MRSA §2703-A is enacted to read:

24 §2703-A. Insurance required

25 No permit may be issued under section 2703 unless  
26 evidence of appropriate insurance has been provided  
27 for each motor vehicle to be operated. The evidence  
28 may be in the form of an insurance policy, policies  
29 or bond, written only on forms approved by the Super-  
30 intendent of Insurance, filed with the bureau on the  
31 State Form J-3 or in the case of motor carriers of 21  
32 or more passengers filed with the bureau on the State  
33 Form J-3a. The combined single limit of liability  
34 for all damages shall be as follows:

<u>Passengers</u>	<u>Minimum Limits</u>
<u>7 or less</u>	<u>\$500,000</u>
<u>8 to 15</u>	<u>750,000</u>
<u>16 or more</u>	<u>shall meet federally</u> <u>mandated requirements</u> <u>for motor carriers of</u> <u>passengers under the</u> <u>Federal Interstate</u> <u>Commerce Commission</u> <u>and the Department of</u> <u>Transportation regu-</u> <u>lations</u>

Sec. 2. 29 MRSA §2708, as repealed and replaced by PL 1983, c. 642, is amended to read:

§2708. Indemnity bonds

The Secretary of State shall not register any motor vehicle required to obtain an operating permit subject to this chapter and the bureau shall not issue a permit covering the operation of any such motor vehicle or vehicles, until the applicant for that permit has procured a good and sufficient insurance policy, policies or indemnity bond, in such amount as the bureau prescribes, having as surety thereon, a surety company authorized to transact business in this State or 2 responsible individuals, which bond shall be approved by the bureau. The insurance policy or bond shall adequately provide for cargo insurance and for the collection of damages for which the holder of a permit may be liable by reason of the operation of any motor vehicle or vehicles subject to the operation of this chapter. Notwithstanding this section, any person, firm or corporation transporting logs or pulpwood, garbage, refuse, sludge, junk or unserviceable vehicles, manure, wood chips, bark or hogged fuel is not required to provide cargo insurance. Any person, firm or corporation transporting freight between points within this State and points without the State or between points without the State, but passing through this State, is not required to provide cargo insurance.

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# STATEMENT OF FACT

2       The purpose of this bill is to ensure uniformity  
3 with the Federal Interstate Commerce Commission and  
4 the Department of Transportation regarding insurance  
5 requirements for motor carriers of passengers. This  
6 is important because motor coaches are interstate  
7 travelers and cannot be expected to be in conformity  
8 with regulations in all states they pass through if  
9 all states have different regulations. Some motor  
10 coaches have refused to come to Maine under this reg-  
11 ulation. In addition, the insurance market itself  
12 has a concern in being required to write motor coach  
13 liability insurance in Maine differently than in the  
14 other 49 states. Basically, Maine now requires a  
15 single primary insurance policy, while all other  
16 states and the Federal Government allow multitiered  
17 liability insurance with primary coverage and rein-  
18 surance contractually bound. Finally, it is impor-  
19 tant to note that \$2,000,000, the minimum requirement  
20 in Maine, presently is less than the \$2,500,000 fed-  
21 eral standard and the federal standard will be auto-  
22 matically raised to \$5,000,000 in November 1985.

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