

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1030

H.P. 767 House of Representatives, March 31, 1987
Reference to the Committee on Transportation suggested
and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative HANDY of Lewiston.

Cosponsored by Representatives JOSEPH of Waterville,
RYDELL of Brunswick and THISTLE of Dover-Foxcroft.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Change the Manner in which the
2 State Seeks Assurance of Motorists' Financial
3 Responsibility
4

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

7 Sec. 1. 29 MRSA c. 9, first 4 lines, are re-
8 pealed and the following enacted in their place:

9 CHAPTER 9

10 FINANCIAL RESPONSIBILITY AND INSURANCE

11 SUBCHAPTER I

12 GENERAL FINANCIAL RESPONSIBILITY

1 accordance with the terms of the policy for personal
2 injury or death of any one person in the sum of
3 \$20,000, for any number of persons in the sum of
4 \$40,000 and against property damage in the sum of
5 \$15,000, which injury, death or damage may result
6 from or have been caused by the operation of that mo-
7 tor vehicle. In lieu of this insurance, the appli-
8 cant may file with the Secretary of State a bond or
9 bonds issued by a surety company authorized to do
10 business in the State, in the amount of at least
11 \$20,000 on account of injury to or death of any one
12 person, and subject to the limits, in respect to in-
13 jury to or death of any one person, of at least
14 \$40,000 on account of any one accident resulting in
15 injury to or death of more than one person and of at
16 least \$15,000 for the damage to property of others.

17 2. Superintendent of Insurance approval re-
18 quired. The Superintendent of Insurance may not ap-
19 prove of the policy unless it provides coverage for
20 the operator, as well as the owner, but, if the oper-
21 ator is a person other than the named insured, his
22 agent or employee, the policy may provide that cover-
23 age for that operator may not apply except to the ex-
24 tent that the limits of liability of any other valid
25 and collectible insurance available to that operator
26 are not equal to the limits of liability specified in
27 this section, in which event, any other valid and
28 collectible insurance available to the operator shall
29 be primary insurance as to the operator, notwith-
30 standing anything to the contrary in that other poli-
31 cy.

32 §763. Certificate to be carried and exhibited on de-
33 mand

34 Every licensed operator of a motor vehicle regis-
35 tered in this State shall have his certificate of mo-
36 tor vehicle insurance in his immediate possession at
37 all times when operating a motor vehicle and shall
38 display the certificate upon demand of a police offi-
39 cer. No person charged with violating this section
40 may be convicted if he produces in court a certifi-
41 cate of motor vehicle liability insurance, verified
42 by the court with the insurance company and valid at
43 the time the demand for the certificate was made. If
44 the person charged exhibits to a law enforcement of-

1 ficer designated by the summoning officer a certifi-
2 cate of motor vehicle liability insurance verified by
3 the officer with the insurance company, not later
4 than 24 hours before the time set for the court ap-
5 pearance, then the complaint shall not be issued.

6 If any person fails to provide a certificate of
7 insurance to a law enforcement officer or to the
8 court, pursuant to this section, this failure shall
9 be prima facie evidence that the motorist is unin-
10 insured.

11 §764. Penalty

12 Any person found guilty of operating a motor ve-
13 hicle without motor vehicle liability insurance shall
14 be punished by suspension of his license until motor
15 vehicle liability insurance is purchased and by a
16 fine of no less than \$100 and no more than \$500 for
17 the first offense. For the 2nd offense, a fine of no
18 less than \$500 and no more than \$1,000 shall be ad-
19 judged and the operator's license shall be suspended
20 for no less than 2 months. For the 3rd and subse-
21 quent offenses, a fine of no less than \$1,000 and no
22 more than \$1,500 shall be adjudged and the operator's
23 license shall be suspended for a period of no less
24 than 6 months. The person found in violation of this
25 chapter shall post a motor vehicle liability bond, as
26 defined in section 781, subsection 1, paragraph C,
27 with the court in the amount specified in section
28 762, until the operator obtains a motor vehicle li-
29 ability insurance policy or until the operator's li-
30 cence is suspended by the court or the Secretary of
31 State.

32 1. New license application. Any person found
33 guilty under this section shall not be allowed to ap-
34 ply for a new license unless the person presents evi-
35 dence of a valid motor vehicle liability insurance
36 policy paid in full and effective for at least one
37 year from the date of issuance and in the amount
38 specified in section 762.

39 2. Fraudulent certificate. Any person who pos-
40 sesses a fraudulent certificate of insurance is
41 guilty of a Class E crime and, upon conviction, shall
42 have his license revoked for one year.

1 3. Subsequent offenses. Any person found guilty
2 of a 2nd offense of operating a motor vehicle without
3 motor vehicle liability insurance shall be punished
4 by suspension of his license for a period of 6
5 months. Subsequent offenses shall be punished by
6 suspension of the operator's license for a period of
7 one year.

8 §765. Notice of the Secretary of State; ensuing pro-
9 cedure

10 Upon conviction of an operator of a motor vehicle
11 for failure to own or possess a valid motor vehicle
12 liability insurance policy, the court may suspend the
13 license and shall immediately notify the Secretary of
14 State. In the event that the court does not suspend
15 the license, the Secretary of State shall immediately
16 notify the violator in writing that he is in viola-
17 tion of this chapter and shall suspend the violator's
18 motor vehicle operator's license within 30 days from
19 the date of notice unless the person convicted under
20 this chapter presents to the Secretary of State a
21 certificate of a valid motor vehicle liability insur-
22 ance policy paid in full and effective for a least
23 one year from the date of issuance and in the amount
24 specified in section 782.

25 1. Payment of costs incurred by Secretary of
26 State. In addition to any penalties that apply pur-
27 suant to this chapter, any person found in violation
28 of this chapter shall be required to pay to the Sec-
29 retary State all the costs incurred by the Secretary
30 of State to implement the provisions of this chapter
31 with respect to the violator.

32 §766. Restoration of license

33 Any person found guilty for failure to own a mo-
34 tor vehicle liability insurance policy and whose li-
35 cence has been revoked may have his license restored
36 in accordance with the provisions of this chapter by
37 presenting to the Secretary of State or his designee
38 a certificate of a valid motor vehicle liability in-
39 surance policy effective for one year from the date
40 of issuance.

41 Sec. 3. 29 MRSA, as amended, is further amended
42 by inserting before §781, the following:

1 shall, on and after such date, be deemed termi-
2 nated for purposes of this subchapter chapter,
3 unless such policy or bond is previously canceled
4 or superseded in accordance with section 787,
5 subsection 6. Where no expiration date is speci-
6 fied on the certificate, the policy or bond shall
7 be deemed, for the purposes of this subchapter
8 chapter, to continue in effect until it is can-
9 celed or superseded in accordance with section
10 787, subsection 6.

11 B. "Judgment," means any judgment which shall
12 have become final by expiration without appeal of
13 the time within which appeal might have been per-
14 fected, or by final affirmance on appeal, ren-
15 dered by a court of competent jurisdiction of any
16 state or of the United States.

17 C. "Motor vehicle liability bond," means a bond
18 certified as proof of financial responsibility in
19 accordance with section 787, or a bond required
20 under section 762, and conforming to section 786,
21 subsection 3, and conditioned that the obligor
22 shall within 30 days after the rendition thereof
23 satisfy all judgments rendered against him or
24 against any person responsible to him for the op-
25 eration of the obligor's motor vehicle, trailer
26 or semi-trailer semitrailer who has obtained pos-
27 session or control thereof with his express or
28 implied consent, in actions to recover damages
29 for damage to property of others or bodily inju-
30 ries, including death at any time resulting
31 therefrom, accidentally sustained during the term
32 of said the bond by any person other than the in-
33 sured employees of the obligor actually operating
34 the motor vehicle or of such other person respon-
35 sible who are entitled to payments or benefits
36 under any Workmen's Workers' Compensation Act,
37 arising out of the ownership, operation, mainte-
38 nance, control or use within the limits of the
39 United States of America or the Dominion of Cana-
40 da of such motor vehicle, trailer or semi-trailer
41 semitrailer, to the amount or limit of at least
42 \$10,000 on account of damage to property and at
43 least \$20,000 on account of injury to or death of
44 any one person, and subject to such limits as re-
45 spects injury to or death of one person, at least

1 \$40,000 on account of any one accident resulting
2 in injury to or death of more than one person.

3 D. "Motor vehicle liability policy," means a
4 policy of liability insurance certified as proof
5 of financial responsibility in accordance with
6 section 787, or a policy of liability insurance
7 issued pursuant to section 762, and which pro-
8 vides indemnity for or protection to the insured
9 and any person responsible to him for the opera-
10 tion of the insured's motor vehicle, trailer or
11 ~~semi-trailer~~ semitrailer who has obtained posses-
12 sion or control thereof with his express or im-
13 plied consent, against loss by reason of the lia-
14 bility to pay damages to others for damage to
15 property, except property of others in charge of
16 the insured or his employees, or bodily injuries,
17 including death at any time resulting therefrom,
18 accidentally sustained during the term of said
19 the policy by any person other than the insured,
20 or employees of the insured actually operating
21 the motor vehicle or of such other person respon-
22 sible who are entitled to payments or benefits
23 under any Workmen's Workers' Compensation Act,
24 arising out of the ownership, operation, mainte-
25 nance, control or use within the limits of the
26 United States of America or the Dominion of Cana-
27 da of such motor vehicle, trailer or ~~semi-trailer~~
28 semitrailer, to the amount or limit of at least
29 \$20,000 on account of injury to or death of any
30 one person, and subject to such limits as re-
31 spects injury to or death of one person, of at
32 least \$40,000 on account of any one accident re-
33 sulting in injury to or death of more than one
34 person, and of at least ~~\$10,000~~ \$15,000 for dam-
35 age to property of others, or a binder pending
36 the issue of such policy.

37 E. "Owner," means a person who holds the legal
38 title to a motor vehicle, trailer or ~~semi-trailer~~
39 semitrailer, or in the event a motor vehicle,
40 trailer or ~~semi-trailer~~ semitrailer is the sub-
41 ject of an agreement for the conditional sale or
42 lease thereof with the right of purchase upon
43 performance of the conditions stated in the
44 agreement and with an immediate right of posses-
45 sion vested in the conditional vendee or lessee,

1 or in the event a mortgagor of a motor vehicle,
2 trailer or ~~semi-trailer~~ semitrailer is entitled
3 to possession, then such conditional vendee or
4 lessee or mortgagor shall be deemed the owner for
5 the purposes of this subchapter chapter.

6 F. "Person," means every person, firm, copart-
7 nership, association or corporation, but not the
8 State or any political subdivision thereof.

9 G. "Secretary of State" ~~shall--mean~~ means the
10 Secretary of State or any of his deputies.

11 H. "State," means any state of the United
12 States, the District of Columbia or any province
13 of the Dominion of Canada.

14 2. Secretary of State to administer rules. The
15 Secretary of State shall administer and enforce this
16 subchapter chapter, and he is authorized to adopt and
17 enforce such regulations rules as may be necessary
18 for that administration.

19 Sec. 5. 29 MRSA §782, as amended by PL 1983, c.
20 809, §1, is further amended to read:

21 §782. Proof required on conviction for violation

22 1. Suspension of licenses. Upon receipt of an
23 abstract of the record in cases of conviction or ad-
24 judication of any person for a violation of any state
25 law relative to motor vehicles, the Secretary of
26 State, in his discretion, may forthwith, pursuant and
27 subject to chapter 17, suspend the license of the
28 person so convicted or adjudicated and the registra-
29 tion certificates and registration plates issued for
30 any motor vehicle, trailer or semitrailer registered
31 in the name of such person unless and until such per-
32 son gives and thereafter maintains for a period of 3
33 years proof of his financial responsibility in the
34 limits of \$20,000 each individual, \$40,000 any one
35 accident resulting in injury or death to one or more
36 persons and ~~\$10,000~~ \$15,000 for damage to property of
37 others. Upon receipt of an attested copy of the
38 court record of a conviction or adjudication under
39 section 1312-B, 1312-C or Title 15, section 3103,
40 subsection 1, paragraph F, when the person has been

1 previously convicted within a 6-year period of vio-
2 lating any of these provisions or subsection 10 of
3 former section 1312, the Secretary of State shall not
4 reinstate the person's license, right to operate a
5 motor vehicle or right to apply for or obtain a li-
6 cense until the person gives and thereafter maintains
7 for a period of ~~3-years~~ 3 years proof of his finan-
8 cial responsibility in the limits provided in this
9 subsection, provided that the period of suspension
10 shall in no case be less than the original period of
11 suspension imposed for the conviction or adjudica-
12 tion. The Secretary of State shall take action as
13 required in this section upon receiving proper evi-
14 dence of any such conviction or adjudication of any
15 person in another state. ~~The Secretary of State may~~
16 ~~waive the requirement of filing proof of financial~~
17 ~~responsibility at any time after 3 years from the~~
18 ~~date of request for compliance.~~

19 2. Definition of term "conviction". For purposes
20 of this ~~subchapter~~ chapter, the term "conviction"
21 shall include a forfeiture of bail or collateral de-
22 posited to secure a defendant's appearance in court,
23 which forfeiture has not been vacated, upon a charge
24 of violating any motor vehicle law.

25 **Sec. 6.** 29 MRSA §783, sub-§2, ¶A, as repealed
26 and replaced by PL 1979, c. 430, §2, is amended to
27 read:

28 A. Upon receipt by the Secretary of State of the
29 report of an accident on a public way, or in any
30 place where public traffic may reasonably be an-
31 ticipated, which has resulted in death, bodily
32 injury or property damage to an apparent extent
33 of \$300 or more, the Secretary of State, pursuant
34 and subject to chapter 17, shall, 30 days follow-
35 ing the date of request for compliance with the
36 following requirement, suspend the license, the
37 right to obtain a license, or the right to oper-
38 ate of any person operating, and the registration
39 certificates and registration plates or the right
40 to register of any person owning a motor vehicle,
41 trailer or semitrailer in any manner involved in
42 the accident, unless the operator and owner shall
43 immediately give and maintain proof of financial
44 responsibility as provided under section 787,

1 subsection 2. ~~The Secretary of State may waive~~
2 ~~the requirement of filing proof of financial re-~~
3 ~~sponsibility at any time after 3 years from the~~
4 ~~date of request for compliance, provided no fur-~~
5 ~~ther filing is required under section 782, sub-~~
6 ~~section 1.~~

7 Sec. 7. 29 MRSA §784, as amended by PL 1969, c.
8 363, §4, is further amended to read:

9 §784. Payments sufficient to satisfy requirements

10 Every judgment shall, for the purposes of this
11 subchapter chapter be deemed satisfied:

12 1. \$20,000 credited. When \$20,000 has been cred-
13 ited upon any judgment or judgments rendered in ex-
14 cess of that amount because of bodily injury to or
15 death of one person as the result of any one acci-
16 dent; or

17 2. \$40,000 credited. When, subject to such limit
18 of \$20,000 because of bodily injury to or death of
19 one person, the sum of \$40,000 has been credited upon
20 any judgment or judgments rendered in excess of that
21 amount because of bodily injury to or death of 2 or
22 more persons as the result of any one accident; or

23 3. \$15,000 credited. When ~~\$10,000~~ \$15,000 has
24 been credited upon any judgment or judgments rendered
25 in excess of that amount because of injury to or de-
26 struction of property of others as a result of any
27 one accident.

28 Credit for such amounts shall be deemed a satis-
29 faction of any such judgment or judgments in excess
30 of said those amounts only for the purposes of this
31 subchapter chapter.

32 Payments made in settlement of any claims because
33 of bodily injury, death or property damage arising
34 from a motor vehicle accident shall be credited in
35 reduction of the amounts provided for in this sec-
36 tion.

37 Sec. 8. 29 MRSA §785, sub-§1, as amended by PL
38 1979, c. 430, §8, is further amended to read:

1 1. Nonresidents. This ~~subchapter~~ chapter shall
2 apply to any person who is not a resident of this
3 State, and if such that nonresident has failed to
4 give proof of his financial responsibility, then and
5 in such event that nonresident shall not operate any
6 motor vehicle, trailer or semitrailer in this State
7 nor ~~shall~~ may any motor vehicle, trailer or semi-
8 trailer owned by him be operated within this State by
9 any person. The Secretary of State ~~shall~~ may not is-
10 sue to such that nonresident any operator's license
11 or register any motor vehicle, trailer or
12 ~~semi-trailer~~ semitrailer owned by such that nonresi-
13 dent in the same manner as required with respect to
14 a resident of this State. The operation by a nonresi-
15 dent, or with his express or implied consent if an
16 owner, of a motor vehicle, trailer or ~~semi-trailer~~
17 semitrailer on a public way of the State shall be
18 deemed equivalent to an appointment by such that non-
19 resident of the Secretary of State or his successor
20 in office to be his true and lawful attorney, upon
21 whom may be served all lawful processes in any action
22 against him, growing out of any accident in which
23 said that nonresident may be involved while so oper-
24 ating or so permitting to be operated a motor vehicle
25 on such a public way.

26 Sec. 9. 29 MRSA §786, as amended by PL 1977, c.
27 694, §513, is further amended to read:

28 §786. Bonds

29 1. Policy form. No motor vehicle liability poli-
30 cy, as defined in section 781, shall be certified as
31 proof of financial responsibility in accordance with
32 section 787, or as proof of insurance in accordance
33 with section 762, until a copy of the form of the
34 policy has been on file with the Insurance Superin-
35 tendent of Insurance for at least 30 days, unless,
36 before the expiration of said the period, said the
37 Insurance Superintendent shall have approved the form
38 of the policy in writing, nor if said the Superin-
39 tendent of Insurance Superintendent notifies the com-
40 pany in writing that, in his opinion, the form of
41 said the policy does not comply with the laws of the
42 State, provided he shall notify the company in writ-
43 ing within said the period of his approval or disap-
44 proval thereof. Said The Superintendent of Insurance

1 Superintendent shall approve a form of policy which
2 contains the name and address of the insured, a de-
3 scription of the motor vehicles and trailers or
4 semi-trailer semitrailers covered, with the premium
5 charges therefor, the policy period, the limits of
6 liability and an agreement that insurance is provided
7 in accordance with and subject to this subchapter
8 chapter.

9 2. Required provisions. A motor vehicle liability
10 ty policy certified as proof of financial responsi-
11 bility in accordance with section 787, or certified
12 as proof of insurance in accordance with section 762,
13 shall be subject to the following provisions which
14 need not be contained therein.

15 A. The liability of any company under a motor
16 vehicle liability policy shall become absolute
17 whenever loss or damage covered by said policy
18 occurs, and the satisfaction by the insured of a
19 final judgment for such loss or damage shall not
20 be a condition precedent to the right or duty of
21 the company to make payment on account of said
22 loss or damage. No such contract of insurance
23 shall be canceled or annulled by any agreement
24 between the company and the insured after the
25 said insured has become responsible for such loss
26 or damage, and any such cancellation or annulment
27 shall be void. Upon the recovery of a final
28 judgment against any person for any loss or dam-
29 age specified in this section, if the judgment
30 debtor was, at the accrual of the cause of ac-
31 tion, insured against liability therefor under a
32 motor vehicle liability policy, the judgment
33 creditor shall be entitled to have the insurance
34 money applied to the satisfaction of the judg-
35 ment.

36 B. The policy, the written application therefor,
37 if any, and any rider or endorsement, which shall
38 not conflict with this subchapter chapter, shall
39 constitute the entire contract between the par-
40 ties.

41 C. No statement made by the insured or on his
42 behalf, and no violation of the terms of the pol-
43 icy, shall operate to defeat or avoid the policy

1 so as to bar recovery within the limit provided
2 in the policy.

3 D. If the death, insolvency or bankruptcy of the
4 insured shall occur within the policy period, the
5 policy during the unexpired portion of such period
6 shall cover the legal representatives of the
7 insured. Such policy shall contain such provisions;
8 as are not inconsistent with this
9 subchapter chapter as shall be required by the
10 Insurance Superintendent of Insurance.

11 E. Damages shall not be assessed except by special
12 order of the court in a civil action, payment
13 of the judgment wherein is secured by a motor
14 vehicle liability policy or a motor vehicle
15 liability bond, as defined in section 781, and
16 wherein the defendant has been defaulted for
17 failure to enter an appearance until the expiration
18 of 30 days after the plaintiff has given notice
19 of such default to the company issuing or
20 executing such policy or bond and has filed an
21 affidavit thereof. Such notice may be given by
22 mailing the same, postage prepaid, to the said
23 company or to its agent who issued or executed
24 such policy or bond. Upon receipt of information
25 and having become satisfied that the insured has
26 failed to comply with the terms of his policy in
27 regard to notice to the company of an accident,
28 the Secretary of State, pursuant and subject to
29 chapter 17, shall revoke his license and registration
30 for such period as the Secretary of State
31 shall determine.

32 3. Liability bonds. Subsections 1 and 2, except
33 subsection 2, paragraphs A, B and C, shall apply to
34 motor vehicle liability bonds, as defined in section
35 781, and every such bond of that type shall be subject
36 to, although it need not be contained therein,
37 the provision that no statement made by the principal
38 on such that bond or on his behalf, and no violation
39 of the terms of such that bond, shall may operate to
40 defeat or avoid such bond as against the judgment
41 creditor of such that principal.

42 4. Prohibition. No motor vehicle liability poli-
43 cy other than that defined in section 781 shall may

1 be certified as proof of financial responsibility in
2 accordance with section 787, or as proof of insurance
3 in accordance with section 762, by any authorized in-
4 surance company, except that such an authorized in-
5 surance company may certify what is known as a stan-
6 dard automobile liability policy containing an agree-
7 ment that insurance is provided in accordance with
8 and subject to this subchapter chapter which agree-
9 ment has been approved by the Superintendent of In-
10 surance Superintendent.

11 Sec. 10. 29 MRSA §787, as amended by PL 1981, c.
12 475, §1, is further amended to read:

13 §787. Proof of financial responsibility

14 1. Amount of proof required. Proof of financial
15 responsibility ~~shall mean~~ means proof of ability to
16 respond in damages for any liability thereafter in-
17 curred, arising out of the ownership, maintenance,
18 control or use of a motor vehicle, trailer or semi-
19 trailer in the amount of \$20,000 because of bodily
20 injury or death to any one person, and subject to
21 ~~said~~ the limit respecting one person, in the amount
22 of \$40,000 because of bodily injury to or death to 2
23 or more persons in any one accident, and in the
24 amount of ~~\$10,000~~ \$15,000 because of injury to and
25 destruction of property in any one accident. Whenev-
26 er required under this subchapter chapter, such proof
27 in such amounts shall be furnished for each motor ve-
28 hicle, trailer or semitrailer registered by such per-
29 son, except that any trailer, semitrailer, camp
30 trailer or mobile home, registered in the name of any
31 person required to file proof of financial responsi-
32 bility, which is automatically covered by a policy on
33 any motor vehicle registered by such person, which
34 also provides the coverage required for a motor vehi-
35 cle liability policy, shall not be subject to this
36 section.

37 2. Methods of giving proof. Proof of financial
38 responsibility when required under this subchapter
39 chapter may be given by any of the following methods:

40 A. By filing with the Secretary of State a cer-
41 tificate, as defined in section 781, of an insur-
42 ance company or of a surety company; or

17 valid evidence sufficient to prove an infraction of
18 paragraph B. By the deposit of money or securities as pro-
19 vided in subsection 3, or

20 paragraph C. By satisfying the Secretary of State that any
21 corporation has financial ability to comply with
22 the requirements of this subchapter chapter.

23 3. Money or securities deposited as proof. A
24 person may give proof of financial responsibility by
25 delivering to the Secretary of State a receipt of the
26 Treasurer of State showing the deposit with said the
27 Treasurer of State of money in an amount, or securi-
28 ties approved by said the Treasurer of State and of a
29 market value in a total amount, as would be required
30 for coverage in a motor vehicle liability policy fur-
31 nished by the person giving such that proof under
32 this subchapter chapter. Such The securities shall be
33 of a type which may legally be purchased by savings
34 banks or for trust funds. All money or securities so
35 deposited shall be subject to execution to satisfy
36 any judgment mentioned in this subchapter chapter,
37 but shall not otherwise be subject to attachment or
38 execution.

39 4. Limitation. The Treasurer of State shall may
40 not accept any such deposit of that type or issue a
41 certificate therefor and the Secretary of State shall
42 may not accept such that certificate, unless accompa-
43 nied by evidence that there are no unsatisfied judg-
44 ments against the depositor registered in the office
45 of the clerk of the Superior Court for the county
46 where the depositor resides.

47 5. May substitute other proof. The Secretary of
48 State shall cancel any bond or return any certificate
49 of insurance, or the Secretary of State shall direct
50 and the Treasurer of State shall return any money or
51 securities, to the person entitled thereto upon the
52 substitution and acceptance of other adequate proof
53 of financial responsibility pursuant to this
54 subchapter chapter.

55 6. Cancellation of policy or bond. No motor ve-
56 hicle liability policy or bond certified as proof of
57 financial responsibility pursuant to subsection 2,
58 paragraph A shall be canceled until at least 10 days
59 after notice of cancellation of the insurance or bond

1 so certified shall be filed in the office of the Sec-
2 retary of State, except that such a policy or bond
3 subsequently procured and certified shall, on the ef-
4 fective date of its certification, terminate the in-
5 surance or bond previously certified with respect to
6 any motor vehicle designated in both certificates.

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

29 Sec. 11. 29 MRSa §788 is amended to read:

30 §788. Limitation and saving clause

31 This subchapter chapter shall not be construed to
32 prevent the plaintiff in any civil action from re-
33 lying upon the other processes provided by law.

34 Sec. 12. 29 MRSa §789, as enacted by PL 1977, c.
35 694, §514, is amended to read:

36 §789. Opportunity for hearing

37 1. Desire for hearing. As provided in section
38 53, any person aggrieved by the decision of the Sec-
39 retary of State in applying or invoking the require-
40 ments of this subchapter chapter may, within 10 days

1 after receipt of the requirement, notify the Secretary of State in writing of his desire for a hearing. Pending the hearing, the requirement of the subchapter chapter shall not be invoked.

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5 2. Determination of issuance. If the Secretary of State, in carrying out his responsibilities to administer and enforce this subchapter chapter, shall hold a hearing as provided in section 53 to determine whether or not a motor vehicle operator's license or certificate of registration should be issued to a person against whom the motor vehicle financial responsibility law has been invoked, he shall provide notice of the hearing to the other party or parties involved in the accident which gave rise to that law being invoked.

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16 Sec. 13. 29 MRSA c. 9, sub-c. II, first 2 lines are repealed as follows:

17
18 SUBCHAPTER-II

19 INSURANCE

20 Sec. 14. 29 MRSA §831, as amended by PL 1985, c. 658, §1, is reallocated to be §790.

21
22 Sec. 15. 29 MRSA §831-A, as enacted by PL 1985, c. 658, §2, is reallocated to be §791.

23
24 Sec. 16. 29 MRSA §832, as amended by PL 1985, c. 685, §4, is reallocated to be §792.

25
26 STATEMENT OF FACT

27 The purpose of this bill is to require that every person who operates a motor vehicle have motor vehicle liability insurance. It is an injustice to Maine citizens for an uninsured motorist to escape his responsibility for damages or death for which the motorist is responsible. The uninsured motorist in Maine is responsible for increased insurance premiums that Maine citizens must pay for motor vehicle insurance.

1 This bill proposes that every insurance company
2 offering motor vehicle liability insurance issue a
3 certificate of insurance coverage to its customers.
4 Each motorist is required to carry the certificate of
5 insurance with him in the same manner that each mo-
6 torist is required to carry a motor vehicle
7 operator's license. In the event that a motorist
8 forgets to carry the certificate of insurance with
9 him, the motorist has 24 hours to show proof of in-
10 surance valid at the time the motorist was stopped.

11 When a law enforcement officer requests a motor-
12 ist to present his operator's license, the officer
13 will also request to see proof of insurance.

14 In the event that a motorist is found by the
15 court to be uninsured, the motorist is required to
16 purchase liability insurance, paid in full for one
17 year, in order for his operator's license to be re-
18 turned. The penalty for a 2nd offense is the loss of
19 the operator's license for a 2-month period and a
20 more severe fine. For the 3rd and subsequent of-
21 fenses, the operators license may be suspended for 6
22 months.

23 This bill also raises the statutory minimum of
24 \$10,000 of insurance coverage for damages to property
25 to \$15,000.

26 Roughly 25 states have mandatory motor vehicle
27 liability insurance laws. In 1975, the National As-
28 sociation of Independent Insurers estimated that in-
29 sured motor vehicle operators across the nation paid
30 in excess of \$500,000,000 per year for motor vehicle
31 liability insurance to cover accidents with uninsured
32 motorists. This figure may be much higher today.
33 This bill is intended to correct this injustice for
34 Maine citizens.

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