

MAINE STATE LEGISLATURE

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(New Draft of S.P. 252, L.D. 703)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1798

S.P. 608

In Senate, June 9, 1987

Reported by the Majority Report for the Committee on Banking and Insurance and printed under Joint Rule 2. Original Bill sponsored by Senator Brannigan of Cumberland. Cosponsored by: Senator Collins of Aroostook, Representative MacBride of Presque Isle, Representative Ingraham of Houlton.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

**AN ACT to Require Maintenance of Financial
Responsibility by All Motorists.**

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

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

6. Motor vehicle insurance identification cards. Pursuant to this section, the superintendent, with the advice of the Secretary of State, shall prescribe a uniform motor vehicle insurance identification card form. The superintendent shall require all insurance companies transacting business within this State to provide with each motor vehicle liability insurance policy an insurance identification card for each ve-

1 hicle, describing the vehicle covered. When an in-
2 ured has 5 or more motor vehicles registered in this
3 State, the insurer may use the designation "all owned
4 vehicles" on each card in lieu of a specific descrip-
5 tion. This section is repealed on January 1, 1991.

6 Sec. 2. 24-A MRSA §2451 is enacted to read:

7 §2451. Minimum 3-month policy for motor vehicle lia-
8 bility insurance

9 No policy for motor vehicle liability insurance
10 may be issued for less than 3 months. This section
11 is repealed on January 1, 1991.

12 Sec. 3. 29 MRSA c. 9, sub-c. I, §§779 and 780
13 are enacted to read:

14 §779. Purpose

15 The Legislature finds that the economic damage
16 inflicted by uninsured motorists goes uncompensated
17 in many cases due to the failure of motorists to
18 maintain liability insurance or other means to insure
19 just compensation for victims of accidents. The
20 present law condones the financial irresponsibility
21 of these motorists until they have already inflicted
22 injuries or damage for which they may be unable to
23 provide compensation. The purpose of this subchapter
24 is to reduce the likelihood that financially irre-
25 sponsible motorists will operate on the State's high-
26 ways by instituting a requirement that motorists pro-
27 vide evidence of financial responsibility pursuant to
28 this subchapter. This section is repealed on January
29 1, 1991.

30 §780. Required maintenance of financial responsibil-
31 ity

32 1. Requirement. Every operator or owner of a
33 motor vehicle, trailer or semitrailer shall maintain
34 at all times the amounts of motor vehicle liability
35 insurance or financial responsibility specified in
36 section 787.

37 2. Evidence of insurance or financial responsi-
38 bility. Every operator or owner of a motor vehicle,

1 trailer or semitrailer shall present evidence of mo-
2 tor vehicle liability insurance or financial respon-
3 sibility upon the request of a law enforcement offi-
4 cer if the operator is stopped for a moving violation
5 or is involved in an accident which shall be reported
6 under section 891.

7 3. Failure to produce evidence of insurance. If
8 any person fails to produce evidence of insurance, as
9 defined in section 781, subsection 1, paragraphs A-1
10 and A-2, to a law enforcement officer, pursuant to
11 this section, this failure shall be prima facie evi-
12 dence that the motorist is uninsured, is in violation
13 of this section and is subject to the penalties of
14 this section.

15 4. Dismissal. If any person charged with a vio-
16 lation of this section exhibits to a law enforcement
17 officer designated by the issuing officer evidence of
18 insurance or financial responsibility no later than
19 24 hours before the time set for the court appear-
20 ance, the proceeding for violation of this section
21 shall be dismissed.

22 5. Penalty. Violation of this section is a
23 traffic infraction, for which a forfeiture of not
24 more than \$100 may be assessed.

25 6. Suspension. Thirty days following the re-
26 ceipt of an abstract from the court of an adjudica-
27 tion of a violation of this section, the Secretary of
28 State shall suspend, in accordance with chapter 17,
29 the license; right to operate and obtain a license of
30 any person operating a motor vehicle; the registra-
31 tion certificate and registration plates; and the
32 right to register of any person owning a motor vehi-
33 cle, trailer or semitrailer until that person pro-
34 vides evidence of insurance in accordance with sec-
35 tion 781, paragraph A-1, and in the amounts required
36 in this subchapter. Any person who is convicted of a
37 violation of this section 2 or more times within a
38 3-year period shall be subject to the proof of finan-
39 cial responsibility requirements as provided in sec-
40 tion 787.

41 7. Agent immunity from liability. An insurance
42 agent, broker or agency may not be held liable for an

1 inaccurate insurance identification card if the card
2 was issued based on information contained in the
3 records of that agent, broker or agency or was issued
4 based on any false or misleading statements made by
5 the operator.

6 8. Sunset provision. This section is repealed
7 on January 1, 1991.

8 Sec. 4. 29 MRSA §781, sub-§1, ¶¶A-1 and A-2 are
9 enacted to read:

10 A-1. "Evidence of insurance" means a motor vehi-
11 cle insurance identification card, motor vehicle
12 liability insurance policy or binder issued pend-
13 ing the issuance of the actual policy or insur-
14 ance identification card.

15 A-2. "Insurance identification card" means a
16 card issued to an insured by an insurer pursuant
17 to Title 24-A, section 2412, subsection 6; or a
18 card issued by the Secretary of State for use by
19 any person or corporation who, in lieu of main-
20 taining a motor vehicle liability policy, elects
21 to provide proof of financial responsibility as
22 provided in section 787.

23 Sec. 5. 29 MRSA §790 is enacted to read:

24 §789. Uncompensated injured persons data collection

25 1. Secretary of State to prepare list. The Sec-
26 retary of State shall prepare a monthly list of all
27 accidents involving any uninsured operator of a motor
28 vehicle which results in bodily injury to any person,
29 other than the uninsured operator, for a period of
30 one year beginning January 1, 1988. This list shall
31 include, at a minimum, the names and addresses of
32 persons injured in these accidents and shall be sent
33 to the Office of Policy and Legal Analysis.

34 2. Survey of injured persons. The Office of
35 Policy and Legal Analysis shall survey a random sam-
36 ple of those persons with bodily injuries on the list
37 in order to determine the following:

1 A. The number of those persons injured by unin-
 2 sured operators of motor vehicles who were not
 3 compensated fully by the uninsured operator or by
 4 any health or accident insurance policy and were
 5 not in violation of section 780; and

6 B. The amount of money which will be necessary
 7 to establish a fund to compensate those persons.

8 3. Report. The Office of Policy and Legal Anal-
 9 ysis shall report the results of the survey described
 10 in subsection 2 and any recommendations to the joint
 11 standing committee of the Legislature having juris-
 12 isdiction over insurance by January 15, 1990.

13 Sec. 6. Allocation. The following funds are al-
 14 located from the Highway Fund to carry out the pur-
 15 poses of this Act.

	<u>1987-88</u>	<u>1988-89</u>
16		
17	<u>SECRETARY OF STATE, DEPART-</u>	
18	<u>MENT OF</u>	
19	Administration - Motor	
20	Vehicles	
21	(4)	(4)
22	\$38,337	\$76,673
23	3,526	6,698
24	5,000	
25		
26	<u>\$46,863</u>	<u>\$83,371</u>

27 Provides funds for 3
 28 Clerk Typist II's;
 29 one Clerk Typist
 30 III; and general op-
 31 erating expenses to
 32 assist with the an-
 33 ticipated adminis-
 34 trative responsibil-
 35 ities.

1 FISCAL NOTE

2 This new draft will result in an increase in
3 Highway Fund revenue of approximately \$50,000 for
4 fiscal year 1987-88 and \$150,000 for fiscal year
5 1988-89 from the anticipated collection of reinstatement
6 fees.

7 STATEMENT OF FACT

8 The new draft adds to the current law on financial
9 responsibility of motorists the following:

10 1. A requirement that all motorists obtain and
11 maintain motor vehicle liability insurance;

12 2. A provision allowing a law enforcement officer
13 to request evidence of insurance if a driver is
14 stopped for a moving violation or is involved in a
15 reportable accident;

16 3. A provision that allows dismissal of charges
17 if a driver shows evidence of insurance or obtains
18 insurance up to 24 hours before the court appearance
19 for a first offense;

20 4. A provision for a \$100 penalty if a person
21 does not obtain insurance or show evidence of insurance
22 before the court appearance;

23 5. A provision requiring suspension of a
24 driver's license or registration unless a person obtains
25 insurance within 30 days after the court appearance;
26

27 6. A provision for a filing requirement for persons
28 who violate the law 2 or more times. This filing
29 requires an insurer to report any cancellation of
30 insurance to the Secretary of State, who then has the
31 authority to suspend the license;

32 7. A provision giving specific immunity to insurance
33 agents regarding issuance of cards;

34 8. A provision requiring insurers to issue in-

1 surance identification cards;

2 9. A provision requiring insurers to sell poli-
3 cies with terms of 3 months or more;

4 10. A provision requiring the study of the un-
5 compensated victims of uninsured motorists; and

6 11. Three-year sunset provisions on each addi-
7 tion to current law.

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