

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 982

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S.P. 365

In Senate, March 29, 1989

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator WHITMORE of Androscoggin.

Cosponsored by Senator COLLINS of Aroostook and Senator THERIAULT of Aroostook.

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STATE OF MAINE

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

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An Act to Amend the Provisions for Exclusion from Motor Vehicle Insurance.

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

3 **24-A MRSA §2916-C is enacted to read:**

5 **§2916-C. Exclusion only for cause; youthful operators**

7 **1. Exclusion only for cause. No insurer may exclude or**  
9 **limit an otherwise covered person as an operator of an insured**  
11 **vehicle unless that person has acted in a manner which provides a**  
13 **basis for cancellation of the policy under section 2914 or**  
15 **provides a basis for nonrenewal of the policy under section**  
17 **2916-A.**

19 **2. Youthful operators. No resident youthful operator who**  
21 **is the named insured on an automobile insurance policy may be**  
23 **rated or surcharged as a youthful operator on the automobile**  
25 **insurance policy of the youthful operator's family.**

27 **For purposes of this section, "youthful operator" means a person**  
29 **who is in a low-age category, defined by the insurer's**  
31 **underwriting guidelines, and who ordinarily would be subject to**  
33 **an increased rate.**

35 **3. Penalty. Any insurer who violates subsection 1 or 2 or**  
37 **who makes representations which are not in conformity with**  
39 **subsections 1 and 2 shall be subject to a civil penalty of not**  
41 **more than \$2,500 for each offense, payable to the State, to be**  
43 **recovered in a civil action.**

45 **STATEMENT OF FACT**

47 **The Maine Revised Statutes, Title 24-A, section 2914,**  
1 **specifies the reasons for which an automobile insurance policy**  
2 **may be cancelled, and Title 24-A, section 2916-A specifies the**  
3 **allowable reasons for nonrenewal. Title 24-A, section 2916-B**  
4 **allows the exclusion of operators who commit an act for which the**  
5 **policy could be cancelled or not renewed.**

6 **The bill reiterates that operators may not be excluded for**  
7 **other causes. In addition, it prohibits applying a surcharge for**  
8 **a youthful operator on a family insurance policy if that youthful**  
9 **operator is the named insured on another policy.**

10 **A civil penalty up to \$2,500 is provided for insurers who**  
11 **violate these provisions or make representations in violation of**  
12 **them.**