

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2043

S.P. 723

In Senate, March 25, 1999

An Act to Clarify Underinsured Motor Vehicle Coverage.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LaFOUNTAIN of York.
Cosponsored by Representative SAXL of Bangor and
Representatives: O'NEIL of Saco, SULLIVAN of Biddeford.

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

Sec. 1. 24-A MRSA §2902, sub-§1, as amended by PL 1975, c. 437, §1, is further amended to read:

1. ~~No~~ A policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle ~~shall~~ may not be delivered or issued for delivery in this State with respect to any such vehicle registered or principally garaged in this State, unless coverage is provided ~~therein in the policy~~ or supplemental thereto to the policy for the protection of persons insured ~~thereunder~~ under the policy who are legally entitled to recover damages from owners or operators of uninsured, underinsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, resulting from the ownership, maintenance or use of such ~~an~~ uninsured, underinsured or hit-and-run motor vehicle. The coverage ~~herein~~ required in this section may be referred to as "uninsured vehicle coverage." For the purposes of this section, "underinsured motor vehicle" means a motor vehicle for which coverage is provided, but in amounts less than the minimum limits for bodily injury liability insurance provided for under the motorist's financial responsibility laws of this State or less than the limits of the ~~injured--party's--uninsured--vehicle--coverage~~ uninsured vehicle coverage applicable to the injured person. The amount of underinsured vehicle coverage applicable to each injured person is determined by totaling the underinsured vehicle coverage policy limits applicable to that person and subtracting liability payments actually made to the injured person by the 3rd-party motorist insurance carrier.

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SUMMARY

This bill amends the laws governing underinsured vehicle coverage to address problems created in certain cases when more than one person is injured in an accident. It amends the provision of law identified in Mullen v. Liberty Mutual Insurance Co., 589 A.2d 1275 (Me. 1991) that denies a consumer the full benefit of the purchased insurance coverage in certain circumstances.

In Mullen v. Liberty Mutual Insurance Co., the Supreme Judicial Court determined that under current law the victim of a negligent motorist may be denied the full benefit of the uninsured motorist insurance purchased if multiple people are injured. This bill amends the provision of law construed in Mullen and ensures that a person who is injured in an automobile accident is covered to the full extent of the underinsured motorist coverage purchased.