

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1621

H.P. 1199

House of Representatives, March 13, 2001

**An Act to Require that a Corporation Meet the Same Requirements as an Individual for Proof of Insurance.**

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

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative STANLEY of Medway.  
Cosponsored by Representative JONES of Greenville.

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

**Sec. 1. 29-A MRSA §1605, sub-§3, ¶C,** as enacted by PL 1993, c. 683, Pt. A, §2 and affected by Pt. B, §5, is amended to read:

C. For a corporation, by satisfying ~~the Secretary of State that the corporation has financial ability to comply with the requirements of this subchapter~~ the requirements of paragraph A or B.

**Sec. 2. 29-A MRSA §2255-A** is enacted to read:

**§2255-A. Accidents involving vehicles owned by corporation**

**1. Undisputed liability.** In an accident involving a vehicle owned by a corporation when the corporation does not dispute that the operator of the corporation's vehicle was at fault in the accident, the corporation has no more than 60 days from the date of the accident to make a settlement with the owner, operator or passenger of any other vehicle involved in the accident. The corporation shall report the settlement to the Secretary of State.

**2. Disputed liability.** In an accident involving a vehicle owned by a corporation when the corporation disputes that the operator of the vehicle owned by the corporation was at fault in the accident, the corporation shall demonstrate to the Secretary of State by satisfactory evidence that the operator of the vehicle owned by the corporation was not at fault in the accident within 30 days of the accident. If the Secretary of State determines that the corporation has satisfied the requirements of this subsection, the requirements of subsection 1 relating to settlement do not apply to the corporation.

**3. Suspension.** Pursuant to chapter 23, the Secretary of State may suspend or revoke the certificate of registration for the motor vehicle owned by the corporation that was involved in the accident if the corporation fails to comply with the requirements of this section.

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**SUMMARY**

The bill imposes the same requirements for proof of financial responsibility relating to the ownership or operation of a motor vehicle by an individual on a corporation. The bill also requires that when vehicles owned by corporations are involved in accidents corporations must settle with the owner, operator or passenger of any other vehicle involved in the accident within 60 days of the accident if the fault of the operator of the corporation's vehicle is not disputed. If the

2 corporation believes the operator of its vehicle is not at fault  
in the accident, the corporation must demonstrate to the  
4 Secretary of State that the operator was not at fault within 30  
days of the accident.