

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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**Legislative Document**

**No. 295**

H.P. 239

House of Representatives, February 3, 2011

**An Act To Require Insurance Companies To Disclose the Option To  
Purchase Higher Amounts of Coverage for Automobile Liability  
Insurance**

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative BOLAND of Sanford.  
Cosponsored by Senator BARTLETT of Cumberland and  
Representatives: BEAVERS of South Berwick, BOLDUC of Auburn, GOODE of Bangor,  
HINCK of Portland, PICCHIOTTI of Fairfield, TREAT of Hallowell, Senators: HASTINGS of  
Oxford, PATRICK of Oxford.

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

2       **Sec. 1. 24-A MRSA §2902, sub-§2**, as amended by PL 1999, c. 663, §1 and  
3       affected by §4, is further amended to read:

4       **2.** With respect to motor vehicle insurance policies subject to the Maine Automobile  
5       Insurance Cancellation Control Act and policies in the assigned risk plan established  
6       pursuant to section 2325 securing private passenger auto insurance coverage, the amount  
7       of uninsured vehicle coverage ~~to be so provided~~ may not be less than the amount of  
8       coverage for liability for bodily injury or death in the policy offered or sold to a purchaser  
9       unless the purchaser expressly rejects such an amount, but in any event may not be less  
10      than the minimum limits for bodily injury liability insurance provided for under Title  
11      29-A, section 1605, subsection 1.

12      A rejection of equal coverage by the purchaser under this subsection must be in writing  
13      on a form provided by the insurer. The rejection must be signed by the purchaser, dated  
14      and include the following language: "I understand that Maine law requires uninsured  
15      motor vehicle coverage limits to equal the limits I have selected for liability coverage for  
16      bodily injury or death in this policy unless I expressly reject such an amount of coverage.  
17      Pursuant to the Maine Revised Statutes, Title 24-A, section 2902, subsection 2, I have  
18      elected to purchase uninsured motor vehicle coverage with lesser limits."

19      For coverage purchased on or after October 1, 2000, the form must be provided to the  
20      purchaser prior to the effective date of coverage. For renewal policies in force as of  
21      September 30, 2000, the form must be provided upon the first offer of renewal to each  
22      purchaser who has current coverage limits less than those required under this subsection.  
23      To be effective, a form must be signed by any one named insured under the policy. If a  
24      signed form rejecting higher coverage is not received by the insurer prior to the effective  
25      date of the policy to which it applies, then the higher coverage must be provided  
26      consistent with this subsection from the policy issuance date for coverage purchased on  
27      or after October 1, 2000 and from the effective date of the first renewal on or after  
28      October 1, 2000 for policies in force as of September 30, 2000.

29      This subsection may not be construed to prohibit an insured from prospectively changing  
30      coverage to alternative limits of uninsured motor vehicle coverage so long as a signed  
31      form, if necessary, is submitted to the insurer prior to the effective date of the change. If  
32      an insured has maintained the same uninsured vehicle coverage limits for 2 consecutive  
33      years with the same insurer, then the insured will be conclusively presumed to have  
34      accepted that amount of uninsured coverage in all future policies, until such time as the  
35      insured notifies the insurer in writing of an election to change the amount of uninsured  
36      coverage.

37      Reinstatement or renewal of coverage by the insured with the same insurer within 30 days  
38      of expiration of a policy must be considered, for purposes of this section, as continuous  
39      coverage and does not require a new rejection to be executed by the insured.

40      With respect to motor vehicle insurance policies not subject to the Maine Automobile  
41      Insurance Cancellation Control Act, the amount of coverage so provided may not be less  
42      than the minimum limits for bodily injury liability insurance provided for under Title  
43      29-A, section 1605, subsection 1.

**Sec. 2. 24-A MRSA §2902, sub-§5**, as enacted by PL 1999, c. 271, §2, is amended to read:

5. An insurer or licensed producer holding an appointment from the insurer shall disclose to the purchaser of a motor vehicle liability insurance policy the requirements for uninsured motor vehicle coverage under subsection 2, including the option of the purchaser to purchase uninsured vehicle coverage at a higher amount of coverage up to \$2,000,000.

## SUMMARY

Under existing law, a motor vehicle insurance policy must provide uninsured vehicle coverage at a level at least equal to the amount in the policy for liability for bodily injury or death unless the policyholder expressly rejects that amount in favor of a lower amount, which may not be less than the minimum statutory requirement for liability coverage under the Maine Revised Statutes, Title 29-A, section 1605. This bill maintains that provision, but requires an insurer or licensed producer holding an appointment from that insurer to disclose to policyholders the option for purchase of uninsured vehicle coverage at a higher level up to \$2,000,000.