

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 368

S.P. 151

In Senate, February 10, 2021

An Act To Amend the Laws Governing Proof of Financial Responsibility with Respect to Motor Vehicles

Submitted by the Secretary of State pursuant to Joint Rule 204.

Received by the Secretary of the Senate on February 8, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SANBORN of Cumberland.

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

2 **Sec. 1. 29-A MRSA §402, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and
3 affected by Pt. B, §5, is amended to read:

4 **3. Alternative methods of establishing evidence of insurance.** An individual is
5 considered to comply with subsection 2 if the individual shows evidence of compliance
6 with the provisions of section 1605, subsection 3, paragraph A, or B or C.

7 **Sec. 2. 29-A MRSA §1551, sub-§4**, as amended by PL 2013, c. 72, §3, is further
8 amended to read:

9 **4. Insurance identification card.** "Insurance identification card" means an
10 identification of insurance in paper or electronic form issued to an insured by an insurer
11 pursuant to Title 24-A, section 2412, subsection 7; ~~or an identification of proof of financial~~
12 ~~responsibility~~ a certificate of compliance with the laws governing financial responsibility
13 in paper or electronic form issued by the Secretary of State to a person who elects to provide
14 proof of financial responsibility in accordance with section 1605.

15 **Sec. 3. 29-A MRSA §1602, sub-§1, ¶I**, as enacted by PL 1993, c. 683, Pt. A, §2
16 and affected by Pt. B, §5, is amended to read:

17 I. The operator of a vehicle owned by the State or a political subdivision, ~~or by a~~
18 ~~corporation that has complied with section 1605, subsection 3, paragraph C~~; or

19 **Sec. 4. 29-A MRSA §1605, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and
20 affected by Pt. B, §5, is amended to read:

21 **3. Methods of giving proof.** Proof of financial responsibility may be given by the
22 following methods:

23 A. By filing with the Secretary of State a certificate from an insurance or surety
24 company; or

25 B. By the deposit of money or securities; ~~or~~

26 ~~C. For a corporation, by satisfying the Secretary of State that the corporation has~~
27 ~~financial ability to comply with the requirements of this subchapter.~~

28 **Sec. 5. 29-A MRSA §1605, sub-§4**, as enacted by PL 1993, c. 683, Pt. A, §2 and
29 affected by Pt. B, §5, is amended to read:

30 **4. Money or securities deposited as proof.** A person may give proof of financial
31 responsibility by delivering to the Secretary of State a receipt of the Treasurer of State
32 showing a deposit of money or securities approved by the Treasurer of State with a value
33 or amount equal to that required in a policy.

34 Securities must be of a type that may legally be purchased by savings banks or for trust
35 funds.

36 Money or securities deposited are subject to execution to satisfy a judgment, but are not
37 otherwise subject to attachment or execution. The deposited money or securities may also
38 be released upon the direction of the Secretary of State when the holding period to satisfy
39 the statute of limitations has been satisfied.

1 The depositor shall also provide evidence that there are no unsatisfied judgments against
2 the depositor registered in the office of the clerk of any Superior Court in this State.

3 Upon receipt and approval by the Secretary of State of the Treasurer of State's receipt and
4 the evidence that there are no unsatisfied judgments against the depositor, the Secretary of
5 State shall issue to the depositor a certificate of compliance with the laws governing
6 financial responsibility effective for a specific period of time not to exceed one year. This
7 certificate may be produced to establish proof of financial responsibility at the request of a
8 law enforcement officer or to satisfy registration requirements under section 402.

9 The depositor shall submit to the Secretary of State a new statement from the Treasurer of
10 State and new evidence that there are no unsatisfied judgments against the depositor
11 registered in the office of the clerk of any Superior Court in this State one month prior to
12 the expiration of the period covered by the most recently issued certificate of compliance.
13 Upon inspection and approval of the new receipt and evidence, the Secretary of State shall
14 issue a new certificate of compliance for a new period of time not to exceed one year.

15 The depositor shall, as necessary, make additional deposits to maintain the deposit in a
16 value or amount equal to that required in a policy. If the value of the money or securities
17 deposited at any time falls below the value or amount equal to that required in a policy and
18 remains below that value or amount for a period of 30 days, the Secretary of State shall
19 revoke the certificate of compliance.

20 Actions taken by the Treasurer of State or the Secretary of State pursuant to this subsection
21 do not constitute doing the business of insurance.

22 **Sec. 6. 29-A MRSA §1605, sub-§5**, as enacted by PL 1993, c. 683, Pt. A, §2 and
23 affected by Pt. B, §5, is amended to read:

24 **5. May substitute other proof.** The Secretary of State shall return or cancel proof on
25 acceptance of other adequate proof of financial responsibility, except that when proof of
26 financial responsibility is established by the deposit of money or securities, the Treasurer
27 of State shall hold the money or securities for a period of not less than 6 years following
28 the cancellation of the deposit as proof of financial responsibility or for such other period
29 of time required to satisfy the statute of limitations in effect at the time of cancellation for
30 filing damage claims for causes of action arising from a motor vehicle accident.

31 **Sec. 7. 29-A MRSA §1605, sub-§9** is enacted to read:

32 **9. Rules.** The Treasurer of State may adopt routine technical rules pursuant to Title
33 5, chapter 375, subchapter 2-A to implement the provisions of this section.

34 SUMMARY

35 This bill changes the laws governing proof of financial responsibility with respect to
36 motor vehicles by clarifying and eliminating certain methods of providing proof of
37 financial responsibility.