

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 836

H.P. 604

House of Representatives, March 8, 2021

An Act To Enhance Compliance with Motor Vehicle Insurance Requirements

Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative STEARNS of Guilford.
Cosponsored by Senator STEWART of Aroostook and
Senator: DAVIS of Piscataquis.

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

2 **Sec. 1. 29-A MRSA §1601-B** is enacted to read:

3 **§1601-B. Notification of cancellation of liability insurance**

4 **1. Notice to Secretary of State required.** A company providing liability insurance
5 for a motor vehicle registered in this State shall immediately notify the Secretary of State
6 when that insurance coverage is cancelled or terminated or lapses. If the company knows
7 that replacement coverage has been secured in place of the coverage that has been cancelled
8 or terminated or has lapsed, the company is not required to notify the Secretary of State.

9 The Secretary of State shall develop by rule standard procedures for a company to use in
10 providing notice under this subsection.

11 **2. Determination period.** Upon receipt of notice under subsection 1, the Secretary of
12 State shall notify the motor vehicle owner whose insurance has been cancelled or
13 terminated or has lapsed that the motor vehicle owner has 15 days to provide evidence of
14 financial responsibility in the form of a reinstatement of liability insurance coverage or new
15 liability insurance coverage. Evidence may be provided by a company providing liability
16 insurance for a motor vehicle or the insured motor vehicle owner.

17 **3. Suspension.** The Secretary of State, upon termination of a 15-day period under
18 subsection 2 following receipt of the notice provided in subsection 1 and failure of the
19 motor vehicle owner or a company providing liability insurance for a motor vehicle to
20 provide proof of financial responsibility, shall suspend the motor vehicle owner's
21 registration certificate and plates for that motor vehicle, in accordance with section 2458,
22 subsection 2. The suspension continues until that motor vehicle owner or a company
23 providing liability insurance for that motor vehicle for that motor vehicle owner provides
24 proof of financial responsibility to the Secretary of State pursuant to section 1605.

25 **4. Rulemaking.** The Secretary of State shall develop rules necessary to implement
26 this section. Rules adopted under this subsection are routine technical rules pursuant to
27 Title 5, chapter 375, subchapter 2-A.

28 **Sec. 2. 29-A MRSA §2458, sub-§2, ¶U**, as amended by PL 2017, c. 327, §20, is
29 further amended to read:

30 U. Has failed to provide the information required in section 401, subsection 2; ~~or~~

31 **Sec. 3. 29-A MRSA §2458, sub-§2, ¶V**, as amended by PL 2019, c. 634, §6, is
32 further amended to read:

33 V. Has exceeded the motor carrier adverse safety limits established by the Secretary
34 of State using the methodology developed by the bureau; or

35 **Sec. 4. 29-A MRSA §2458, sub-§2, ¶W** is enacted to read:

36 W. Has failed to provide proof of financial responsibility for that person's motor
37 vehicle under section 1601-B, subsection 2.

38 **SUMMARY**

39 This bill:

- 1 1. Requires a company providing liability insurance for a motor vehicle registered in
2 this State to immediately notify the Secretary of State when that insurance coverage is
3 cancelled or terminated or lapses and is not replaced with alternate coverage;
- 4 2. Requires the Secretary of State to notify the motor vehicle owner whose insurance
5 has been cancelled or terminated or has lapsed that the motor vehicle owner has 15 days to
6 provide evidence of financial responsibility in the form of a reinstatement of coverage or
7 new coverage;
- 8 3. Requires the Secretary of State to suspend the registration certificate and plates for
9 a motor vehicle if evidence of financial responsibility is not provided within that 15-day
10 period; and
- 11 4. Directs the Secretary of State to develop by rule standard procedures for a company
12 to use in providing notice.