

Bulletin 276

INCREASED MINIMUM LIMITS REQUIREMENT MOTOR VEHICLE INSURANCE

SUPERSEDES BULLETIN 268

Public Law 1997, chapter 176, as amended, increases the minimum limits of motor vehicle liability insurance required in Maine. The new limits of liability are \$50,000 for the injury to or death of any one person; \$100,000 for one accident resulting in injury to or death of more than one person; and \$25,000 for damage to property. The equivalent amount of coverage under combined single limits is \$125,000. Minimum limits of 50/100, with combined single limits of \$100,000 are also required for uninsured/underinsured motorists coverage. When a motor vehicle liability policy is issued for a motor vehicle registered or principally garaged in Maine, the law also requires medical payments coverage of at least \$1,000.

Public Law 1997, chapter 176, Sec 27. 29-A M.R.S.A. §1605-A and Sec.34, section 8, respectively, is amended by striking references to "private passenger automobiles", "automobiles", and "personal". The intent of the amendment is to extend the applicability of 29-A M.R.S.A. §1605 (proof of financial responsibility), §1605-A (medical payments), and §1607 (satisfied judgments), to motorcycles and certain commercial motor vehicles because they are also defined as "motor vehicles" in 29-A M.R.S.A. §101. Insurers may not employ a guest passenger exclusion on medical payments coverage. Title 24-A M.R.S.A. § 2902-B specifically permits a guest passenger exclusion only for liability insurance. Medical payments coverage is not liability insurance and, therefore, must be provided consistent with Public Law 1997, chapter 176.

Public Law 1997, chapter 176, is applicable to policies executed on or after July 1, 1998. The Bureau interprets this to mean that policies with limits lower than \$50,000/100,000/25,000, \$125,000, or having medical payments coverage of less than \$1000 will need to have limits adjusted on the first renewal or continuation that occurs on or after July 1, 1998. Insurers are encouraged to include notification to affected policyholders of this mandatory change in limits when issuing the renewal policy and the insurance identification card. Insurers should refer to Bureau Rule Chapter 390 for specifics on the format to be used for insurance identification cards. Insurers should verify that the cards in use in the State of Maine contain language indicating that the coverage meets the minimum amount required by Maine law.

The Bureau requests that insurers intending to file modified rates or increased limits factors to reflect the new limits do so as soon as possible in order to allow adequate time for processing prior to the effective date of the law. Insurers should also evaluate whether this change has an impact on other types of insurance which may require modification. For example, personal umbrella policies may need to be modified for consistency with the requirements of the new law.

Questions regarding this Bulletin should be directed to the Property/Casualty Section of the Bureau of Insurance at (207)624-8475.

*Amendments to Public Law 1997, Chapter 176 are described in Public Law 1998, Chapter 776.

Date: _____
Alessandro A. Iuppa
Superintendent

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