

Title 24-A: MAINE INSURANCE CODE
Chapter 39: CASUALTY INSURANCE CONTRACTS

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COVERAGE..... 21

Maine Revised Statutes
Title 24-A: MAINE INSURANCE CODE
Chapter 39: CASUALTY INSURANCE CONTRACTS

Subchapter 1: GENERAL PROVISIONS

§2901. CONTRACTS SUBJECT TO GENERAL PROVISIONS

All contracts of casualty insurance delivered or issued for delivery in this State and covering subjects resident, located, or to be performed in this State are also subject to the applicable provisions of chapter 27 (the insurance contract) and to other applicable provisions of this Title. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

§2902. UNINSURED VEHICLE COVERAGE; INSOLVENCY OF INSURER

1. A policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle may not be delivered or issued for delivery in this State with respect to any such vehicle registered or principally garaged in this State, unless coverage is provided in the policy or supplemental to the policy for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured, underinsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, sustained by an insured person resulting from the ownership, maintenance or use of such uninsured, underinsured or hit-and-run motor vehicle. The coverage required by this section may be referred to as "uninsured vehicle coverage." For the purposes of this section, "underinsured motor vehicle" means a motor vehicle for which coverage is provided, but in amounts less than the minimum limits for bodily injury liability insurance provided for under the motorist's financial responsibility laws of this State or less than the limits of the injured party's uninsured vehicle coverage.

[2005, c. 591, §1 (AMD) .]

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

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

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

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

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

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

[1999, c. 663, §1 (AMD); 1999, c. 663, §4 (AFF) .]

3. For the purposes of this section, the term "uninsured motor vehicle" shall be deemed also to include, subject to the terms and conditions of such coverage, an insured other motor vehicle where:

A. The liability insurer of such other motor vehicle is unable because of its insolvency to make payment with respect to the legal liability of its insured within the limits specified in its policy; [1969, c. 132, §1 (NEW) .]

B. The occurrence out of which such legal liability arose took place while the uninsured vehicle coverage required under subsection 1, was in effect; and [1969, c. 132, §1 (NEW) .]

C. Written notice of such occurrence shall have been given to the insurer within 2 years thereof. [1969, c. 132, §1 (NEW) .]

Nothing contained in this subsection shall be deemed to prevent any insurer from providing insolvency protection to its insureds under more favorable terms.

[1969, c. 132, §1 (NEW) .]

4. In the event of payment to any person under uninsured vehicle coverage, and subject to the terms of such coverage, to the extent of such payment the insurer shall be entitled to the proceeds of any settlement or recovery from any person legally responsible for the bodily injury as to which such payment was made, and to amounts recoverable from the assets of the insolvent insurer of the other motor vehicle.

[1969, c. 132, §1 (NEW) .]

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.

[1999, c. 271, §2 (NEW) .]

6. When 2 or more persons are legally entitled to recover damages from a particular owner or operator of an underinsured motor vehicle, the amount of underinsured vehicle coverage applicable to each injured person is determined as provided in this subsection.

A. If the underinsured motor vehicle policy applicable to 2 or more persons who are legally entitled to recover damages contains both a per person and a per accident limit, the amount of underinsured vehicle coverage applicable to each injured person is determined by subtracting any payments actually made to that person from any bodily injury liability insurance coverage applicable to the particular owner or operator of the underinsured motor vehicle from that person's, operator's or owner's underinsured vehicle coverage policy limits if applicable to that person. [2013, c. 284, §1 (NEW) .]

B. If the underinsured motor vehicle policy applicable to 2 or more persons who are legally entitled to recover damages contains only a single per accident limit, the amount of underinsured vehicle coverage available to each injured person is determined by subtracting any payment received by that person from the owner or operator of the underinsured motor vehicle from that single per accident limit. In no event may the maximum amount payable by the insurer to all injured persons exceed the single per accident limit. [2013, c. 284, §1 (NEW).]

C. The amount of underinsured vehicle coverage determined under paragraph A or B must be further reduced by the amount by which the bodily injury liability insurance coverage applicable to the particular owner or operator of the underinsured motor vehicle exceeds all payments from that coverage to all persons legally entitled to recover damages from that particular owner or operator of the underinsured motor vehicle. [2013, c. 284, §1 (NEW).]

D. This subsection does not prohibit an insurer from providing greater amounts of underinsured vehicle coverage than are required under this section. [2013, c. 284, §1 (NEW).]

[2013, c. 284, §1 (RPR) .]

7. Notwithstanding the requirements of subsection 2 relating to the amount of uninsured motor vehicle coverage required to be maintained under motor vehicle insurance policies subject to the Maine Automobile Insurance Cancellation Control Act and policies in the assigned risk plan established pursuant to section 2325 securing private passenger auto insurance coverage, a policy providing uninsured motor vehicle coverage underwritten on a commercial policy form approved for use in this State must provide coverage in an amount not less than the minimum limits for bodily injury liability insurance provided for under Title 29-A, section 1605, subsection 1. Coverage provided to an insured pursuant to this subsection does not obligate the insured to affirmatively reject an offer of higher limits of uninsured motor vehicle coverage. This subsection may not be construed to limit or compel an insured's election of higher limits of uninsured motor vehicle coverage.

[2001, c. 109, §1 (NEW) .]

SECTION HISTORY

1969, c. 132, §1 (NEW). 1975, c. 437, §§1, 2 (AMD). 1975, c. 676, (AMD). 1995, c. 65, §§A153, C15 (AFF). 1995, c. 65, Pt. A, §68 (AMD). 1999, c. 271, §§1, 2 (AMD). 1999, c. 271, §3 (AFF). 1999, c. 663, §§1, 2 (AMD). 1999, c. 663, §§3, 4 (AFF). 2001, c. 109, §1 (AMD). 2005, c. 591, §1 (AMD). 2013, c. 284, §1 (AMD).

§2902-A. HOUSEHOLD EXCLUSION

(REPEALED)

SECTION HISTORY

1985, c. 136, (NEW). 1989, c. 390, §§1,2 (AMD). 1991, c. 126, §§1-3 (AMD). 1993, c. 69, §1 (RP).

§2902-B. MOTORCYCLE PASSENGER EXCLUSION

No insurer may sell or renew, on or after January 1, 1986, a liability insurance policy covering a motorcycle, as defined in Title 29-A, section 101, subsection 38, that excludes coverage for injuries sustained by passengers on the insured's motorcycle unless the insurer notifies the bureau in writing of its utilization of the exclusion, the insurer notifies each of its licensed agents within the State of its utilization of the exclusion and the exclusion is provided by a separate endorsement to the insured's policy. An exclusion that does not meet the requirements of this section is invalid and of no effect. [1995, c. 65, Pt. A, §69 (AMD); 1995, c. 65, Pt. A, §153 (AFF); 1995, c. 65, Pt. C, §15 (AFF).]

SECTION HISTORY

1985, c. 737, §A60 (RAL). 1995, c. 65, §A69 (AMD). 1995, c. 65, §§A153,C15 (AFF).

§2902-C. REFUSAL TO ISSUE INSURANCE PROHIBITED

No insurer may refuse to issue motor vehicle liability insurance to an applicant solely because the applicant is 65 years of age or older. [1991, c. 106, (NEW).]

SECTION HISTORY
1991, c. 106, (NEW).

§2902-D. FAMILY EXCLUSIONS PROHIBITED

An insurer may not sell or renew a motor vehicle liability insurance policy on or after January 1, 1994 with a provision that excludes coverage for injury to the insured or any family member of the insured. [1993, c. 69, §2 (NEW).]

SECTION HISTORY
RR 1993, c. 1, §62 (COR). 1993, c. 69, §2 (NEW). 1993, c. 93, §1 (NEW).

§2902-E. LIMITATION ON SURCHARGE

An insurer may not impose a surcharge or otherwise increase the rate for a motor vehicle insurance policy solely on the basis that the named insured, a member of the insured's household or a person who customarily operates the insured's vehicle has had an operator's license suspended pursuant to Title 28-A, sections 2052 and 2053. [1993, c. 93, §1 (NEW).]

SECTION HISTORY
RR 1993, c. 1, §62 (RNU). 1993, c. 93, §1 (NEW).

§2902-F. VOLUNTEER DRIVERS

An insurer may not refuse to issue motor vehicle liability insurance to an applicant solely because the applicant is a volunteer driver. An insurer may not impose a surcharge or otherwise increase the rate for a motor vehicle policy solely on the basis that the named insured, a member of the insured's household or a person who customarily operates the insured's vehicle is a volunteer driver. For purposes of this section, "volunteer driver" means a person who provides services, including transporting individuals or goods, without compensation above expenses to a nonprofit agency or charitable organization as defined in Title 14, section 158-A. This section does not prohibit an insurer from refusing to renew, imposing a surcharge or otherwise raising the rate for a motor vehicle liability insurance policy based upon factors other than the volunteer status of the insured driver. [1995, c. 132, §1 (NEW).]

SECTION HISTORY
1995, c. 132, §1 (NEW).

§2902-G. DISCOUNTED PREMIUMS FOR OLDER DRIVERS

1. Discount; accident prevention course required. Any rates, rating schedules or rating manuals for the liability, personal injury protection and collision coverages of a motor vehicle insurance policy submitted to or filed with the bureau must provide for an appropriate discount in premium charges for such coverages for a 3-year period when the principal operator of the covered vehicle is an insured 55 years of age or older who successfully completes a motor vehicle accident prevention course approved by the Department of Public Safety, Bureau of Highway Safety.

[2001, c. 130, §1 (NEW) .]

2. Condition. The premium reduction required by subsection 1 is effective for a 3-year period after an insured 55 years of age or older successfully completes an approved motor vehicle accident prevention course, except that the insurer may require, as a condition of providing and maintaining the discount, that for a 3-year period after the course is completed:

A. The insured or a member of the insured's household insured under the policy not be involved in an accident for which the insured is at fault; [2001, c. 130, §1 (NEW).]

B. The insured or a member of the insured's household insured under the policy not have committed a moving violation as defined in Title 29-A, section 101, subsection 44; or [2001, c. 130, §1 (NEW).]

C. The insured or a member of the insured's household insured under the policy not be subject to a driver's license suspension. [2001, c. 130, §1 (NEW).]

[2001, c. 130, §1 (NEW) .]

3. Qualification; certificate. An organization offering an approved motor vehicle accident prevention course used to qualify for the premium discount required by subsection 1 shall issue a certificate to a person who successfully completes the course.

[2001, c. 130, §1 (NEW) .]

4. Application. An insured is not eligible for the premium discount under subsection 1 when the insured is required by a court or other government entity to complete the approved motor vehicle accident prevention course because the insured has committed a moving violation as defined in Title 29-A, section 101, subsection 44.

[2001, c. 130, §1 (NEW) .]

5. Eligibility. An insured must pass an approved motor vehicle accident prevention course every 3 years to continue to be eligible for the premium discount.

[2001, c. 130, §1 (NEW) .]

SECTION HISTORY

2001, c. 130, §1 (NEW).

§2903. LIABILITY ABSOLUTE WHEN LOSS OCCURS

The liability of every insurer which insures any person against accidental loss or damage on account of personal injury or death or on account of accidental damage to property shall become absolute whenever such loss or damage, for which the insured is responsible, occurs. The rendition of a final judgment against the insured for such loss or damage shall not be a condition precedent to the right or obligation of the insurer to make payment on account of such loss or damage. [1969, c. 132, §1 (NEW).]

SECTION HISTORY

1969, c. 132, §1 (NEW).

§2904. JUDGMENT CREDITOR MAY HAVE INSURANCE; EXCEPTIONS

Whenever any person, administrator, executor, guardian, recovers a final judgment against any other person for any loss or damage specified in section 2903, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment by bringing a civil action, in his own name, against the insurer to reach and apply the insurance money, if when the right of action accrued, the judgment debtor was insured against such liability and if before the recovery of the judgment the insurer had had notice

of such accident, injury or damage. The insurer shall have the right to invoke the defenses described in this section in the proceedings. None of the provisions of this paragraph and section 2903 shall apply: [1969 , c. 132, §1 (NEW) .]

1. Motor vehicle operated illegally or by one under age. When the insured automobile, motor vehicle or truck is being operated by any person contrary to law as to age or by any person under the age of 16 years where no statute restricts the age; or

[1969, c. 132, §1 (NEW) .]

2. Motor vehicle used in race contest. When such automobile, motor vehicle or trust is being used in any race or speed contest; or

[1969, c. 132, §1 (NEW) .]

3. Motor vehicle used for towing a trailer. When such automobile, motor vehicle or truck is being used for towing or propelling a trailer unless such privilege is indorsed on the policy or such trailer is also insured by the insurer; or

[1969, c. 132, §1 (NEW) .]

4. Liability assumed. In the case of any liability assumed by the insured for others; or

[1969, c. 132, §1 (NEW) .]

5. Liability under workers' compensation. In the case of any liability under any workers' compensation agreement, plan or law; or

[1989, c. 502, Pt. A, §98 (AMD) .]

6. Fraud or collusion. When there is fraud or collusion between the judgment creditor and the insured.

[1969, c. 132, §1 (NEW) .]

No civil action shall be brought against an insurer to reach and apply such insurance money until 20 days shall have elapsed from the time of the rendition of the final judgment against the judgment debtors.

[1969, c. 132, §1 (NEW) .]

SECTION HISTORY

1969, c. 132, §1 (NEW). 1989, c. 502, §A98 (AMD).

§2905. CANCELLATION, RELEASE OF INTEREST INSURED UNDER, AUTOMOBILE PHYSICAL DAMAGE INSURANCE

(REPEALED)

SECTION HISTORY

1969, c. 132, §1 (NEW). 1973, c. 339, §2 (RP).

§2906. AUTOMOBILE INSURANCE, CANCELLATION, NONRENEWAL AND CERTAIN CHANGES BECAUSE OF AGE, PROHIBITED

(REPEALED)

SECTION HISTORY

1971, c. 160, (NEW). 1971, c. 622, §79 (AMD). 1973, c. 339, §2 (RP).

§2907. COVERAGE FOR SALES TAX CREDIT

All contracts of motor vehicle casualty insurance delivered or issued for delivery in this State covering motor vehicles registered in this State shall provide coverage for the value of the sales tax credit that would have been available upon trade thereof at the highest book value at the time of loss or destruction of the insured vehicle. [1973, c. 219, (NEW).]

SECTION HISTORY

1973, c. 219, (NEW).

§2908. CANCELLATION AND NONRENEWAL

1. As used in this section, unless the context indicates otherwise, the following terms have the following meanings.

A. "Cancellation" means termination of a policy at a date other than its expiration date. [1985, c. 671, §1 (NEW).]

B. "Expiration date" means the date upon which coverage under a policy ends. It also means, for a policy written for a term longer than one year or with no fixed expiration date, each annual anniversary date of the policy. [1985, c. 671, §1 (NEW).]

C. "Nonpayment of premium" means the failure or inability of the named insured to discharge any obligation in connection with the payment of premium on a policy of insurance subject to this section, whether the payments are payable directly to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit. [1985, c. 671, §1 (NEW).]

D. "Nonrenewal" means termination of a policy at its expiration date. [1985, c. 671, §1 (NEW).]

E. "Renewal" or "to renew" means the issuance of, or the offer to issue by an insurer, a policy succeeding a policy previously issued and delivered by the same insurer or an affiliate of the insurer or the issuance of a certificate or notice extending the terms of an existing policy for a specified period beyond its expiration date. For the purposes of this section, the transfer of a policy from an insurer to an affiliate is considered a policy renewal. [2007, c. 188, Pt. C, §1 (AMD).]

[2007, c. 188, Pt. C, §1 (AMD) .]

2. Except as provided in subsection 8, no contract of casualty insurance may be cancelled by an insurer prior to the expiration of the policy, except for one or more of the following grounds:

A. Nonpayment of premium; [1985, c. 671, §1 (NEW).]

B. Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy or in presenting a claim under the policy; [1985, c. 671, §1 (NEW).]

C. Substantial change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including, but not limited to, an increase in exposure due to rules, legislation or court decision; [1985, c. 671, §1 (NEW).]

D. Failure to comply with reasonable loss control recommendations; [1985, c. 671, §1 (NEW).]

E. Substantial breach of contractual duties, conditions or warranties; or [1985, c. 671, §1 (NEW).]

F. Determination by the superintendent that the continuation of a class or block of business to which the policy belongs will jeopardize a company's solvency or will place the insurer in violation of the insurance laws of this State or any other state. [1985, c. 671, §1 (NEW).]

The grounds listed in paragraphs A to E shall be contained in all policies issued, issued for delivery or renewed on or after the effective date of this section. Insurers shall have 30 days from the effective date of this section to notify insureds of these grounds for cancellation on policies issued or issued for delivery before the effective date of this section.

[1985, c. 671, §1 (NEW) .]

3. If a policy has been issued for a term longer than one year and, for additional premium consideration, a premium has been guaranteed, the insurer may not refuse to renew the policy or increase the policy premium for the term of that policy.

[1985, c. 671, §1 (NEW) .]

4. If an insurer offers or purports to renew a contract, but on less favorable terms to the insured or at higher rates or a higher rating plan, the new terms or rates and rating plan may take effect on the renewal date, if the insurer has provided the insured 30 days notice. If the insurer has not so notified the contract holder, the contract holder may elect to cancel the renewal policy within the 30-day period after receipt of the notice or delivery. Earned premium for the period of coverage for such time as the renewal contract may have been in force, shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other changes shall be effective immediately following the prior policy's expiration or anniversary date. This section does not apply if the change is a rate, form or plan filed with the superintendent and applicable to the entire class of business to which the policy belongs or to a premium increase based on the altered nature or extent of the risk insured against.

[1985, c. 671, §1 (NEW) .]

5. Cancellation or nonrenewal is not effective until notice is received by the insured as follows.

A. Except for workers' compensation insurance, cancellation may not be effective prior to 10 days after receipt by the insured of a notice of cancellation. Notice of cancellation of workers' compensation insurance is subject to Title 39-A, section 403, subsection 1. The notice must state the effective date of and the reason or reasons for cancellation. [1991, c. 885, Pt. E, §31 (AMD); 1991, c. 885, Pt. E, §47 (AFF).]

B. Nonrenewal subject to this section shall not be effective prior to 30 days after receipt of written notice by the insured. If an insurer provides a notice of nonrenewal as described in this subsection and thereafter extends the policy 90 days or less, an additional notice of nonrenewal is not required with respect to this extension. [1985, c. 671, §1 (NEW).]

C. A post-office certificate of mailing to the named insured at his last known address is conclusive proof of receipt of notice on the 3rd calendar day after mailing. [1985, c. 671, §1 (NEW).]

D. For policies providing automobile physical damage coverage, like notice of cancellation or nonrenewal must also be given to any party named in a loss payable clause. [2007, c. 188, Pt. C, §2 (NEW).]

[2007, c. 188, Pt. C, §2 (AMD) .]

6. Any insured who has received a notice of an insurer's intent to cancel a policy may, within 45 days of the receipt of the notice, request a hearing before the superintendent. The purpose of this hearing shall be limited to establishing the existence of the proof or evidence given by the insurer in its notice of cancellation. The burden of proof of the reason for cancellation shall be upon the insurer. The superintendent shall have the authority to order that a policy remain in effect both pending and, if the superintendent finds in

favor of the insured, subsequent to a hearing. If the superintendent finds in favor of the insurer at a hearing, the superintendent may order the policy to remain in force for 14 days to allow the insured to obtain other coverage.

[1989, c. 172, §3 (AMD) .]

7. Except as provided in Title 10, chapter 209-B, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or nonrenewal or at a hearing held under this section if the statements were made in good faith and, in the case of cancellation, are reasonably related to the grounds for cancellation.

[2013, c. 588, Pt. C, §12 (AMD) .]

8. Except for the definitions in subsection 1 and cancellation notice requirements set forth in subsection 5, this section does not apply to any insurance policy that has not been previously renewed if the policy has been in effect less than 60 days at the time notice of cancellation is mailed or otherwise delivered. This section does not apply to any policy subject to the Maine Automobile Insurance Cancellation Control Act, subchapter II. This section does not apply to any assigned risk program. The superintendent may suspend, in whole or in part, the applicability of this section to any insurer if, in the superintendent's discretion, its application will endanger the ability of the insurer to fulfill its contractual obligations.

[1997, c. 126, §5 (AMD) .]

9. This section applies to all contracts of casualty insurance, except surplus lines contracts, delivered or issued for delivery in this State, both before and after the effective date of this section. Provisions in this section relating to nonrenewal of policies shall take effect 30 days after the effective date of this section.

[1989, c. 172, §3 (AMD) .]

SECTION HISTORY

1985, c. 671, §1 (NEW). 1987, c. 559, §A5 (AMD). 1989, c. 172, §§2,3 (AMD). 1991, c. 25, §1 (AMD). 1991, c. 885, §E31 (AMD). 1991, c. 885, §E47 (AFF). 1997, c. 126, §5 (AMD). 2007, c. 188, Pt. C, §§1, 2 (AMD). 2013, c. 588, Pt. C, §12 (AMD).

§2909. INSURANCE FOR DEALERS AND TRANSPORTERS

1. As used in this section, "owner" means the owner of a motor vehicle, the owner's agent, employee or independent contractor.

[1989, c. 261, §1 (NEW) .]

2. The superintendent may not approve any policy required pursuant to Title 29-A, section 1612, unless coverage is provided for both the owner and operator of the motor vehicle.

[1995, c. 65, Pt. A, §70 (AMD); 1995, c. 65, Pt. A, §153 (AFF); 1995, c. 65, Pt. C, §15 (AFF) .]

3. The owner's policy must provide primary coverage up to the limits specified in Title 29-A, section 1612. Any other valid and collectible insurance policy available to an operator who is not the owner must provide excess coverage.

[1995, c. 65, Pt. A, §70 (AMD); 1995, c. 65, Pt. A, §153 (AFF); 1995, c. 65, Pt. C, §15 (AFF) .]

SECTION HISTORY

1989, c. 261, §1 (NEW). 1995, c. 65, §A70 (AMD). 1995, c. 65, §§A153,C15 (AFF).

§2910. LOSS INFORMATION TO BE SUPPLIED

1. Request for information. Every insurer shall provide loss information concerning an insurance policy to its insured within 30 calendar days of the receipt of a written request from the insured or an insurance agent or other authorized representative of the insured. An insurer may not cancel or refuse to renew an insurance policy for the nonpayment of premium during any period within which the insurer fails to provide the loss information requested under this section, unless the insured requests that information fewer than 45 calendar days prior to the expiration date of the insurance policy.

[1989, c. 696, §1 (NEW) .]

2. Transmittal of request. If an insured requests loss information from an insurance agent or an authorized representative of the insured, the representative or agent shall transmit the request for loss information to the insurer within 4 working days.

[1989, c. 696, §1 (NEW) .]

3. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Insurance policy" means the insurance policy relating to the loss information requested pursuant to this section. [1989, c. 696, §1 (NEW).]

B. "Loss information," except with respect to workers' compensation insurance, means the following items: the name of the insured, the date of the loss, the date that the claim was received by the insurer, a description of the loss, any amount paid by the insurer on account of the loss, any amount reserved for the loss and whether the claim is open or closed. [1989, c. 696, §1 (NEW).]

C. "Loss information," with respect to workers' compensation insurance, means the following items: the name of the claimant, the date of the injury, a description of the injury, any amount paid for medical expense, any amount paid for indemnity expense, any medical reserve, the total incurred losses and whether the claim is open or closed. [1989, c. 696, §1 (NEW).]

[1989, c. 696, §1 (NEW) .]

SECTION HISTORY

1989, c. 696, §1 (NEW).

§2910-A. SUBROGATION; MEDICAL PAYMENTS COVERAGE

1. Policy requirements. A casualty insurance policy subject to this chapter may not provide for subrogation or priority over the insured of payment for any hospital, nursing, medical or surgical services or of any expenses paid or reimbursed under the medical payments coverage in the policy in the event the insured is entitled to receive payment or reimbursement from any other person as a result of legal action or claim, except as provided in this section.

The coverage may contain a provision that allows the payments if:

A. [2011, c. 509, §1 (RP).]

B. The provision requires the written approval of the insured; [2009, c. 222, §1 (NEW).]

C. The provision provides that the insurer's subrogation right is subject to subtraction to account for the pro rata share of the insured's attorney's fees incurred in obtaining the recovery from another source; and [2009, c. 222, §1 (NEW).]

D. The provision is approved by the superintendent. [2009, c. 222, §1 (NEW).]

[2011, c. 509, §1 (AMD) .]

2. Dispute resolution. In the event of a dispute as to the application of any such provision or the amount available for payment to those claiming payment for services or reimbursement, that dispute must be determined, if the action is pending, before the court in which it is pending; or if no action is pending, by filing an action in any court for determination of the dispute.

[1997, c. 369, §2 (NEW) .]

3. Exception. Nothing in this section prevents an insurer from exercising its subrogation rights directly against any person legally responsible for the insured's injury. In the event that the insurer pursues its subrogation rights directly against such a person, the insurer's subrogation right is not subject to any subtraction to account for attorney's fees and the insurer is entitled to full recovery.

[1997, c. 369, §2 (NEW) .]

SECTION HISTORY

1997, c. 369, §2 (NEW). 2009, c. 222, §1 (AMD). 2011, c. 509, §1 (AMD).

Subchapter 2: AUTOMOBILE INSURANCE CANCELLATION CONTROL ACT

§2911. TITLE

This subchapter shall be known as the "Maine Automobile Insurance Cancellation Control Act." Unless otherwise specified, all hearings held under this subchapter shall conform to the procedures set forth in the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV. [1977, c. 694, §425 (AMD) .]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP). 1977, c. 694, §425 (AMD).

§2912. DEFINITIONS

As used in this subchapter, unless otherwise required by the context, the following words shall have the following meanings. [1973, c. 339, §1 (NEW) .]

1. Policy. "Policy" means an automobile insurance policy providing bodily injury liability, property damage liability, medical payments, uninsured motorist coverage, physical damage coverage, or any combination thereof, delivered or issued for delivery in this State, insuring a single individual or one or more related individuals resident in the same household, as named insured and insuring vehicles of the following types only:

A. Motor vehicles of the private passenger or station wagon type that are not used as public conveyances nor rented to others; and [2007, c. 188, Pt. C, §3 (AMD) .]

B. Any other 4-wheel motor vehicles with a load capacity of 1,500 pounds or less that are not used in the business or professions of the insured. [2007, c. 188, Pt. C, §3 (AMD).]

[2007, c. 188, Pt. C, §3 (AMD) .]

2. Renewal or renew. "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the previous policy term a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the coverage of the policy beyond its original term. For purposes of this subchapter, the transfer of a policy from an insurer to an affiliate is considered a policy renewal.

Any policy written for a term longer than one year or with no fixed expiration date is considered written for successive policy terms of one year for the purposes of this subchapter.

[2007, c. 188, Pt. C, §4 (AMD) .]

3. Nonpayment of premium. "Nonpayment of premium" means failure of the named insured to discharge when due any of the named insured's obligations in connection with the payment of premium on the policy, or any installment of a premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

[2015, c. 1, §28 (COR) .]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP).
1977, c. 403, §1 (AMD). 2005, c. 114, §1 (AMD). 2007, c. 188, Pt. C,
§§3, 4 (AMD). RR 2015, c. 1, §28 (COR).

§2913. WHEN NOT APPLICABLE

This subchapter shall not apply to any policy: [1973, c. 339, §1 (NEW).]

1. Insured under an automobile assigned risk plan;

[1973, c. 339, §1 (NEW) .]

2. Covering garage, automobile sales agency, repair shop, service station or public parking place operation hazards;

[1973, c. 339, §1 (NEW) .]

3. Insuring more than 4 automobiles;

[1973, c. 339, §1 (NEW) .]

4. Issued principally to cover personal or premises liability of an insured even though such insurance may also provide some incidental coverage for liability arising out of the ownership, maintenance or use of a motor vehicle on the premises of such insured or on the ways immediately adjoining the premises.

[1973, c. 339, §1 (NEW) .]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP).

§2914. NOTICE OF CANCELLATION -- REASONS

No policy may be cancelled except by notice to the insured and any other person mentioned in the loss payable clause of an automobile physical damage policy, as provided in this subchapter. [1973, c. 339, §1 (NEW).]

No notice of cancellation of a policy shall be effective unless it is based on one or more of the following reasons: [1973, c. 339, §1 (NEW).]

1. Nonpayment of premium. No notice of cancellation for nonpayment of premium shall be effective unless deemed received under section 2915 after the premium due date;

[1979, c. 347, §1 (AMD).]

2. Fraud or material misrepresentation affecting the policy or the presentation of a claim;

[1973, c. 339, §1 (NEW).]

3. Violation of terms or conditions of the policy;

[1973, c. 339, §1 (NEW).]

4. The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy has a driver's license suspended, other than a first or 2nd suspension under Title 29-A, section 2471, subsection 2 or section 2472, subsection 2 or a suspension under Title 28-A, section 2052, or revoked during the policy term or, if the policy is a renewal, during its term or the 180 days immediately preceding its effective date.

[1995, c. 65, Pt. A, §71 (AMD); 1995, c. 65, Pt. A, §153 (AFF); 1995, c. 65, Pt. C, §15 (AFF).]

During the policy period, an automobile insurance policy may not be modified except by agreement between the insured and the insurer. Modification agreed upon between the insured and the insurer shall not be deemed a cancellation of the coverage or of the policy. [1977, c. 403, §2 (RPR).]

This section shall not apply to any policy or coverage which has been in effect less than 60 days at the time notice of cancellation is received by the named insured nor shall section 2920 apply to any policy or coverage that has been in effect less than 60 days. [1979, c. 347, §2 (AMD).]

This section shall not apply to nonrenewal of an automobile insurance policy. [1977, c. 403, §2 (NEW).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP). 1977, c. 403, §2 (AMD). 1979, c. 347, §§1,2 (AMD). 1987, c. 138, (AMD). 1993, c. 93, §2 (AMD). 1995, c. 65, §A71 (AMD). 1995, c. 65, §§A153,C15 (AFF).

§2915. DELIVERY OF NOTICE

A notice of cancellation of a policy is not effective unless received by the named insured at least 20 days prior to the effective date of cancellation, or, when the cancellation is for nonpayment of premium, at least 10 days prior to the effective date of cancellation. In the event the policy provides automobile physical damage coverage, like notice of cancellation must also be given to any party mentioned in the loss payable clause. A postal service certificate of mailing to the named insured at the insured's last known address is conclusive proof of receipt on the 5th calendar day after mailing. [2007, c. 188, Pt. C, §5 (AMD).]

Except for a policy that has been in effect for less than 60 days at the time notice of cancellation is received by the named insured, the reason for cancellation must accompany the notice, together with a notice of the right to apply for a hearing before the superintendent within 30 days, as provided in section 2920. [2007, c. 188, Pt. C, §5 (AMD).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 585, §12 (AMD). 1973, c. 625, §145 (RP). 1977, c. 403, §3 (AMD). 1979, c. 347, §§3,4 (AMD). 1989, c. 172, §4 (AMD). 2005, c. 114, §2 (AMD). 2007, c. 188, Pt. C, §5 (AMD).

§2916. AUTOMOBILE INSURANCE, CANCELLATION, NONRENEWAL AND CERTAIN CHANGES BECAUSE OF AGE, PROHIBITED

No insurance company authorized to transact business in this State shall cancel, reduce liability limits, refuse to renew or increase the premium of any automobile insurance policy of any kind whatsoever for the sole reason that the person to whom such policy has been issued has reached a certain age. [1973, c. 339, §1 (NEW).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP).

§2916-A. NONRENEWAL -- REASONS

A notice of nonrenewal may not be issued unless it is based upon a reason for which the policy could have been cancelled or unless it is based upon one or more of the following grounds that occurred during the 36-month period preceding the yearly anniversary date of the policy. A nonrenewal is effective only on the policy's yearly anniversary date. [2007, c. 188, Pt. C, §6 (AMD).]

1. Convictions. When a named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy is convicted of any of the following:

- A. Operating a motor vehicle while intoxicated or impaired by the consumption of alcohol or drugs; [1979, c. 336, §1 (NEW).]
- B. Homicide or assault arising out of the use of the operation of a motor vehicle, criminal negligence in the use or operation of a motor vehicle resulting in the injury or death of another person or use or operation of a motor vehicle directly or indirectly in the commission of a felony; [1979, c. 336, §1 (NEW).]
- C. Operating a motor vehicle in excess of the speed limit or in a reckless manner where injury or death results therefrom; [1979, c. 336, §1 (NEW).]
- D. Operating a motor vehicle in excess of the speed limit or reckless driving or any combination thereof on 3 or more occasions; [1979, c. 336, §1 (NEW).]
- E. Operating a motor vehicle insured under the policy without a valid license or registration in effect, except when the person convicted had possessed a valid license or registration which had expired and was subsequently renewed, or during a period of revocation or suspension thereof or in violation of the limitations set forth on the operator's license; [1979, c. 336, §1 (NEW).]
- F. Operating a motor vehicle while attempting to avoid apprehension or arrest by a law enforcement officer; [1979, c. 336, §1 (NEW).]
- G. Filing or attempting to file a false or fraudulent automobile insurance claim or knowingly aiding or abetting in the filing or attempted filing of any such claim; [1979, c. 336, §1 (NEW).]
- H. Leaving the scene of an accident without reporting; [1979, c. 336, §1 (NEW).]

I. Filing a false document with the Secretary of State or the Bureau of Motor Vehicles or using a license or registration obtained by filing a false document with the Secretary of State or the Bureau of Motor Vehicles; [1991, c. 837, Pt. A, §50 (AMD).]

J. Operating a motor vehicle in a race or speed test; or [1979, c. 336, §1 (NEW).]

K. Knowingly permitting or authorizing an unlicensed driver to operate a motor vehicle insured under the policy. [1979, c. 336, §1 (NEW).]

[1991, c. 837, Pt. A, §50 (AMD) .]

2. Accidents. When a named insured or any other person who operates a motor vehicle insured under the policy is individually or are aggregately involved in 2 or more vehicle accidents while operating a motor vehicle insured under the policy or under another policy issued by the same insurer for a motor vehicle in the same household, resulting in either personal injury or property damage in excess of the amount defined as a reportable accident under Title 29-A, section 2251, subsection 1. For the purpose of this subsection any of the following occurrences involving a motor vehicle operated by a named insured or such other person is not considered an accident when:

A. The motor vehicle was struck from the rear; [1979, c. 336, §1 (NEW).]

B. The motor vehicle was struck while parked; [1979, c. 336, §1 (NEW).]

C. Only the operator of another motor vehicle involved in the accident was convicted of a crime, offense or violation contributing to the accident; or [1979, c. 336, §1 (NEW).]

D. The named insured or other operator of the motor vehicle insured under the policy or the insurer of the policy, was reimbursed by or on behalf of, a person responsible for the accident or has a judgment against that person. [1999, c. 617, §2 (AMD).]

When more than one motor vehicle in a household is insured by the same insurer, the aggregate number of accidents that would permit nonrenewal of the policy or policies insuring those vehicles must be increased by one for each additional motor vehicle insured.

[2003, c. 26, §1 (AMD) .]

3. Insurability. When there is a material change in the type of motor vehicle insured which so substantially increases the hazard insured against as to render the motor vehicle uninsurable in accordance with the insurer's underwriting standards in effect at the time the policy was issued or last renewed; provided that if the insured motor vehicle is uninsurable for physical damage coverages only, the insurer shall offer to renew the policy without the physical damage coverages.

[1979, c. 336, §1 (NEW) .]

SECTION HISTORY

1979, c. 336, §1 (NEW). 1987, c. 261, (AMD). 1991, c. 837, §A50 (AMD). 1999, c. 617, §2 (AMD). 2003, c. 26, §1 (AMD). 2007, c. 188, Pt. C, §6 (AMD).

§2916-B. EXCLUSION OF COVERED PERSONS UNDER PERSONAL AUTOMOBILE POLICY

In order to avoid cancellation or nonrenewal of an automobile insurance policy, and to allow an insurer to provide or to continue to provide coverage without an unreasonable risk, an insurer and the named insured may agree, by an endorsement to the policy signed by the interested parties, to exclude from coverage as operators of the insured vehicle or vehicles any covered person or persons who commit an act or acts for

which the policy could be cancelled under section 2914, subsection 4, or for which the insurer could refuse to renew under section 2916-A subsections 1 and 2. Every endorsement under this section shall contain the following notice in conspicuous print:

"NOTICE TO POLICYHOLDER IF THE PERSON EXCLUDED FROM COVERAGE BY THIS ENDORSEMENT IS UNDER THE AGE OF 18 YEARS, YOU CAN BE HELD LIABLE UNDER STATE LAW FOR HIS OR HER NEGLIGENCE WHEN HE OR SHE OPERATES YOUR VEHICLE WITH YOUR PERMISSION. YOUR POLICY DOES NOT INSURE YOU AGAINST THIS LIABILITY."

[1981, c. 69, (NEW).]

SECTION HISTORY
1981, c. 69, (NEW).

§2916-C. DISCONTINUANCE OF A LINE OF BUSINESS

If an insurer files a plan with the superintendent to discontinue business in a line of insurance subject to this subchapter, the superintendent may authorize the nonrenewal of policies in that line of business if the plan filed by the insurer demonstrates the availability of substantially similar coverage in the admitted market. The nonrenewal of a policyholder pursuant to this section may not be considered by an insurer in future coverage determinations. An insurer may resume transacting business in a line of insurance discontinued pursuant to this section upon written notification to the superintendent. [2005, c. 49, §1 (AMD).]

SECTION HISTORY
1995, c. 544, §9 (NEW). 2005, c. 49, §1 (AMD).

§2917. NOTICE OF INTENT

An insurer may not fail to renew a policy except by notice to the insured as provided in this subchapter. A notice of intention not to renew is not effective unless received by the named insured at least 30 days prior to the expiration date of the policy. In the event the policy provides automobile physical damage coverage, like notice of intention not to renew must be given to any party named in the loss payable clause. A post office department certificate of mailing to the named insured at the insured's last known address is conclusive proof of receipt on the 3rd calendar day after mailing. [2007, c. 188, Pt. C, §7 (AMD).]

The reason or reasons for the intended nonrenewal action must accompany the notice of intent not to renew and the reason or reasons must be explicit. Explanations such as "underwriting reasons," "underwriting experience," "loss record," "driving experience," "credit report" and similar insurance terms are not by themselves acceptable explanations of an insurer's intended nonrenewal of an automobile insurance policy. A notice of a right to apply for a hearing before the superintendent within 30 days as provided in this section must accompany the notice of intent not to renew. [2007, c. 188, Pt. C, §7 (AMD).]

This section does not apply: [2007, c. 188, Pt. C, §7 (AMD).]

1. If the insurer has manifested its willingness to renew;

[1973, c. 339, §1 (NEW) .]

2. If the insured fails to pay any premium due or any advance premium required by the insurer for renewal; or

[2007, c. 188, Pt. C, §7 (AMD) .]

3. If the insurer has transferred a policy to an affiliate. Prior to the date of renewal of a policy that has been transferred by an insurer to an affiliate, the insured must receive notice of any changes to the terms of the policy that are less favorable to the insured.

[2007, c. 188, Pt. C, §7 (NEW) .]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 585, §12 (AMD). 1973, c. 625, §145 (RP). 1977, c. 403, §4 (AMD). 1977, c. 597, (AMD). 1979, c. 347, §§5,6 (AMD). 2007, c. 188, Pt. C, §7 (AMD).

§2918. DUPLICATE COVERAGE

If an insured obtains a 2nd policy which provides equal or more extensive coverage for any vehicle designated in both policies, the first policy's coverage of such vehicle may be terminated by failure to renew as of the effective time and date of the 2nd policy, whether or not the first policy insurer complies with all provisions of section 2917. [1973, c. 339, §1 (NEW).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP).

§2919. RENEWAL NOT A WAIVER OR ESTOPPEL

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of renewal. [1973, c. 339, §1 (NEW).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 625, §145 (RP).

§2920. HEARING BEFORE SUPERINTENDENT

Any named insured who has received a statement of reason for cancellation, or of reason for an insurer's intent not to renew a policy, may, within 30 days of the receipt of a statement of reason, request a hearing before the Superintendent of Insurance. The purpose of this hearing shall be limited to establishing the existence of the proof or evidence given by the insurer in its reason for cancellation or intent not to renew. The burden of proof of the reason for cancellation or intent not to renew shall be upon the insurer. The superintendent shall have the authority to order that a policy continue in effect both pending and, if the superintendent finds in favor of the insured, subsequent to a hearing. If the superintendent finds in favor of the insurer at a hearing, the superintendent may order the policy to remain in force for 14 days to allow the insured to obtain other coverage. Acting in conformity with the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter II, the superintendent may adopt rules for carrying out this section. [1989, c. 172, §5 (AMD).]

SECTION HISTORY

1973, c. 339, §1 (NEW). 1973, c. 439, (NEW). 1973, c. 585, §12 (AMD). 1973, c. 625, §145 (RP). 1977, c. 403, §5 (AMD). 1977, c. 694, §426 (AMD). 1979, c. 336, §2 (AMD). 1979, c. 347, §7 (AMD). 1989, c. 172, §5 (AMD).

§2921. INSURED TOLD OF ALTERNATE COVERAGE

When automobile bodily injury and property damage liability coverage is cancelled or not renewed, other than for nonpayment of premium, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance through the Maine Automobile Insurance Plan. Such notice shall accompany the notice of cancellation or intent not to renew. [1973, c. 339, §1 (NEW).]

SECTION HISTORY

1973, c. 339, §1 (NEW).

§2922. SUPERINTENDENT'S AUTHORITY TO SUSPEND

In the event of impairment or serious financial difficulty of an insurer, the superintendent shall have the authority to suspend the provisions of this Act from applying to the policies of the financially distressed insurer. [1977, c. 403, §6 (NEW).]

SECTION HISTORY

1977, c. 403, §6 (NEW).

§2923. NONLIABILITY FOR CERTAIN STATEMENTS

1. Notices. Except as provided in Title 10, chapter 209-B, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or intent not to renew under this chapter if:

- A. The statements were made in good faith; [1979, c. 112, §1 (NEW).]
- B. The statements are reasonably related to the reason for cancellation or intent not to renew; and [1979, c. 112, §1 (NEW).]
- C. In the case of a notice of cancellation, the reason for cancellation is a reason permitted under section 2914. [1979, c. 112, §1 (NEW).]

[2013, c. 588, Pt. C, §13 (AMD) .]

2. Hearings. Except as provided in Title 10, chapter 209-B, no person may be held liable in any civil action for statements made or information given at a hearing held under this chapter if:

- A. The statements were made or the information was given in good faith; [1979, c. 112, §1 (NEW).]
- B. The statements or the information are reasonably related to the reason for cancellation or intent not to renew; and [1979, c. 112, §1 (NEW).]
- C. In the case of a hearing held on a notice of cancellation, the reason for cancellation is a reason permitted under section 2914. [1979, c. 112, §1 (NEW).]

[2013, c. 588, Pt. C, §13 (AMD) .]

SECTION HISTORY

1979, c. 112, §1 (NEW). 2013, c. 588, Pt. C, §13 (AMD).

§2924. ASSIGNED RISK INSURANCE PLAN

If no payment for renewal of a policy has been received by the insurer 15 days prior to the expiration date of the policy, the insurer shall notify the insured in accordance with this section. Written notice shall be mailed or delivered to the named insured no less than 10 days prior to the expiration date. The notice shall state that the policy will terminate on the expiration date if the insurer does not receive payment by that date. A post-office department certificate of mailing is proof of mailing. [1989, c. 354, (NEW).]

SECTION HISTORY

1989, c. 354, (NEW).

Subchapter 3: PERSONAL AUTOMOBILE INSURANCE AND RENTAL VEHICLE COVERAGE

§2927. PERSONAL AUTOMOBILE INSURANCE; RENTAL VEHICLE COVERAGE

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Authorized driver" means:

- (1) The renter;
- (2) The renter's spouse, if that person is a licensed driver meeting the rental company's minimum age requirement;
- (3) The renter's employer or coworker, if that person is engaged in business activity with the renter and is a licensed driver meeting the rental company's minimum age requirement;
- (4) A person who operates the vehicle during an emergency or while parking the vehicle in the course of that person's employment at a commercial establishment; or
- (5) A person listed by the rental company on the rental agreement as an authorized driver. [1991, c. 335, (NEW).]

B. "Covered rental agreement" means a written agreement with a term of 45 continuous days or fewer setting forth the terms and conditions governing the use of a covered rental vehicle provided by a rental company. [1991, c. 335, (NEW).]

C. "Covered rental vehicle" means a private passenger motor vehicle rented pursuant to a covered rental agreement, regardless of where that rental vehicle is registered, rented or operated. [1991, c. 335, (NEW).]

D. "Private passenger motor vehicle" means a motor vehicle of the private passenger, sedan, station wagon or private passenger minivan type. [1991, c. 335, (NEW).]

E. "Rental company" means any person or organization, including franchisees, in the business of providing private passenger motor vehicles to the public. [1991, c. 335, (NEW).]

[1991, c. 335, (NEW) .]

2. Rental vehicle coverage required. A personal automobile insurance policy that provides liability and collision, liability and comprehensive or liability, comprehensive and collision coverage must provide coverage for the obligation of the insured for actual damage to a covered rental vehicle, including charges for verifiable and actual loss of use not to exceed 30 days, rented by an insured in the United States, its territories

or possessions, or Canada under a covered rental agreement. The deductible applicable to the covered rental vehicle may not exceed the highest of the deductibles for the collision coverage in the event of a collision loss or for the comprehensive coverage in the event of a comprehensive loss, applicable to the insured vehicle.

[1991, c. 335, (NEW) .]

3. Notice to insureds. Every policy to which this section applies, either upon policy issuance or upon the first renewal after January 1, 1992, must be accompanied or supplemented by a notice, in a form prescribed or approved by the superintendent, advising the insured of the rental vehicle coverage provided pursuant to this section.

[1991, c. 335, (NEW) .]

4. Application. This subchapter applies to all personal automobile policies issued for delivery in this State or renewed on or after January 1, 1992.

[1991, c. 335, (NEW) .]

SECTION HISTORY

1991, c. 335, (NEW) .

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