



132nd MAINE LEGISLATURE

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Legislative Document

No. 918

H.P. 583

House of Representatives, March 11, 2025

An Act to Allow a Qualifying Religious Organization to Self-insure for Automobile Insurance

Received by the Clerk of the House on March 5, 2025. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative FOSTER of Dexter.
Cosponsored by Senator GUERIN of Penobscot and
Representatives: BABIN of Fort Fairfield, CIMINO of Bridgton, CLUCHEY of Bowdoinham,
FAULKINGHAM of Winter Harbor, MORRIS of Turner, WADSWORTH of Hiram, Senators:
BENNETT of Oxford, HAGGAN of Penobscot.

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

2 **Sec. 1. 29-A MRSA §1605, sub-§3, ¶B**, as enacted by PL 1993, c. 683, Pt. A, §2
3 and affected by Pt. B, §5, is amended to read:

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

5 **Sec. 2. 29-A MRSA §1605, sub-§3, ¶C**, as amended by PL 2021, c. 254, §1, is
6 further amended to read:

7 C. For a corporation that is a transmission and distribution utility as defined in Title
8 35-A, section 102, subsection 20-B, by satisfying the Secretary of State that the
9 corporation has financial ability to comply with the requirements of this subchapter;
10 or

11 **Sec. 3. 29-A MRSA §1605, sub-§3, ¶D** is enacted to read:

12 D. For a qualifying religious organization, by meeting the requirements of section
13 1613.

14 **Sec. 4. 29-A MRSA §1613** is enacted to read:

15 **§1613. Self-insurance permitted for certain religious organizations**

16 Notwithstanding any other provision of this Title to the contrary, the Secretary of State
17 may grant an exemption from any provision of this subchapter for any motor vehicle owned
18 or operated by a religious organization or its members subject to the following minimum
19 requirements.

20 **1. Qualifying religious organization.** In order to be eligible to self-insure under this
21 section, a religious organization must demonstrate with documentation to the satisfaction
22 of the Secretary of State that:

23 A. The religious organization has been recognized by the United States Social Security
24 Administration as an eligible religious group under Section 1402(g) of the United
25 States Internal Revenue Code of 1986, as amended, and has filed Form 4029 with the
26 federal Internal Revenue Service;

27 B. The religious organization and its members operate 5 or more motor vehicles in this
28 State that are owned or leased by the religious organization or one of its members;

29 C. The religious organization and its members hold a common belief in mutual
30 financial assistance in time of need to the extent that they share in financial obligations
31 of members who would otherwise not be able to meet their obligations;

32 D. The religious organization and its members have met all of their responsibilities for
33 financial responsibility under this subchapter for the 2 years preceding its application
34 to self-insure under this section;

35 E. The religious organization is financially solvent and not subject to any actions of
36 bankruptcy, trusteeship, receivership or any other court proceedings in which the
37 financial solvency of the religious organization is at issue;

38 F. The religious organization and its members are not subject to any judgments arising
39 out of the operation, maintenance or use of a motor vehicle that have remained
40 unsatisfied for more than 30 days after final judgment was issued;

1 G. There are no factors causing the Secretary of State to believe that the religious
2 organization and its members do not have the financial ability to pay any future
3 judgments against them; and

4 H. The religious organization and its members meet any other requirements prescribed
5 in rules adopted in accordance with this section.

6 **2. Requirements for self-insurance.** Upon application under this section, the
7 religious organization shall file with the Secretary of State satisfactory proof in the form of
8 an irrevocable letter of credit from a qualified financial institution or the deposit of money
9 and securities as provided in section 1605, subsection 3, paragraph B and section 1605,
10 subsection 4 that the religious organization meets the following minimum requirements:

11 A. For 5 to 10 motor vehicles, the amount of the irrevocable letter of credit or deposit
12 of money and securities must be equal to a combined single limit of \$250,000; and

13 B. For more than 10 motor vehicles, the amount in paragraph A must be increased by
14 \$2,500 per motor vehicle.

15 Upon receiving an application in accordance with this subsection, the Secretary of State
16 may require a religious organization to submit a fee not to exceed \$100 as established in
17 rules adopted by the Secretary of State pursuant to subsection 6.

18 **3. Issuance of certificate of self-insurance.** Upon demonstration that a religious
19 organization has met the requirements of subsections 1 and 2 and has paid any required
20 application fee, the Secretary of State shall issue a certificate of self-insurance to the
21 religious organization. The certificate of self-insurance serves as evidence of financial
22 responsibility required by section 1605, subsection 2. Any member of the religious
23 organization may provide the certificate of self-insurance as evidence of financial
24 responsibility required by section 1605, subsection 2 to register a motor vehicle owned or
25 operated by that member.

26 **4. Notice of withdrawal.** A religious organization granted a certificate of self-
27 insurance under this section shall notify the Secretary of State in writing if any member of
28 the religious organization ceases to be a member within 10 days of that member's departure
29 or removal from the religious organization.

30 **5. Termination of self-insurance.** The Secretary of State may:

31 A. At any time after granting a certificate of self-insurance, terminate the authorization
32 for self-insurance if the secretary determines that the religious organization no longer
33 meets the requirements for self-insurance under this section. Notice of the termination
34 must be provided to the religious organization in writing at least 30 days prior to the
35 termination of the authorization; and

36 B. Terminate the authorization for self-insurance if the religious organization or its
37 members are subject to a judgment arising out of the operation, maintenance or use of
38 a motor vehicle and that judgment has remained unsatisfied for more than 30 days after
39 the final judgment was issued. The Secretary of State may hold deposited money or
40 securities until the judgment is satisfied.

41 **6. Rules.** The Secretary of State may adopt rules as necessary to implement the
42 requirements of this section. Rules adopted pursuant to this subsection are routine technical
43 rules as defined in Title 5, chapter 375, subchapter 2-A.

7. Applicability. A certificate of self-insurance granted by the Secretary of State pursuant to this section does not apply to:

A. A motor vehicle with a registered gross weight of 26,001 pounds or more or a motor vehicle requiring its operator to hold a commercial driver's license;

B. An emergency vehicle;

C. A for-hire transportation vehicle for transporting freight or merchandise;

D. A for-hire transportation vehicle for transporting passengers;

E. A school bus; or

F. A rental vehicle.

SUMMARY

This bill provides authorization for qualifying religious organizations to satisfy the requirements for financial responsibility to operate a motor vehicle registered in this State through self-insurance. The bill sets forth the requirements that must be met before the Secretary of State may grant a certificate of self-insurance to a religious organization and its members. The bill authorizes a member of the qualifying religious organization to provide that certificate of self-insurance as evidence of financial responsibility to register a motor vehicle owned or operated by that member.