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Date: (Filing No. S-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 666, L.D. 1661, “An Act to Require a Liability Automobile Insurance Policy to Cover the Costs of Towing and Storing Certain Vehicles”

Amend the bill by striking out everything after the enacting clause and inserting the following:

PART A

Sec. A-1. 29-A MRSA §1605, sub-§1, ¶C, as amended by PL 2007, c. 213, §1 and affected by §3, is further amended to read:

- C. Be in the amount or limit of at least:
 - (1) For damage to property, \$25,000;
 - (2) For injury to or death of any one person, \$50,000;
 - (3) For one accident resulting in injury to or death of more than one person, \$100,000; ~~and~~
 - (4) For medical payments pursuant to section 1605-A, \$2,000; ~~and~~
 - (5) For towing and storage charges pursuant to section 1605-B, \$500.

Sec. A-2. 29-A MRSA §1605-B is enacted to read:

§1605-B. Towing and storage charges

A motor vehicle liability policy issued for a motor vehicle registered or principally garaged in this State must provide coverage in an amount up to \$500 per accident for the reasonable towing and storage charges incurred as a result of an accident involving the insured vehicle if the vehicle is towed at the request of a law enforcement officer. The coverage required by this section applies only to the reasonable towing and storage charges of the insured vehicle. This section does not apply to a policy insuring more than 4 motor vehicles, nor to any policy covering a garage, automobile sales agency, repair shop, service station or public parking place.

COMMITTEE AMENDMENT

1 **Sec. A-3. 29-A MRSA §1861, first ¶**, as amended by PL 2017, c. 120, §1, is further
2 amended to read:

3 A person holding or storing an abandoned vehicle, holding or storing a vehicle towed
4 at the request of the vehicle's operator, owner or owner's agent or holding or storing a
5 vehicle stored at the request of a law enforcement officer may hold the vehicle and all its
6 accessories, contents and equipment, not including the personal effects of the registered
7 owner, until reasonable towing and storage charges of the person holding or storing the
8 vehicle are paid, except that a person may not hold the perishable cargo of a commercial
9 motor vehicle, as defined in 49 Code of Federal Regulations, Part 390.5, as amended, when
10 the perishable cargo being transported in interstate or intrastate commerce is not owned by
11 the motor carrier or driver of the commercial motor vehicle being held and the person
12 holding or storing the towed vehicle is presented with evidence of insurance, as defined in
13 section 1551, covering the commercial motor vehicle and the vehicle's cargo. For purposes
14 of this paragraph, "perishable cargo" means cargo of a commercial motor vehicle that is
15 subject to spoilage or decay or is marked with an expiration date. The owner of the vehicle
16 shall maintain, at a minimum, the amounts of motor vehicle financial responsibility in
17 accordance with section 1605-B to pay the reasonable towing and storage charges of the
18 person holding or storing the vehicle.

19 **Sec. A-4. Application.** This Part applies to all motor vehicle liability insurance
20 policies executed, delivered, issued for delivery, continued or renewed in this State on or
21 after July 1, 2024. For purposes of this Part, all policies are deemed to be renewed no later
22 than the next yearly anniversary of the contract date.

23 **Sec. A-5. Appropriations and allocations.** The following appropriations and
24 allocations are made.

25 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**

26 **Insurance - Bureau of 0092**

27 Initiative: Provides a one-time allocation of funds for review of rate plans and forms
28 associated with motor vehicle liability policy coverage of towing and vehicle storage.

29 OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
30 All Other	\$0	\$20,250
31		
32 OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$20,250

33 **PART B**

34 **Sec. B-1. Review of impact on premiums.** The Department of Professional and
35 Financial Regulation, Bureau of Insurance shall review proposed rates provided by insurers
36 offering motor vehicle liability insurance in this State on or after July 1, 2024 to determine
37 the premium impact on rates of requiring coverage in accordance with the Maine Revised
38 Statutes, Title 29-A, section 1605-B. The bureau shall submit a report to the Joint Standing
39 Committee on Health Coverage, Insurance and Financial Services no later than February
40 1, 2024. The committee may report out a bill based on the report to the Second Regular
41 Session of the 131st Legislature.'

42 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
43 number to read consecutively.

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SUMMARY

This amendment replaces the bill. The amendment amends the minimum motor vehicle financial responsibility requirements to add a requirement for coverage of up to \$500 per accident for the reasonable towing and storage charges incurred as a result of an accident involving the insured vehicle if the vehicle is towed at the request of a law enforcement officer. The requirements apply to motor vehicle liability insurance policies beginning July 1, 2024.

The amendment also requires the Department of Professional and Financial Regulation, Bureau of Insurance to evaluate the impact of the coverage required for towing and storage costs on premiums for motor vehicle liability insurance policies offered in this State. The bureau is required to submit a report to the Joint Standing Committee on Health Coverage, Insurance and Financial Services no later than February 1, 2024. The committee may report out a bill based on the report to the Second Regular Session of the 131st Legislature.

FISCAL NOTE REQUIRED
(See attached)