



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Janet T. Mills
Governor

Robert L. Carey
Superintendent

Joan F. Cohen
Commissioner

April 16, 2025

Senator Donna Bailey, Senate Chair
Representative Kristi Mathieson, House Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333-0100

Re: L.D. 1276, "An Act to Align Intrastate Commercial Motor Vehicle Insurance Requirements with Federal Standards"

Dear Senator Bailey, Representative Mathieson, and Members of the Committee:

While the Maine Bureau of Insurance takes no position on L.D. 1276, "An Act to Align Intrastate Commercial Motor Vehicle Insurance Requirements with Federal Standards," I am writing to provide information about financial responsibility requirements.

An operator or owner of a vehicle registered in Maine must maintain financial responsibility as set forth in 29-A M.R.S. § 1601. Most fulfill this requirement by purchasing auto insurance that meets the requirements of § 1605(1)(C): \$25,000 for damage to property; \$50,000 for injury or death of any one person; \$100,000 for one accident resulting in injury to or death of more than one person; \$2,000 for medical payments; and \$500 for towing and storage. These are the minimum limits for private passenger vehicles and any other type of vehicle that is not subject to higher limits, as discussed below, under 29-A M.R.S. § 1611 or under federal law.

This bill would amend § 1605(1)(C) by adding a requirement that all intrastate commercial motor vehicles ("CMVs") registered in Maine must carry insurance (or other evidence of financial responsibility) with at least a combined single limit of \$750,000. CMVs are defined at 29-A M.R.S. § 101(17) to mean vehicles that have a weight or gross rating of at least 26,001 pounds, are designed to carry more than 15 persons, or are used to carry hazardous or "select" materials or toxins.

The bill's scope is limited to intrastate CMVs because CMVs that are operated in interstate commerce are subject to Federal Motor Carrier Safety Regulations, which require a minimum level of financial responsibility of \$750,000, with higher requirements for CMVs that transport oil or "bulk" and hazardous materials.

Office Location: 76 Northern Avenue, Gardiner, Maine 04345
Mailing Address: 34 State House Station, Augusta, Maine 04333
www.maine.gov/pfr/insurance

Phone: (207) 624-8475

TTY: Please Call Maine Relay 711

Consumer Assistance: 1-800-300-5000

Fax: (207) 624-8599

Many classes of intrastate CMVs are already subject to § 1611, which establishes financial responsibility requirements for any motor vehicle that is used “for rent, lease, hire or livery.” Although these are commercial activities, many of these vehicles do not meet the definition of CMV because they are below the weight and passenger capacity thresholds. Conversely, private CMVs are not subject to § 1611 if they are used only to carry the owner’s own materials, goods, and equipment. Most non-passenger vehicles subject to § 1611 must carry a combined single limit of at least \$350,000, other than rental cars and short-term rental trucks that fall below the CMV weight threshold. For passenger vehicles, the minimum limits range from \$125,000 to \$5,000,000, depending mostly on the number of passengers the vehicle is designed to carry.

If this bill were to pass, owners/operators of non-passenger intrastate CMVs would be subject to a substantial increase in their minimum limits, with a corresponding increase in insurance costs. Most passenger vehicles that are defined as CMVs are already subject to a \$5 million limit under § 1611, but the minimum limit for school buses with 15 to 30 passenger seats would increase from \$500,000 to \$750,000.

I hope this information is useful to the Committee.

Sincerely,



Robert L. Carey
Superintendent

