

474 South St.
Calais, ME 04619
Phone: (207) 214-7000
anne.perry@legislature.maine.gov

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION AUGUSTA, MAINE 04333-0002 (207) 287-1400 TTY: MAINE RELAY 711

January 11, 2024

Testimony of Rep. Anne Perry introducing

LD 2073, An Act to Amend the Application of the Law Requiring Motor Vehicle Liability Insurance Policies to Cover Towing and Storage Charges for Certain Vehicles

Before the Joint Standing Committee on Health Coverage, Insurance & Financial Services

Chairman Bailey and Honorable Members of the Committee, I am Representative Anne Perry. I represent House District 9. I am pleased to be here today to sponsor LD 2073, "An Act to Amend the Application of the Law Requiring Motor Vehicle Liability Insurance Policies to Cover Towing and Storage Charges for Certain Vehicles."

The Committee worked at length during the First Regular Session on LD 1661, "An Act to Require a Liability Automobile Insurance Policy to Cover the Costs of Towing and Storing Certain Vehicles." The bill was enacted as P.L. ch. 395. The enacted language does address towing coverage rights and obligations. The Committee recognized that there are significant issues with changing coverages and made the determination that the law would apply prospectively. The statute applies to "all motor vehicle liability insurance policies executed, delivered, issued for delivery, continued or renewed ... on or after July 1, 2024." (Emphasis added.) Unfortunately, the word "continue" is in the legislation as enacted. That word could be construed to allow retroactive application of towing policies. That was not the Committee's intent and it does not work in terms of insurers applying and pricing the risks involved in towing coverage. Accordingly, that one word needs to be removed. This is a technical corrective change, not a substantive change.

I would be pleased to answer any questions the Committee might have.

District 9: Grand Lake Stream Plantation, Passamaquoddy Indian Township, Baileyville, Baring Plantation, Calais, Meddybemps, Robbinston, Perry, Passamaquoddy Pleasant Point and Eastport