



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



Janet T. Mills
Governor

Anne L. Head
DPFR Commissioner

Timothy N. Schott
Acting Superintendent

**TESTIMONY OF TIMOTHY N. SCHOTT
ACTING SUPERINTENDENT OF INSURANCE**

BUREAU OF INSURANCE

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

In support of L.D. 2073

Presented by Representative Anne Perry

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

January 11, 2024 at 1:00 p.m.

Senator Bailey, Representative Perry, and members of the Committee, I am Acting Superintendent of Insurance Timothy Schott. I am here today to testify in support of L.D. 2073.

In the 131st First Special Session, the legislature passed L.D. 1661, which required auto liability policies issued in this state to include coverage for towing and storage up to \$500 if the tow was requested by law enforcement, with the new requirement taking effect on July 1, 2024. For the reasons given in the letter we submitted in opposition to L.D. 1661, we opposed that bill. L.D. 2073 changes the application of L.D. 1661, so that the changes in law do not apply to policies in effect before July 1, 2024, unless or until those policies are renewed. Were this change not made, the existing language in 29-A M.R.S. §1605-B could be interpreted to require insurers to provide a benefit in an existing policy

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

Phone: (207) 624-8475

TTY: Please Call Maine Relay 711

Consumer Assistance: 1-800-300-5000

Fax: (207) 624-8599

for which they did not have an opportunity to charge a premium. This bill provides a simple fix to avoid confusion.

As you are aware, L.D. 1661 also required the Bureau to review proposed rates provided by insurers offering auto liability insurance in this State on or after July 1, 2024, to determine the premium impact on rates of requiring coverage in accordance with the new law. Bureau staff are working on this report, which is due on February 1, 2024.

Should the results of that report or other factors persuade the committee to revisit the substance of L.D. 1661, and consider alternatives we will of course provide whatever assistance we can.

Thank you, I would be glad to answer any questions now or at the work session.