



Maine Trial Lawyers Association

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MTLA Testimony in Support of LD 1276, An Act to Align Intrastate Commercial Motor Vehicle Insurance Requirements with Federal Standards

Senator Bailey, Representative Mathieson, and members of the Health Coverage, Insurance & Financial Services Committee,

My name is Chris Boots. I live in South Portland. I practice law at Berman & Simmons, a state-wide firm that represents victims in personal injury and medical malpractice cases. I am also a co-chair of the Legislative Committee of the Maine Trial Lawyers Association. I am writing on behalf of the MTLA to voice our strong support for L.D. 1276, An Act to Align Intrastate Commercial Motor Vehicle Insurance Requirements with Federal Standards.

Federal law requires that Interstate Motor Carriers – businesses transporting goods or passengers across state lines – carry a minimum of \$750,000 in liability insurance. This law promotes safety by recognizing that highway motor vehicle collisions involving large commercial motor vehicles, such as semi-trucks, often result in damage and injury much more devastating than those between typical passenger vehicles. Federal law accordingly reduces the risk that persons injured through no fault of their own by an interstate motor carrier will find themselves in an underinsurance situation where the available liability insurance is inadequate to cover their damages.

Current Maine law, however, allows that motor carriers who operate exclusively within state lines are subject only to the state-mandated minimum of \$50,000 in liability insurance. This creates a seemingly non-sensical disparity, where a semi-truck or other large commercial vehicle that operates only within Maine – but drives the same roads and poses the same risks as those which cross state lines – need have only a small fraction of the Federally-mandated interstate minimum. As a result, MTLA members have represented seriously injured clients who find themselves with only \$50,000 in available liability insurance to cover catastrophic damages, when they would have had \$750,000 available if the same truck on the same road extended its business just as far as Portsmouth, NH.

L.D. 1276 would rectify this issue by changing the state-mandated \$50,000 liability insurance minimum to \$750,000 for commercial motor vehicles, to match Federal standards. At least 16 other states – a wide range, including Massachusetts, California, Iowa, and North Dakota – have taken this sensible step to ensure their citizens are protected on the road. Moreover, we anticipate that enacting L.D. 1276 would prevent injustice from occurring in the small number of cases where this issue arises without any significant disruption in insurance markets. From our conversations with trucking industry leaders on this issue, we have learned that the number of purely intrastate carriers with \$50,000 minimum liability coverage is low.

We strongly urge that this committee vote that L.D. 1276 Ought to Pass, and appreciate your consideration.