



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
Superintendent

April 1, 2021

Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Joint Standing Committee on Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333-0100

Re: L.D. 368, An Act To Amend the Laws Governing Proof of Financial Responsibility with
Respect to Motor Vehicles

Dear Senator Sanborn, Representative Tepler, and Members of the Committee:

L.D. 368 does not directly affect the business of insurance, and the Bureau of Insurance takes no position on the changes that it would make to the financial responsibility and insurance law. However, the Office of the Secretary of State consulted the Bureau of Insurance regarding the proposal, and my office has offered limited technical feedback. If you feel that my staff can assist the committee's deliberations in any way, feel free to contact my office.

It is worth noting that Maine boasts a highly competitive and affordable auto insurance market. State law also provides an assigned risk pool that ensures the availability of insurance for all licensed drivers. Not surprisingly, the overwhelming majority of drivers prove their financial responsibility by securing an insurance policy that meets Maine's minimum limits. Proving financial responsibility by a deposit of funds with the Treasurer of State will require a large deposit of money. A driver doing so would forego claims adjustment services and legal defense benefits, which are important benefits included with an insurance policy.

Thank you for your consideration. Please let me know if you have questions.

Sincerely,

Eric A. Cioppa
Superintendent



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