



**Department of the Secretary of State
Bureau of Motor Vehicles**

Shenna Bellows
Secretary of State

Catherine Curtis
Deputy Secretary of State

Linda S. Grant
Director of Driver License Services

Testimony of Lynne Gardner, Director Legal Affairs, Adjudications and Hearings
Department of the Secretary of State Bureau of Motor Vehicles
Testifying in Opposition to
L.D. 1063 “An Act To Allow A Qualifying Religious Organization to Self-Insure
For Automobile Insurance”

April 1, 2021

Senator Sanborn, Representative Tepler, and members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services. My name is Lynne Gardner and I am a resident of Eddington. I am the Director of Legal Affairs, Adjudications and Hearings with the Secretary of State, Bureau of Motor Vehicles and I am representing the Bureau today speaking in opposition to L.D. 1063, “An Act To Allow A Qualifying Religious Organization to Self-Insure For Automobile Coverage”.

The Bureau of Motor Vehicles fully supports the First Amendment rights of Maine citizens, and as L.D. 368 demonstrates, we are actively looking for alternatives to accommodate sincerely held religious beliefs. This bill, however, goes beyond the alternatives outlined in current statute in ways that present administrative and potential legal challenges for the Bureau, and that pose possible unintended consequences that may be detrimental to a member of the qualifying organization or to the public at large.

As you know, Maine drivers and vehicle owners are subject to the requirements of the Financial Responsibility Law. Most people meet these requirements by purchasing insurance policies meeting minimum liability amounts, but other options are outlined in statute, as you heard from our testimony on L.D. 368. This proposal would carve out yet another option depending on one’s membership in a religious organization that holds a common belief in mutual financial assistance in time of need to help members meet financial obligations they cannot meet on their own.

From an administrative perspective, it is unclear whether the Bureau would be charged with setting any sort of criteria for demonstrating this belief or practice, or whether it would simply take all applicants at their word. And as written, it is difficult to say whether this exemption would cover a very small group with a very specific belief system, or whether it would potentially encompass many religious denominations that have some mechanism for providing financial support to members in time of need. It is also unclear how the Bureau would determine which individuals or which vehicles are included under the coverage at any given time.

Other administrative challenges would include establishing a standard by which to judge solvency and determining whether those standards would be applied to the group as a whole or to each individual. The bill also calls on the bureau to assess the ability to satisfy future judgments without providing clear criteria for doing so. And again, is this a determination for the group as a whole or for each individual member? The bureau is not versed in the administration of insurance and does not possess the expertise to make actuarial calculations or assess risk.

We are also concerned about the protections afforded or perhaps not afforded to both the folks who would use this exemption and the general public who may be involved in motor vehicle crashes with them. The limits of insurance outlined in this bill are far below the statutory limits required of the general public and seem grossly inadequate to meet the potential damages from multiple accidents. This would seemingly leave both injured members of the public without adequate recourse and members of the religious organization without liability protection. Additionally, the bill does not specify what if any claims processes would be established by the self-insured organization or what might happen with unsettled claims arising from accidents during the coverage period if the group at some point ceases to be self-insured.

Again, as you heard in our testimony on L.D. 368, assessing financial ability and technical competence to function as an insurer is outside the expertise and mission of the Bureau of Motor Vehicles. For that reason, as well as those already noted, we respectfully oppose L.D. 1063.