

**Testimony before the
Joint Standing Committee on Innovation, Development, Economic Advancement and
Business**

**By Adam Cote on behalf of
State Farm Mutual Insurance Company**

April 6, 2021

**Re: L.D. 862 An Act to Protect Consumer Property by Requiring Liability Insurance for
Snowplow Vehicles and Vehicles Used in Landscaping or Gardening**

Senator Curry, Representative Roberts, and members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, my name is Adam Cote and I am an attorney at Drummond Woodsum. I appreciate this opportunity to provide testimony on behalf of my client, State Farm Mutual Insurance Company, **Neither for Nor Against LD 862**, An Act to Protect Consumer Property by Requiring Liability Insurance for Snowplow Vehicles and Vehicles Used in Landscaping or Gardening.

State Farm is the largest provider of property and casualty insurance in the United States, covering more than 28 million home policies and 44 million auto policies nationwide. In 2019, State Farm was the second leading provider of automobile insurance in Maine and the largest provider of auto insurance in the United States. There are 70 State Farm agents in Maine, each an independent agent operating their own small business. In addition to our more traditional lines, State Farm offers a variety of voluntary insurance options to our customers, including long term care coverage, disability insurance, and investment products.

As I mentioned, State Farm is Neither For Nor Against this bill. Mostly, we have concerns that, as written, our claims counsel believes this bill could create confusion among business owners and agents, and may have the adverse effect of expanding litigation around these issues

Our primary concern is that the bill does not recognize that businesses that use vehicles for snowplowing and landscaping or gardening often use those same vehicles for other unrelated tasks, yet this bill specifically calls out the tasks of snowplowing and landscaping or gardening for certain specific coverage requirements.

As a result, there would be significant confusion around the bill's failure to distinguish between vehicles that may be used for a dual purpose. For example, would the bill require vehicles to be covered under a commercial policy for the time they are serving or being used under the scope of the commercial enterprise of snowplowing and landscaping, or are they to be covered under a commercial policy all the time? The concern here is that traditional pick-up trucks are being used more and more for these type of tasks simply by fitting snow plow scoops to the front grill/bumper for a time, in order to conduct plowing duties, and then removing the plow so the truck can be used for other purposes.

The same type of scenario can be played out for trucks or other vehicles for gardening or landscaping purposes. Again, many business owners use their vehicles for different purposes.

This issue- which businesses, which vehicles and when used – was raised again and again by our auto claims counsel, claims consultants, and underwriting in trying to play out how various business owners and agents would interpret the requirements of LD 862. A few of the scenarios which we believe require clarification are addressed below:

- What specific type of snow plow vehicles would require the coverage?
 - Would it cover vehicles not registered for road use?
 - What kind of special equipment does the bill consider as use for snowplowing? In other words, is it the equipment being used (e.g. mini skid steer attachments) or is it during the “act of snowplowing” that a vehicle would be covered under the requirements of the bill?
- The bill mentions “vehicles used for landscaping or garden companies” – if the business is a landscaping business with only incidental snowplowing, we write those as private passenger business use. Is that still acceptable or do they have to go commercial? If so, that would be a big change for those businesses. Does this change only apply to landscaper/gardening companies?
- We have other types of businesses that do incidental snow plowing, such as general contractors and personal vehicle only used for snow plowing during winter months? Will this bill apply to those businesses?

Based upon the foregoing, we believe this bill could be improved by delineating the use that falls under the commercial policy, rather than the vehicle, or at least by adding a provision that states, “to the extent the vehicle is engaged in snowplowing, gardening, landscaping, or other commercial enterprise, the vehicle must be covered by...” type language.

In short, we believe some added clarity and precision would improve the understanding behind the intent of the bill.

Thanks for allowing me to testify today. I would be happy to answer any of your questions.