

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-148)  
109TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 208, L.D. 257, Bill, "AN ACT Concerning the Maine Property Insurance Cancellation Control Act."

Amend the Bill by striking out the title and inserting in its place the following:

'AN ACT Concerning the Maine Automobile and Property Insurance Cancellation Control Act.'

Further amend the Bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 24-A MRSA §2923 is enacted to read:

§2923. Nonliability for certain statements

1. Notices. Except as provided in Title 10, chapter 210, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or intent not to renew under this chapter if:

A. The statements were made in good faith;

B. The statements are reasonably related to the reason for cancellation or intent not to renew; and

C. In the case of a notice of cancellation, the reason for cancellation is a reason permitted under section 2914.

2. Hearings. Except as provided in Title 10, chapter 210, no person may be held liable in any civil action for statements made or information given at a hearing held under this chapter if:

- A. The statements were made or the information was given in good faith;
- B. The statements or the information are reasonably related to the reason for cancellation or intent not to renew; and
- C. In the case of a hearing held on a notice of cancellation, the reason for cancellation is a reason permitted under section 2914.

Sec. 2. 24-A MRSA §3056 is enacted to read:

§3056. Nonliability for certain statements

1. Notices. Except as provided in Title 10, chapter 210, no insurer or licensed agent or employee of the insurer may be held liable in any civil action for statements made in a notice of cancellation or intent not to renew under this chapter if:

- A. The statements were made in good faith;
- B. The statements are reasonably related to the reason for cancellation or intent not to renew; and
- C. In the case of a notice of cancellation, the reason for cancellation is a reason permitted under section 3049.

2. Hearings. Except as provided in Title 10, chapter 210, no person may be held liable in any civil action for statements made or information given at a hearing held under this chapter if:

- A. The statements were made or the information was given in good faith;
- B. The statements or the information are reasonably related to the reason for cancellation or intent not to renew; and
- C. In the case of a hearing held on a notice of cancellation, the reason for cancellation is a reason permitted under

section 3049.

Statement of Fact

Under current law, if an insurer wishes to cancel or refuses to renew an automobile or property insurance policy, he shall give the insured prior notice. The notice shall contain the explicit reason for cancellation or nonrenewal. If he disputes the reason, the insured may request a hearing at which the Superintendent of Insurance determines whether the reason given is valid.

It is clearly in everyone's interest that the parties, and anyone else involved in the hearing, express themselves freely and candidly about matters in question. Presently, some people in this circumstance may be inhibited because there is no special statutory protection from suit on account of their statements. The purpose of this amendment is to facilitate full compliance with the law's notice requirement, as well as to encourage fair, speedy resolution of disputes at hearings, by protecting those who make those statements from lawsuits for defamation of character, invasion of privacy and the like. To be protected by this bill, a statement shall have been made in good faith and be reasonably related to the reason for cancellation or nonrenewal. Further, the protection afforded by this amendment is expressly subject to the liability provisions of the Fair Credit Reporting Act.