

MAINE STATE LEGISLATURE

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No

February 15, 1966

Keith L. Crockett, Secretary-
Treasurer, M.S.B.A.
John W. Benoit, Assistant

Education
Attorney General

Litigation Involving Insurance Claim on M.S.B.A. Project at St. George

FACTS:

The school building owned by the Maine School Building Authority at St. George has sustained wind damage to the roof which has resulted in excessive roof leaks. The Town of St. George has recently entered into a school administrative district with the towns of Cushing and Thomaston. Shortly, the insurance company holding coverage on the subject school building will be requested to pay the claim for damage.

QUESTIONS:

1. If an insurance settlement is sought, should such settlement be made by the school administrative district rather than the town of St. George?

2. Whether 24 M.R.S.A. § 1402 prohibits litigation in the event that a settlement cannot be reached in the case?

ANSWERS:

1. Yes.

2. No.

REASON:

In view of the fact that a school administrative district has been created between the towns of St. George, Cushing, and Thomaston, the school administrative district would be the proper party to enter into settlement discussions; rather than the Town of St. George. We suppose that, since the school administrative district has been created, the school property has been transferred by the subject towns to the school administrative district pursuant to 20 M.R.S.A. § 217. In the event that any doubt exists, perhaps

the Town of St. George could joint as a party plaintiff with the school administrative district in question. In any event, the school administrative district is a necessary party in any settlement discussion.

Section 1402 of Title 24 of the Maine Revised Statutes is not applicable for the reason that said section and title apply to fire insurance coverage rather than to the coverage contemplated under the given facts.

John W. Benoit
Assistant Attorney General

JWB/eh