

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1755

H. P. 1336

House of Representatives, April 3, 1973

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Dam of Skowhegan.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT to Regulate Settlements of Total Loss under the Maine
Insurance Code.**

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 24-A, § 2414, sub-§ 1, ¶ C, additional. Subsection 1 of section 2414 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended by adding a new paragraph C to read as follows:

C. If it contains provisions or other indications which prohibit or restrict settlement of any severable portion of a total loss until the entire claim is settled.

STATEMENT OF FACT

The intent of this bill is to prevent insurers from withholding settlement of a total loss, such as the case of a motor vehicle or home until a settlement of personal injury or personal property can be reached. Such areas are severable and settlement should be allowed on that basis for each portion.