

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

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Legislative Document

No. 1847

H. P. 1407

House of Representatives, April 4, 1973

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Smith of Dover-Foxcroft.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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**AN ACT Providing for Interest on Late Payment of Insurance Claims.**

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

R. S., T. 24-A, § 2436, additional. Title 24-A of the Revised Statutes is amended by adding a new section 2436 to read as follows:

§ 2436. Late payment

Claims under any policy of insurance against loss, delivered or issued for delivery within this State, are payable within 30 days of the date that the insurer receives reasonable proof of the fact and amount of loss realized. Unless the insurer notifies the insured in writing within 30 days from the receipt of such proof that the fact or amount of loss is disputed, payments of claims are overdue if not paid within said 30 days. If the insurer disputes only part of the claim, the remainder of the claim is overdue if not paid within 30 days of receipt of proof of the fact and amount of loss. Any part or all of the disputed part of the claim that is later supported by reasonable proof that is not further disputed is also overdue if not paid within 30 days after such proof is received by the insurer.

If the insurer fails to pay such claims when due, the amount of the claim shall bear interest at the rate of  $1\frac{1}{2}\%$  per month after the due date.

A reasonable attorney's fee for advising and representing a claimant on a claim or action for a claim shall be paid by the insurer if overdue benefits are recovered in an action against the insurer or if overdue benefits are paid after receipt of notice of the attorney's representation.

STATEMENT OF FACT

The purpose of this bill is reflected in the title.