

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1975

H. P. 1544

House of Representatives, May 25, 1973

Reported by Mr. O'Brien from Committee on Business Legislation and printed under Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

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

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 as enacted by section 1 of chapter 132 of the public laws of 1969 is amended by adding a new section 2436 to read as follows:

§ 2436. Late payment

Claims made by a named or other person insured thereunder for payment of benefits under a policy of insurance against loss, delivered or issued for delivery within this State, are payable within 60 days of the date that the insurer receives reasonable proof of loss and amount of loss realized. Unless the insurer notifies the insured in writing within 60 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 60 days. If the insurer disputes only part of the claim, the remainder of the claim is overdue if not paid within 60 days of receipt of proof of loss 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 60 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 the new draft is to limit the bill to claims for first-party coverage and to extend the time limit from 30 to 60 days.