

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1156

H. P. 930

House of Representatives, March 20, 1975

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

EDWIN H. PERT, Clerk

Presented by Mrs. Clark of Freeport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Regarding Late Payment of Insurance Claims.

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

24-A MRSA § 2436, first ¶, as enacted by PL 1973, c. 480, is amended to read:

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~~ 30 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~~ 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 ~~60~~ 30 days. If the insurer disputes only part of the claim, the remainder of the claim is overdue if not paid within ~~60~~ 30 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~~ 30 days after such proof is received by the insurer.

STATEMENT OF FACT

The purpose of this Act is to require insurance companies to pay substantiated claims within 30 days after they have received substantiation of the claims. A delay of 60 days works undue hardship on the person who has suffered an insured loss.