

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1247

H. P. 1023

House of Representatives, March 24, 1977

On Motion of Ms. Clark of Freeport, referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Ms. Clark of Freeport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Clarify the Provision Relating to Late Payment of Insurance
Claims.**

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

24-A MRSA § 2436, as last amended by PL 1975, c. 321, is repealed and the following enacted in its place:

§ 2436. Late payment

A claim for payment of benefits under a policy of insurance against loss delivered or issued for delivery within this State is payable within 30 days after proof of loss is received by the insurer and ascertainment of the loss is made either by written agreement between the insurer and the insured or by filing with the insured of an award by arbitrators as provided for in the policy, and a claim which is neither disputed nor paid within 30 days is overdue; provided, however, that if during the 30 days the insurer, in writing, notifies the insured that reasonable additional information is required, the undisputed claim shall not be overdue until 30 days following receipt by the insurer of the additional required information.

An insurer may dispute a claim by furnishing to the insured, or his representative, a written statement that the claim is disputed with a statement of the grounds upon which it is disputed.

If an insurer fails to pay an undisputed claim, or any undisputed part thereof when due, the amount of the overdue claim or part thereof shall bear interest at the rate of 1½% per month after the due date.

A reasonable attorney's fee for advising and representing a claimant on an overdue claim or action for an overdue 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.

Nothing in this section shall prohibit or limit any claim or action for a claim the claimant shall have against the insurer.

STATEMENT OF FACT

This bill clarifies the requirements regarding timely payment of insurance claims.