

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1585

H.P. 1159 House of Representatives, May 15, 1987  
Submitted by the Department of Professional and Financial  
Regulation pursuant to Joint Rule 24.

Reference to the Committee on Banking and Insurance  
suggested and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative DAVIS of Monmouth.

Cosponsored by Senator WHITMORE of Androscoggin,  
Representatives REED of Falmouth and ALIBERTI of Lewiston.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Clarify the Requirements for the  
2 Payment of Insurance Claims.  
3

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

6 24-A MRSA §2436, as repealed and replaced by PL  
7 1977, c. 357, is repealed and the following enacted  
8 in its place:

9 §2436. Late payment

10 1. A claim for payment of benefits under a poli-  
11 cy of insurance against loss delivered or issued for  
12 delivery within this State is payable within 30 days  
13 after proof of loss is received by the insurer and  
14 ascertainment of the loss is made either by written  
15 agreement between the insurer and the insured or by

1 filing with the insured of an award by arbitrators as  
2 provided for in the policy, and a claim which is nei-  
3 ther disputed nor paid within 30 days is overdue,  
4 provided that if during the 30 days the insurer, in  
5 writing, notifies the insured that reasonable addi-  
6 tional information is required, the undisputed claim  
7 shall not be overdue until 30 days following receipt  
8 by the insurer of the additional required informa-  
9 tion; except that the time period applicable to a  
10 standard fire policy and to that portion of a policy  
11 providing a combination of coverages, as described in  
12 section 3003, insuring against the peril of fire  
13 shall be 60 days, as provided in section 3002.

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

18 3. If an insurer fails to pay an undisputed  
19 claim or any undisputed part of the claim when due,  
20 the amount of the overdue claim or part of the claim  
21 shall bear interest at the rate of 1 1/2% per month  
22 after the due date.

23 4. A reasonable attorneys fee for advising and  
24 representing a claimant on an overdue claim or action  
25 for an overdue claim shall be paid by the insurer if  
26 overdue benefits are recovered in an action against  
27 the insurer or if overdue benefits are paid after re-  
28 ceipt of notice of the attorney's representation.

29 5. Nothing in this section prohibits or limits  
30 any claim or action for a claim which the claimant  
31 has against the insurer.

32 STATEMENT OF FACT

33 The purpose of this bill is to resolve an appar-  
34 ent inconsistency between the general insurance claim  
35 payment provisions, the Maine Revised Statutes, Title  
36 24-A, requiring payment within 30 days, and the pro-  
37 visions specifically applicable to the standard fire  
38 policy requiring payment within 60 days, by carving  
39 out an exception to the general claims payment law.

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