

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 253

H.P. 168

House of Representatives, February 1, 1991

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

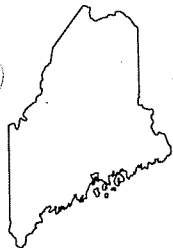
Presented by Representative HASTINGS of Fryeburg.

Cosponsored by Representative HICHENS of Eliot and Representative PLOURDE of Biddeford.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Limit the Liability of Charitable Institutions.



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

14 MRSA §158, as enacted by PL 1965, c. 513, §28, is repealed and the following enacted in its place:

§158. Damages for tortious conduct of charitable corporations

1. Waiver of immunity. A charitable organization is considered to have waived its immunity from liability for negligence or any other tort during the period a policy of insurance is effective covering the liability of the charitable organization for negligence or any other tort. Each policy issued to a charitable organization must contain a provision to the effect that the insurer is estopped from asserting, as a defense to any claim covered by the policy, that the organization is immune from liability on the ground that it is a charitable organization.

2. Limit on damages. The amount of damages in any and all claims arising out of a single occurrence may not exceed the lesser of:

A. The limits of coverage specified in the policy; or

B. \$300,000.

The courts shall abate any verdict in any action under this section to the extent that it exceeds the limit established by this subsection.

STATEMENT OF FACT

The purpose of this bill is to protect the funds of charitable organizations so they may be devoted to charitable purposes. Current law limits the tort liability of a charitable organization to the amount of coverage provided in its insurance policy. This bill amends that law to limit damages to the same amount for which governmental entities may be liable under the Maine Tort Claims Act. The \$300,000 cap applies even if the charitable organization has an insurance policy with coverage in a greater amount.