

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1349

H.P. 969

House of Representatives, March 4, 1997

An Act to Reduce Insurance Premiums by Discouraging Insurance Fraud.

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.

Cosponsored by Representative FISK of Falmouth and

Senator LaFOUNTAIN of York and

Representatives: BRUNO of Raymond, CARLETON of Wells, DAVIDSON of Brunswick,
PERRY of Bangor, SAXL of Bangor, SAXL of Portland, Senator: KIEFFER of Aroostook.

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

4 **Sec. 1. 24-A MRSA §2183, sub-§1**, as enacted by PL 1987, c.
345, is amended to read:

6 **1. Definition.** For the purpose of this section,
8 "fraudulent insurance act" means an act committed by any person
10 who, knowingly and with intent to defraud, presents, causes to be
12 presented or prepares with knowledge or belief that it will be
14 presented to or by an insurer, purported insurer, broker or any
16 agent of an insurer, any written statement as part of or in
18 support of an application for the issuance of or the rating of an
insurance policy for commercial insurance or a claim for payment
or other benefit pursuant to an insurance policy for commercial
or personal insurance ~~which--he~~ the person knows to contain
materially false information concerning any material fact or
conceals, for the purpose of misleading, information concerning
any material fact.

20 **Sec. 2. 24-A MRSA §2183, sub-§3** is enacted to read:

22 **3. Recovery costs.** In a civil action in which it is proven
24 that a person committed a fraudulent insurance act, the court
shall award reasonable attorney's fees and costs to the
26 prevailing party.

28 **SUMMARY**

30 The purpose of this bill is to address the growing financial
32 problems posed by insurance fraud and to reduce insurance
34 premiums by discouraging fraudulent insurance acts. This bill
36 requires an award of reasonable attorney's fees and costs,
including investigative costs, to the prevailing party in a civil
action in which it is proven that a person committed a fraudulent
insurance act.