

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1160

H.P. 838

House of Representatives, March 22, 2021

**An Act To Reduce the Burden on Courts and Promote the
Resolution of Civil Cases**

Received by the Clerk of the House on March 18, 2021. Referred to the Committee on
Judiciary pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HARNETT of Gardiner.
Cosponsored by Representatives: EVANGELOS of Friendship, TALBOT ROSS of Portland,
Senators: BAILEY of York, MIRAMANT of Knox, SANBORN of Cumberland.

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

2 **Sec. 1. 14 MRSA §1602-B, sub-§3**, as enacted by PL 2003, c. 460, §6, is amended
3 to read:

4 **3. Other civil actions; rate.** In civil actions other than those set forth in subsections
5 1 and 2, prejudgment interest is allowed at ~~the one-year United States Treasury bill rate~~
6 plus 3% 12% per annum from the date of the service of notice of claim or complaint,
7 whichever is earlier.

8 A. ~~For purposes of this subsection, "one-year United States Treasury bill rate" means~~
9 ~~the weekly average one-year constant maturity Treasury yield, as published by the~~
10 ~~Board of Governors of the Federal Reserve System, for the last full week of the~~
11 ~~calendar year immediately prior to the year in which prejudgment interest begins to~~
12 ~~accrue.~~

13 B. ~~If the Board of Governors of the Federal Reserve System ceases to publish the~~
14 ~~weekly average one-year constant maturity Treasury yield or it is otherwise~~
15 ~~unavailable, then the Supreme Judicial Court shall annually establish by rule a rate that~~
16 ~~most closely approximates the rate established in this subsection.~~

17 **Sec. 2. 14 MRSA §1602-C, sub-§1, ¶B**, as enacted by PL 2003, c. 460, §6, is
18 amended to read:

19 B. In all other actions, ~~the one-year United States Treasury bill rate plus 6%~~ 12% per
20 annum from the date of judgment.

21 (1) ~~For purposes of this paragraph, "one-year United States Treasury bill rate"~~
22 ~~means the weekly average one-year constant maturity Treasury yield, as published~~
23 ~~by the Board of Governors of the Federal Reserve System, for the last full week of~~
24 ~~the calendar year immediately prior to the year in which post-judgment interest~~
25 ~~begins to accrue.~~

26 (2) ~~If the Board of Governors of the Federal Reserve System ceases to publish the~~
27 ~~weekly average one-year constant maturity Treasury yield or it is otherwise~~
28 ~~unavailable, then the Supreme Judicial Court shall annually establish by rule a rate~~
29 ~~that most closely approximates the rate established in this paragraph.~~

30 **Sec. 3. 24-A MRSA §2436-A, sub-§1**, as repealed and replaced by PL 1997, c.
31 621, §1, is amended to read:

32 **1. Civil actions.** A person injured by any of the following actions taken by that
33 person's own insurer or any 3rd-party liability insurer may bring a civil action directly
34 against the insurer and recover damages, together with costs and disbursements, reasonable
35 attorney's fees and interest on damages at the rate of 1 1/2% per month:

36 A. Knowingly misrepresenting to an insured pertinent facts or policy provisions
37 relating to coverage at issue;

38 B. Failing to acknowledge and review claims, which may include payment or denial
39 of a claim, within a reasonable time following receipt of written notice by the insurer
40 of a claim by an insured arising under a policy;

41 C. Threatening to appeal from an arbitration award in favor of an insured for the sole
42 purpose of compelling the insured to accept a settlement less than the arbitration award;

1 D. Failing to affirm or deny coverage, reserving any appropriate defenses, within a
2 reasonable time after having completed its investigation related to a claim; or

3 E. Without just cause, failing to effectuate prompt, fair and equitable settlement of
4 claims submitted in which liability has become reasonably clear.

5 **Sec. 4. 24-A MRSA §2436-A, sub-§5** is enacted to read:

6 **5. Treble damages.** The court may award treble damages against any insurer who
7 violates any provision of this section.

8 **Sec. 5. 24-A MRSA §2910-A, sub-§1, ¶A-1** is enacted to read:

9 A-1. The provision provides for subrogation over the insured when an insured's
10 awarded or settled damages exceed \$20,000;

11 **SUMMARY**

12 This bill provides, in civil cases other than small claims and on contracts and notes, for
13 prejudgment interest rates of 12% per annum from the date of service of the notice of claim
14 or service of the complaint, whichever is earlier. This bill provides that the post-judgment
15 interest rate in such civil cases is equal to 12% per annum from the date of judgment.
16 Current prejudgment and post-judgment interest rates are tied to United States Treasury
17 bill rates.

18 This bill amends the law governing unfair claims settlement practices by allowing
19 claims against a 3rd-party liability insurer. Suits may be brought directly against the
20 insurer, and the court may award treble damages against any insurer who violates the law.

21 This bill also amends the law regarding subrogation on certain casualty insurance
22 policies when the insured's awarded or settled damages exceed \$20,000.