

# MAINE STATE LEGISLATURE

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E I G H T Y - N I N T H   L E G I S L A T U R E

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Legislative Document

No. 606

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H. P. 1416

House of Representatives, February 9, 1939.

Referred to Committee on Judiciary. Sent up for concurrence and 500 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Miss Clough of Bangor.

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S T A T E   O F   M A I N E

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
THIRTY-NINE

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**AN ACT Creating a Lien Against Certain Insurance Proceeds in Favor of  
Hospitals in the State of Maine.**

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

**Sec. 1. Hospitals shall have first lien on proceeds of insurance policies.** Any hospital not organized for profit and located within the state of Maine which shall furnish hospital services or materials to any patient injured by reason of any accident not covered by the workmen's compensation act shall have a first lien on the proceeds of any accident and liability insurance policy issued by any company authorized to do business in this state, which proceeds may be due to such patient, either directly or indirectly, to the extent of a reasonable charge for such services and materials, provided such hospital, after commencing to render such services or provide such materials and before payment by such insurance company, shall serve written notice upon such insurance company at its principal home office, if the company issuing such policy shall be located within this state, and upon the insurance commissioner of this state by registered mail if such insurance company shall be located without the state. Such notice shall be in duplicate and shall contain the name of the injured person, if known, the name of the company or companies issuing such policy and the amount expended and an estimate of the amount to be expended in the services

rendered to or the materials provided for such patient. Whenever the liability of such company or companies, either directly or indirectly, to the patient shall have been fixed, to the extent of such proceeds of such policy such insurance company shall pay directly to the hospital the amount due to it, provided such amount shall be agreed upon by all of the parties interested, and a receipt by such hospital shall be evidence of payment of such amount by such company or companies on account of their liability to the insured.

**Sec. 2. Rights of parties to be established.** In the event the amount due such hospital is in dispute the rights of the parties in interest may be established by proceedings in interpleader commenced by any party in interest before any court having jurisdiction and the fact that such party claims an interest in the fund shall not bar the proceedings.

**Sec. 3. Term defined.** The term "proceeds" as herein used shall be taken to mean the net proceeds after the deduction of reasonable charges for legal fees, legal expenses and costs of court incurred by such patient in negotiating any settlement and in conducting any legal proceedings, by reason whereof the right of the patient to such proceeds is established.