

# MAINE STATE LEGISLATURE

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LAWS  
OF THE  
STATE OF MAINE  
AS PASSED BY THE  
One Hundred and Sixth Legislature  
1ST SPECIAL SESSION  
JANUARY 2, 1974 TO MARCH 29, 1974  
AND BY THE  
One Hundred and Seventh Legislature  
REGULAR SESSION  
JANUARY 1, 1975 TO JULY 2, 1975

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN  
ACCORDANCE WITH THE REVISED STATUTES OF 1964, TITLE 3,  
SECTION 164, SUBSECTION 6.

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THE KNOWLTON AND MCLEARY COMPANY  
FARMINGTON, MAINE  
1975

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PUBLIC LAWS  
OF THE  
STATE OF MAINE

AS PASSED BY THE  
One Hundred and Seventh Legislature

1975

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## CHAPTER 471

## AN ACT to Limit Priority Liens in Individual and Group Health Insurance Policies.

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

Sec. 1. 24-A MRSA § 2729-A is enacted to read:

§ 2729-A. Limits on priority liens

No policy for health insurance shall provide for priority over the insured of payment for any hospital, nursing, medical or surgical services or of any expenses paid or reimbursed under the policy, in the event the insured is entitled to receive payment reimbursement from any other person as a result of legal action or claim, except as provided herein.

A policy may contain a provision that allows such payments, if that provision is approved by the superintendent, and if that provision requires the prior written approval of the insured and allows such payments only on a just and equitable basis and not on the basis of a priority lien. A just and equitable basis shall mean that any factors that diminish the potential value of the insured's claim shall likewise reduce the share in the claim for those claiming payment for services or reimbursement. Such factors shall include, but are not limited to:

1. Legal defenses. Questions of liability and comparative negligence or other legal defenses;
2. Exigencies of trial. Exigencies of trial that reduce a settlement or award in order to resolve the claim; and
3. Limits of coverage. Limits on the amount of applicable insurance coverage that reduce the claim to an amount recoverable by the insured.

In the event of a dispute as to the application of any such provision or the amount available for payment to those claiming payment for services or reimbursement, the dispute shall be determined if the action is pending, before the court in which it is pending; or if no action is pending, by filing an action in any court for determination of the dispute.

Sec. 2. 24-A MRSA § 2832 is enacted to read:

§ 2832. Limits on priority liens

No group or blanket policy shall provide for priority over the insured member of payment for any hospital, nursing, medical or surgical services, or of any expenses paid or reimbursed under the policy, in the event the insured member is entitled to receive payment reimbursement from any other person as a result of legal action or claim, except as provided herein.

A policy may contain a provision that allows such payments, if that provision is approved by the superintendent, and if that provision requires the prior written approval of the insured member and allows such payments only

on a just and equitable basis, and not on the basis of a priority lien. A just and equitable basis shall mean that any factors that diminish the potential value of the insured member's claim shall likewise reduce the share in the claim for those claiming payment for services or reimbursement. Such factors shall include, but are not limited to:

1. Legal defenses. Questions of liability and comparative negligence or other legal defenses;
2. Exigencies of trial. Exigencies of trial that reduce a settlement or award in order to resolve the claim; and
3. Limits of coverage. Limits on the amount of applicable insurance coverage that reduce the claim to an amount recoverable by the insured member.

In the event of a dispute as to the application of any such provision or the amount available for payment to those claiming payment for services or reimbursement, the dispute shall be determined if the action is pending, before the court in which it is pending; or if no action is pending, by filing an action in any court for determination of the dispute.

Effective October 1, 1975

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## CHAPTER 472

**AN ACT to Establish a Sign on the Maine Turnpike Near the Augusta Exit to Indicate the City of Hallowell and to Provide for Signs Denoting "The Maine Gold Star Memorial Highway."**

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

23 MRSA § 1201, sub-§§ 26 and 27 are enacted to read:

26. City of Hallowell. This sign shall be constructed and maintained on the Maine Turnpike within 1,000 feet north of the Augusta Exit and shall be worded as follows:

### EXIT FOR CITY OF HALLOWELL

27. The Maine Gold Star Memorial Highway. Two signs shall be constructed and maintained on the Maine Turnpike, one within 1,000 feet of the York Toll Gate to the Maine Turnpike and one within 1,000 feet of the Gardiner interchange. These signs shall contain the words "The Maine Gold Star Memorial Highway" and other appropriate wording in accordance with the Resolves of 1965, chapter 31.

Effective October 1, 1975