

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**  
**ONE HUNDRED AND THIRTEENTH LEGISLATURE**  
**FIRST REGULAR SESSION**

**December 3, 1986 to June 30, 1987**

**Chapters 1-542**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

---

---

**Twin City Printery**  
**Lewiston, Maine**  
**1987**

---

---

**PUBLIC LAWS**

OF THE

**STATE OF MAINE**

AS PASSED AT THE  
FIRST REGULAR SESSION  
of the  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
1987

---

---

(1) One-half of the forfeiture shall be paid to the employee to whom compensation is due and 1/2 shall be paid to the commission and be credited to the General Fund.

(2) If a forfeiture is assessed against any employer or insurance carrier under this subsection on petition by an employee, the employer or insurance carrier shall pay reasonable attorneys fees, as determined by the commission, to the employee.

(3) Forfeitures assessed under this subsection may be enforced by the Superior Court as provided in section 103-E.

B. Payment of any forfeiture assessed under this subsection shall not be considered an element of loss for the purpose of establishing rates for workers' compensation insurance.

Effective September 29, 1987.

## CHAPTER 291

H.P. 1244 — L.D. 1696

### AN ACT Concerning Unfair Claims Practices.

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

Sec. 1. 24-A MRSA §2164-D is enacted to read:

#### §2164-D. Unfair claims practices

1. Unfair practices. Any of the following activities by an insurer, if committed without just cause and performed with such frequency as to indicate a general business practice, constitutes unfair claims settlement practices. The Superintendent of Insurance shall investigate and determine if the insurer engaged in any of the following activities:

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

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

C. Adopting a policy of appealing from arbitration awards in favor of insureds for the sole purpose of compelling them to accept settlements less than the arbitration award;

D. Failing to affirm coverage, reserving any appropriate defenses, or deny coverage within a reasonable time after completed proof of loss forms have been

received by the insurer; or

E. Failing to deal with insureds in good faith to resolve claims made against a policy of an insured.

2. Application. This section does not apply to health or life insurance or workers' compensation claims.

Sec. 2. 24-A MRSA §2436-A is enacted to read:

#### §2436-A. Unfair claims practices

1. Civil actions. Any person injured by any of the following actions taken by his own insurer may bring a civil action and recover damages, together with costs and disbursements, reasonable attorneys fees and interest on damages at the rate of 1 1/2% per month:

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

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

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

D. Failing to affirm coverage, reserving any appropriate defenses, or deny coverage within a reasonable time after completed proof of loss forms have been received by the insurer.

2. Application. This section does not apply to health or life insurance or workers' compensation claims.

Effective September 29, 1987.

## CHAPTER 292

H.P. 1245 — L.D. 1697

### AN ACT to Require an Insurance Agent or Broker to be Located at each Place of Business.

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

24-A MRSA §1543 is enacted to read:

#### §1543. Duty to have agent or broker at each place of business

Each place of business maintained by an insurance agent or broker for the purpose of transacting insurance shall be under the supervision of an insurance broker or