

MAINE STATE LEGISLATURE

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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

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AS PASSED AT THE
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(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

agent. Any insurance broker or agent who has established one or more places of business for the purpose of transacting insurance shall assign at least one separate broker or agent to each location, including the location of its headquarters, and shall give written notice to the Superintendent of Insurance containing the location of each office and the agent or broker responsible for each office.

Effective September 29, 1987.

CHAPTER 293

H.P. 1246 — L.D. 1698

AN ACT Requiring that Certain Health Insurance Plans Provide for Cardiac Rehabilitation Expenses.

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

Sec. 1. 24 MRSA §2333-A is enacted to read:

§2333-A. Cardiac rehabilitation coverage

1. Requirement. Every nonprofit hospital or medical service corporation which issues health care contracts providing coverage for hospital or medical care to residents of this State shall make available to groups of 20 or more persons, at the option of the contract holder, benefits as required by this section to any subscriber or other person covered under those contracts for the expense of cardiac rehabilitation.

2. Cardiac rehabilitation. "Cardiac rehabilitation" means multidisciplinary, medically necessary treatment of persons with documented cardiovascular disease, which shall be provided in either a hospital or other setting. Such treatment shall include outpatient treatment which is initiated within 26 weeks after the diagnosis of that disease and physician-recommended continuance of Phase II rehabilitation services for up to 36 outpatient sessions in a hospital.

3. Limitations. Benefits required to be made available by this section may be made subject to any reasonable limitation, maximum benefit, coinsurance, deductible or exclusion provisions applicable to overall benefits under the contract.

4. Application. The requirements of this section shall apply to all contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1988. For purposes of this section only, all contracts shall be deemed to be renewed no later than the next yearly anniversary of the contract date.

Sec. 2. 24-A MRSA §2845 is enacted to read:

§2845. Cardiac rehabilitation coverage

1. Requirement. Every insurer which issues group health care contracts providing coverage for hospital care to residents of this State shall make available to groups of 20 or more persons, at the option of the policyholder, benefits as required by this section to any certificate holder or other person covered under those contracts for the expense of cardiac rehabilitation.

2. Cardiac rehabilitation. "Cardiac rehabilitation" means multidisciplinary, medically necessary treatment of persons with documented cardiovascular disease, which shall be provided in either a hospital or other setting. That treatment shall include outpatient treatment which is initiated within 26 weeks after the diagnosis of that disease and physician-recommended continuance of Phase II rehabilitation services for up to 36 sessions in a hospital or community-based setting and up to 36 Phase III sessions in a community-based setting.

3. Limitations. Benefits required to be made available pursuant to this section may be made subject to any reasonable limitation, maximum benefit, coinsurance, deductible or exclusion provisions applicable to overall benefits under the policy or certificate.

4. Application. The requirements of this section shall apply to all policies and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1988. For purposes of this section only, all group policies shall be deemed to be renewed no later than the next yearly anniversary of the contract date.

Effective September 29, 1987.

CHAPTER 294

H.P. 1247 — L.D. 1701

AN ACT to Provide Cable Television Access to Apartment Dwellings.

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

14 MRSA c. 710-B is enacted to read:

CHAPTER 710-B

CABLE TELEVISION INSTALLATION

§6041. Installation; consent of building owner required

1. Cable television installation. A tenant in a multiple dwelling unit may subscribe to cable television service, subject to the following provisions.

A. A cable operator who affixes or causes to be affixed cable television facilities to the dwelling of a