

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**

**ONE HUNDRED AND EIGHTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**  
**January 7, 1998 to March 31, 1998**

**SECOND SPECIAL SESSION**  
**April 1, 1998 to April 9, 1998**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JUNE 30, 1998**

**SECOND SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 9, 1998**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1997**

workers in the State, a description of the outreach activities to those workers that take place in the State by nonprofit and government agencies, an assessment of the number of migrant and immigrant workers reached as a result of this outreach and the effectiveness of the outreach, an assessment of the barriers that migrant and immigrant workers face in obtaining basic information about employment-related rights and responsibilities and safety net services and an assessment of the resources needed to assist in removing those barriers. The department shall seek input and comment from all interested parties in developing and reviewing its report.

See title page for effective date.

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**CHAPTER 621**

**S.P. 281 - L.D. 889**

**An Act to Ensure Fair Claims Settlement Practices**

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

**Sec. 1. 24-A MRSA §2436-A**, as enacted by PL 1987, c. 291, §2, is repealed and the following enacted in its place:

**§2436-A. Unfair claims settlement practices**

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

A. Knowingly misrepresenting to an insured pertinent facts or 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;

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

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

**2. Without just cause.** For the purposes of this section, an insurer acts without just cause if it refuses to settle claims without a reasonable basis to contest liability, the amount of any damages or the extent of any injuries claimed.

**3. No limitation on other cause of action.** Nothing in this section prohibits any other claim or cause of action a person has against an insurer.

**4. Application.** This section does not apply to workers' compensation claims.

See title page for effective date.

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**CHAPTER 622**

**S.P. 701 - L.D. 1946**

**An Act to Simplify the Process of Transferring Ownership of a Business Licensed by the Board of Barbering and Cosmetology in Cases of Death or Divorce**

**Emergency preamble.** **Whereas**, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas**, changes to the law regarding the relicensure of barber and cosmetology shops is immediately needed to ensure the prompt and financially equitable change of ownership of such shops in the event of death or divorce of one of the owners; and

**Whereas**, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 32 MRSA §14224, sub-§2**, as enacted by PL 1991, c. 397, §6, is repealed and the following enacted in its place:

**2. Operation of shop; license required.** A person, firm or corporation may not provide services in, operate or cause to be operated a shop where cosmetology, barbering, manicuring or aesthetics is practiced unless that shop has been duly licensed by the board. A license issued pursuant to this subsection