**§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; [PL 1997, c. 621, §1 (RPR).]

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; [PL 1997, c. 621, §1 (RPR).]

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; [PL 1997, c. 621, §1 (RPR).]

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 [PL 1997, c. 621, §1 (RPR).]

E. Without just cause, failing to effectuate prompt, fair and equitable settlement of claims submitted in which liability has become reasonably clear. [PL 1997, c. 621, §1 (NEW).]

[PL 1997, c. 621, §1 (RPR).]

**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.

[PL 1997, c. 621, §1 (RPR).]

**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.

[PL 1997, c. 621, §1 (NEW).]

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

[PL 1997, c. 621, §1 (NEW).]

SECTION HISTORY

PL 1987, c. 291, §2 (NEW). PL 1997, c. 621, §1 (RPR).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through October 15, 2024
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.