

May 30, 2025

Marie Grant  
Maryland Insurance Commissioner  
200 St. Paul Place, Suite 2700  
Baltimore, MD  
21202

*Submitted Via Email to:*  
Kathryn Callahan  
Director of Regulatory Policy  
Maryland Insurance Administration  
[kathryn.callahan1@maryland.gov](mailto:kathryn.callahan1@maryland.gov)

**RE: Strong Support for Draft Bulletin 25-XX Re: Deprecation of Labor for Claims Settled on an Actual Cash Value Basis**

Dear Commissioner Grant:

I write on behalf of United Policyholders to thank you and your agency and express strong support for the Maryland Insurance Administration's Draft Bulletin 25-XX, Deprecation of Labor for Claims Settled on an Actual Cash Value Basis.

United Policyholders is a national non-profit organization that has been informing, helping and advocating for insurance consumers since 1991. Through our Roadmap to Preparedness and Roadmap to Recovery programs, United Policyholders helps Americans protect their assets, reduce risk and reach prompt, fair and full insurance claim settlements after disasters and every day loss events. While we recognize that some items do lose value over time and can fairly be depreciated by insurers, labor costs do not go down or lose value over time. They consistently rise, and where insurers apply depreciation to labor when calculating a claim settlement, they are committing an unfair practice.

The proposed Bulletin will protect Maryland residential property homeowners from having their loss compensation reduced by insurers improperly depreciating the cost of labor in their claim settlement calculations.

The fundamental reason people and businesses buy property insurance is to have an adequate source of funds to indemnify them after a loss. Where an insurer depreciates labor, they create a shortfall in available funds to finance repairs and rebuilding. This harms property owners and the local, state, and federal government entities that have an interest in communities' successful economic recovery and the restoration of property tax bases.

Many insurance companies do not depreciate labor when calculating property loss values because they recognize that labor is unlike physical materials. The Draft Bulletin rightfully corrects a harmful practice by *some* insurers that disadvantages consumers. By clarifying the appropriate treatment of labor depreciation, the Draft Bulletin advances loss indemnification, enhances fairness in insurance claim handling, and strengthens consumer protections for Maryland home and business owners.

We thank you for the opportunity to submit comments concerning this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Bach". The signature is fluid and cursive, with the first name "Amy" and last name "Bach" clearly distinguishable.

Amy Bach, Executive Director  
United Policyholders