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AL REDMER, JR.
Commissioner

JAY A. COON
Deputy Commissioner

BULLETIN No. 20-23

DATE: May 14, 2020

TO: All Public Adjusters and Insurers

RE: Review of Maryland's Public Adjusting Laws

Based on recent referrals and complaints, the Administration has found that some public adjusters are engaging in activities that are not in compliance with Maryland law. This bulletin is issued to clarify some of the requirements under Maryland law pertaining to public adjusters and to make public adjusters aware of a new requirement effective 10/1/2020 set forth in §10-414. Please be advised of the following provisions in the Maryland Insurance Article governing the conduct of public adjusters:

- A public adjuster solicits business to the public as an adjuster of first party claims for a loss or damage covered by insurance and receives compensation for their public adjusting services (§10-401).
- The public adjuster must maintain a complete record of each transaction for five years after the transaction has been completed, and the records must always be open to examination by the Commissioner (§10-413).
- The public adjuster is obligated to serve the interest of the client with objectivity and complete loyalty (§10-414).
- The public adjuster may not enter a contract or accept a power of attorney that vests in the public adjuster the authority to choose who shall perform any repair work (§10-415).
- When the public adjuster receives, accepts, or holds any funds on behalf of an insured, the money shall be deposited in a noninterest-bearing escrow or trust

account in a federally insured financial institution that is located in the public adjuster's home state or where the loss occurred (§10-412).

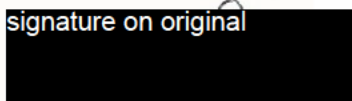
- Effective October 1, 2020, after entering into a public adjuster contract with an insured, the adjuster receives the funds from the insurer on behalf of the insured, deducts the applicable fee, and **disburses the remaining funds to the insured within 15 business days** (§10-414).

Should you have any questions concerning this Bulletin, please contact Ms. Erica J. Bailey, Associate Commissioner Compliance & Enforcement at erica.bailey@maryland.gov or Mr. Jeff Gross, Chief Producer Enforcement Officer, Compliance and Enforcement by e-mail at jeff.gross@maryland.gov.

ALFRED W. REDMER, JR.
Commissioner

Signature on original

signature on original

A black rectangular redaction box covers the signature of Alfred W. Redmer, Jr. The text "signature on original" is printed in white at the top left of the redaction.

By: _____
Erica J. Bailey
Associate Commissioner
Compliance & Enforcement