

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 95

(Chair, Finance Committee)(By Request - Departmental -  
Maryland Insurance Administration)

Finance

Economic Matters

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**Public Adjusters - Disbursement of Insurance Settlement Payments**

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This departmental bill requires a public adjuster to disburse insurance settlement payments received from an insurer on behalf of an insured within 15 business days.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State operations or expenditures. Revenues are not affected.

**Local Effect:** The bill does not directly affect local governmental operations or finances.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Current Law:** A “public adjuster” is a person who, for compensation, (1) acts or aids, solely in relation to first-party claims arising under a policy of real or personal property, on behalf of the insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance policy; (2) unless marketing on behalf of a public adjuster, solicits for employment as a public adjuster for insurance claims; or (3) investigates or adjusts losses, or advises an insured about first-party claims arising out of an insurance policy that insures real or personal property for another person engaged as a public adjuster for the insured.

In order to act as a public adjuster in the State, an individual or business must obtain a public adjuster license from MIA, which includes paying an application fee and may include passing a written professional examination. Once licensed, a public adjuster is obligated to serve with objectivity and complete loyalty to the interest of the client alone and provide high quality information, counsel, and service to best serve the insured's insurance claim needs and interests.

**Background:** MIA advises that the purpose of the bill is to enhance consumer protections for insureds who hire public adjusters. MIA has recently received consumer complaints that public adjusters are withholding or delaying settlement payments instead of disbursing them to their clients in a timely manner. The bill addresses this issue by requiring public adjusters to disburse any such settlement payments within 15 business days.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - January 7, 2020  
an/jc Third Reader - March 11, 2020  
Revised - Amendment(s) - March 11, 2020

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**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: Insurance – Public Adjuster- Payment

BILL NUMBER: Senate Bill 95

PREPARED BY:  
(Dept./Agency) Maryland Insurance Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

  X   WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

       WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposal only requires public adjusters to distribute settlement payments to the insured in a timely manner and does not affect the public adjusters' commission.