

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 158

(Chairman, Finance Committee)

(Departmental – Insurance Administration, Maryland)

Finance

Economic Matters

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**Maryland Insurance Administration - Subpoenas - Issuance**

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This departmental bill authorizes a subpoena issued by the Maryland Insurance Commissioner to be served in the same manner as process may be served in a civil action in circuit court.

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**Fiscal Summary**

**State Effect:** Potential minimal decrease in special fund expenditures for the Maryland Insurance Administration attributable to serving subpoenas.

**Local Effect:** None.

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

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**Analysis**

**Current Law:** A subpoena issued by the Insurance Commissioner must be served in the same manner as a subpoena from a circuit court. If a person fails to comply with a subpoena issued by the Insurance Commissioner, the Commissioner must file a complaint, a copy of the subpoena, and proof of service with the circuit court for the county where the person was required to appear or produce evidence. On receipt of the required documents, the circuit court must: (1) issue an order directing compliance with

the subpoena or compelling testimony; and (2) impose penalties as though the person had failed to comply with the court's subpoena.

**Background:** Under the Maryland Rules, for cases in a circuit court, a subpoena must be served by delivering a copy in person either to the person named or to the person's agent. The rules authorize service of process by: (1) certified mail requesting "restricted delivery – show to whom, date, and address of delivery;" and (2) for individuals, by leaving a copy of the summons, the complaint, and all other papers filed with the complaint at the individual's dwelling with a resident of suitable age and discretion. A subpoena or process may be served by a sheriff or by any person who is not a party to the action and who is at least 18 years of age.

**State Expenditures:** MIA does not retain figures on the number of subpoenas it issues. The Commissioner currently uses private process servers to serve subpoenas. A typical process server charges approximately \$35 to serve a subpoena. At the current postal rate, the cost of sending a subpoena by certified mail, restricted delivery would be \$5.64, assuming that the subpoena weighs one ounce or less. This includes \$2.10 for certified mail, \$3.20 for restricted delivery, and \$0.34 for first class postage for the first ounce. Each additional ounce would cost \$0.23.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 29, 2002  
ncs/jr Revised - Enrolled Bill - May 2, 2002

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