

## Article - Insurance

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§10-411.

- (a) A contract for public adjuster services shall:
  - (1) be in writing;
  - (2) be titled “Public Adjuster Contract”; and
  - (3) contain the following:
    - (i) the legible full name of the public adjuster signing the contract, as specified in the records of the Administration;
    - (ii) the permanent business address and phone number of the public adjuster in the public adjuster’s home state;
    - (iii) the license number issued by the Administration to the public adjuster;
    - (iv) the insured’s full name, street address, insurance company name, and policy number, if known or on notification;
    - (v) a description of the loss and the location of the loss, if applicable;
    - (vi) a description of services to be provided to the insured;
    - (vii) the signatures of the public adjuster and the insured;
    - (viii) the dates when the contract was signed by the public adjuster and the insured, respectively;
    - (ix) notification to the insured that:
      - 1. the public adjuster may incur out-of-pocket expenses on behalf of the insured; and
      - 2. these expenses incurred by the public adjuster and approved by the insured will be reimbursed to the public adjuster from the insurance proceeds; and

(x) the full salary, fee, commission, compensation, or other consideration the public adjuster is to receive for services.

(b) (1) The public adjuster contract may specify that the public adjuster be named as a co-payee on an insurer's payment of a claim.

(2) If the compensation is based on a share of the insurance settlement, the public adjuster contract shall specify the exact percentage to be paid.

(3) (i) A compensation provision in a public adjuster contract may not be redacted in any copy of the contract provided to the Commissioner.

(ii) A redaction of a compensation provision constitutes an omission of material fact in violation of this subtitle.

(c) If the insurer, within 72 hours after the time the loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insurance policy, the public adjuster:

(1) may not receive a commission consisting of a percentage of the total amount paid by an insurer to resolve a claim;

(2) shall inform the insured that loss recovery amount might not be increased by the insurer; and

(3) may be entitled only to reasonable compensation from the insured for services the public adjuster provides on behalf of the insured, based on the time spent on a claim and expenses incurred by the public adjuster, until the claim is paid or the insured receives a written commitment to pay from the insurer.

(d) (1) A public adjuster shall provide to the insured a written disclosure signed by the public adjuster and the insured concerning any direct or indirect financial interest that the public adjuster or any immediate family member of the public adjuster has with any other party that is involved in any aspect of the claim, other than the salary, fee, commission, or other consideration established in the written contract with the insured.

(2) The disclosure shall include any ownership of, or any compensation expected to be received from, any construction firm, salvage firm, building appraisal firm, motor vehicle repair shop, or any other firm that provides estimates for work, or that performs any work, in conjunction with damages caused by the insured loss on which the public adjuster is engaged.

(e) A public adjuster contract may not contain any provision that:

(1) allows the public adjuster's percentage fee to be collected when money is due from, but not yet paid by, an insurance company;

(2) allows a public adjuster to collect the entire fee from the first check issued by an insurance company, rather than as a percentage of each check issued by an insurance company;

(3) requires the insured to authorize an insurance company to issue a check only in the name of the public adjuster; or

(4) precludes either party from pursuing any civil remedy.

(f) Before the signing of the public adjuster contract, the public adjuster shall provide the insured with a separate disclosure document signed by the insured regarding the claim process that substantially states:

“(1) Property insurance policies obligate the insured to present a claim to the insurance company for consideration. There are three types of adjusters that could be involved in that process. The definitions of the three types are:

(i) “Company adjuster” means an insurance adjuster who is an employee of an insurance company. A company adjuster represents the interest of the insurance company and is paid by the insurance company. A company adjuster will not charge you a fee.

(ii) “Independent adjuster” means an insurance adjuster who is hired on a contractual basis by an insurance company to represent the insurance company's interest in the settlement of the claim. An independent adjuster is paid by your insurance company. An independent adjuster will not charge you a fee.

(iii) “Public adjuster” means an insurance adjuster who does not work for any insurance company. A public adjuster works for the insured to assist in the preparation, presentation, and settlement of a claim. The insured hires a public adjuster by signing a contract agreeing to pay the public adjuster a fee or commission based on a percentage of the settlement, or another method of compensation.

(2) The insured is not required to hire a public adjuster to help the insured meet the insured's obligations under the policy but has the right to do so.

(3) The insured has the right to initiate direct communications with the insured's attorney, the insurer, the insurer's adjuster, the insurer's attorney, or any other person regarding the settlement of the insured's claim.

(4) A public adjuster is not a representative or an employee of the insurer.

(5) The salary, fee, commission, or other consideration of a public adjuster is the obligation of the insured, not the insurer.”.

(g) (1) The public adjuster contract shall be executed in duplicate to provide an original contract to the public adjuster and an original contract to the insured.

(2) The public adjuster’s original contract shall be available at all times for inspection without notice by the Commissioner.

(3) A contract with an electronic signature shall constitute an original contract.

(h) The public adjuster contract shall contain a statement that:

(1) the insured has the right to rescind or cancel the contract within 3 business days after the date the contract was signed;

(2) the notice of rescission or cancellation shall be in writing and mailed or delivered to the public adjuster at the address stated in the contract within that 3–business–day period; and

(3) if the insured exercises the right to rescind or cancel the contract, the public adjuster shall, within 15 business days after the public adjuster receives the notice, return anything of value given by the insured under the contract.

(i) The public adjuster shall give the insured written notice of the insured’s rights under the Maryland Consumer Protection Act.

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