

Function: Commission has power to make rules and regulations and to issue licenses concerning contractors and salesmen in the home improvement industry; investigates complaints and may take administrative action when violations are found.

State Insurance Department

07.09.01.01

Established By: Md. Code Ann., art. 48A, § 14.

Head: Insurance commissioner. Md. Code Ann., art. 48A, § 15.

Members: Commissioner appointed by the governor.

Term: 4 years.

Removal: No statutory authority.¹

Employees: Commissioner appoints a deputy. Md. Code Ann., art. 48A, § 16.
Commissioner appoints a chief examiner and assistants.
Commissioner appoints an auditor.
Commissioner appoints special deputies.
Commissioner appoints clerks and other employees.
60 merit employees and 3 unclassified employees.

Function: Makes rules and regulations; authorizes and licenses insurance companies, agents, solicitors, and brokers.
Approves all life, accident, and sickness insurance offered for sale in the State; licenses rating bureaus; and approves rates for most classes of property and other insurance.

¹ In *Townsend v. Kurtz*, 83 Md. 331, 34 A. 1123 (1896), plaintiff was appointed insurance commissioner for a four-year term by the Board of Public Works under Governor Brown. Four months later the Board of Public Works under Governor Lowndes removed plaintiff from office and appointed defendant to a four-year term. No charges were filed against plaintiff for misconduct, incompetency or other cause, and he was removed without prior notice or hearing. The statute provided that the insurance commissioner hold office during the term for which he is appointed or until his successor is appointed and qualified, unless sooner removed by the governor, treasurer and comptroller. (Today's statute has no such provision. See Md. Code Ann., art. 48A, § 15. The court held:

"Most, if not all, officers provided for by Constitution, may be removed under the express authority given by that instrument, but the fact that they may be removed, does not convert their offices from those for definite terms into those held at the will of the persons making the appointment. p.342.

"When the statute has given the appointing power authority to remove the appointee, although originally appointed for a definite term of years, it can be exercised. . . . but [legislators] have in this instance been silent on the subject, we think the safer rule to be to hold that they have thus manifested an intention not to limit the governor, treasurer and comptroller to any particular cause or causes for removal of the insurance commissioner, and thereby practically left it to their discretion, which of course must be honestly and fairly exercised." pp. 351-52.