

Defined term: "Insurer" § 1-101

10-503. PROHIBITED ACTS.

(A) IN GENERAL.

AN ADJUSTER, APPRAISER, OR AGENT OR EMPLOYEE OF AN INSURER MAY NOT:

(1) RECOMMEND THE USE OF A SPECIFIC REPAIR SERVICE OR SOURCE FOR THE REPAIR OR REPLACEMENT OF PROPERTY DAMAGE TO A MOTOR VEHICLE WITHOUT INFORMING THE CLAIMANT OR INSURED THAT THE CLAIMANT OR INSURED DOES NOT HAVE TO USE THE RECOMMENDED REPAIR SERVICE OR SOURCE;

(2) REQUIRE THAT AN APPRAISAL OR REPAIR BE MADE IN A SPECIFIC REPAIR SHOP;

(3) REQUIRE THAT A CLAIMANT OR INSURED USE A SPECIFIC CONTRACTOR OR REPAIR SHOP FOR A REPAIR SERVICE OR REPAIR PRODUCT; OR

(4) INTIMIDATE, COERCE, OR THREATEN A CLAIMANT OR INSURED TO USE A SPECIFIC CONTRACTOR OR REPAIR SHOP FOR A REPAIR SERVICE OR REPAIR PRODUCT.

(B) REMUNERATION FOR RECOMMENDATIONS.

AN ADJUSTER OR APPRAISER MAY NOT ACCEPT A GRATUITY OR OTHER FORM OF REMUNERATION FROM A REPAIR SERVICE FOR RECOMMENDING THAT REPAIR SERVICE TO A CLAIMANT OR INSURED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 490Q(b) and (c).

In subsection (a)(1) of this section, the reference to property damage "to a motor vehicle" is added for clarity.

In subsection (a)(3) and (4) of this section, the former references to an insured "under a policy" are deleted as implicit.

The Insurance Article Review Committee notes, for consideration by the General Assembly, that while the prohibitions in subsection (a) of this section apply to adjusters, appraisers, and agents and employees of an insurer, the prohibition in subsection (b) of this section against accepting remuneration from a repair service for recommending that repair service applies only to adjusters and appraisers. The General Assembly may wish to expand to agents and employees of an insurer the prohibition in subsection (b) of this section.

The Committee also notes, for consideration by the General Assembly, that the meaning of the "replacement" of property damage in subsection (a)(1) of this section is unclear. The General Assembly may wish to clarify this language.