

Insurance Alert

Maryland Insurance Bill Makes it a Fraudulent Act to Compensate for Deductible

Senate Bill 736 will be enacted as Code of Maryland Insurance Article § 27-407.2. It repeals and replaces §§ 27-408(a) and (b). The bill makes it a “fraudulent insurance act for a person to pay or otherwise compensate, directly or indirectly, or offer or promise to pay or compensate, and insured for all or part of an insurance deductible provided under the policy as in inducement to enter into a contract to furnish goods or services.” The new section also specifically references contractors who are performing repairs to a private residence caused by weather, “when the services will be made from the proceeds of the policy.”

If you have any questions or concerns, please feel free to contact our offices at 410-783-6300 at your convenience.

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