



ALLEGANY COUNTY, MARYLAND

The Board of County Commissioners

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January 15, 2021

The Honorable Luke Clippinger, Chair
House Judiciary Committee
Room 101
House Office Building
Annapolis, MD 21401

RE: SUPPORT FOR HB 378

I write as Chair of the Board of Trustees of the MACo Pooled OPEB Trust, and also on behalf of Allegany County government, who uses the Trust to invest its funds toward its long-term health care liabilities. I strongly encourage the Judiciary Committee to support House Bill 378.

The OPEB Trust is a service from MACo to promote best practices in the management of our long-term health care costs. Allegany County and its taxpayers save substantially by pooling the overhead costs of these investment strategies, and have benefited from our participation in the Pooled Trust.

HB 378 would clarify that this function is treated the same way under the state's liability laws, independent of whether it's performed by employees of one large county, or by a Board of employees of multiple smaller governments. It's a public, governmental function either way. This change would allow our Trust to obtain insurance coverage for its Trustees through the Local Government Insurance Trust, which is owned by its government members and limited to only covering governmental entities.

While the savings of this move would probably be modest, LGIT insurance would ensure responsible indemnification for our Trustees who donate their work time toward the joint cause of governing the Trust, and even further reduce the costs of doing business as a pooled entity.

I encourage your committee to vote favorably on HB 387, and help promote this local government best practice.

Sincerely,

Jason M. Bennett, CPA
County Administrator
Chair of the MACo OPEB Trust