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February 7, 2023

The Honorable C.T. Wilson  
Chairman, House Economic Matters Committee  
Room 231, House Office Building  
Annapolis, Maryland 21401

RE: House Bill 128 - Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage – Opt–Out Option - UNFAVORABLE

Dear Chairman Wilson and Members of the Committee,

Our client, the Insurance Agents and Brokers of Maryland (IA&B), is a trade association comprised of nearly 200 independent agencies, employing between 1,000 and 2,000 licensed Maryland insurance producers, which are located in and doing business throughout the State of Maryland and surrounding states. IA&B wishes to register its opposition to House Bill 128, Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage (EUIM) – Opt–Out Option.

Independent insurance agents, who comprise the membership of IA&B, have an informed view of consumer behavior with respect to the purchase of coverage options under private passenger automobile insurance. The overall cost of the product is, perhaps obviously, the most significant factor. IA&B members, however, also consider the individual needs of policyholders, the risks they may face while operating their vehicles, and the insurance coverages that are responsive to those risks. Agents must balance these and other factors in advising and servicing their clients.

As we informed the Committee last year, IA&B has not heard from its members or others that EUIM should be made a compulsory coverage in any way. We therefore opposed mandatory EUIM coverage last year and the requirement of an affirmative written waiver in House Bill 128 provides no meaningful consumer benefit to current Maryland law. Instead, it adds a requirement for a complicated new formula for a waiver.

We direct the Committee’s attention to language on page 3, beginning at line 25 through lines 28. That is an additional requirement under which the insurer, before a waiver is effective, must give the insured “written notice of the nature, extent, benefit and cost of the coverage that is being waived”. That language is virtually impossible to comply with without the opinion of the insured, and in any event would require a significant documentation effort to prove compliance by the agent.

The current law is an example of much better public policy on this issue. It makes the coverage available, so independent agents would include this in their advice to clients at time of purchase. The waiver requirement, as we have heard from independent agents in Pennsylvania (which has such a requirement) is simply a recipe for coverage disputes and litigation. The Maryland approach is far superior.

For these reasons, IA&B respectfully requests an unfavorable report on House Bill 128.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, reading "Bryson Popham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bryson F. Popham

cc: Stacey Nicholson