

# INDEPENDENT INSURANCE AGENTS OF MARYLAND, INC.

DBA BIG I MARYLAND



## House Economic Matters Committee

### House Bill 128

**Position: Unfavorable**

Dear Madame Chairman Wilson and the Members of the House Economic Matters Committee,

The Independent Insurance Agents of Maryland (BIGIMD) is the State's oldest trade association of independent insurance agents. It represents 200 independent agencies, which employ over 2000 people in the state. BIGIMD represents independent insurance agents and brokers who present consumers with a choice of policy options from a variety of different insurance companies. These small, medium, and large businesses offer a variety of insurance products – including property, casualty, life, health, employee benefit plans, and retirement products.

BIGIMD opposes House Bill 128, entitled Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage ("EUIM") – Opt-Out Option. This coverage was passed into law during the 2017 legislative session. At that time, it was our contention that the coverage did not appear to provide any discernable benefit to insureds. When the legislature added language to require the insured to make an affirmative election to obtain the coverage (i.e., to opt-in), the BIGIMD was more comfortable with the legislation. Fast forward to today, the uptake of the coverage is quite low which demonstrates our position back then. If consumers see a benefit worth purchasing, they will get it.

House Bill 128 would automatically add this benefit to a consumer's policy unless the insured affirmatively elects to remove it (i.e., to opt-out). This creates an unusual situation under Maryland law for personal automobile coverage. The only other coverage offering, of which we are aware, requiring the insured to obtain the coverage unless one opts-out is with limited Personal Injury Protection ("PIP"). One large motivation for this dynamic with limited PIP is it would reduce auto insurance costs in Maryland. We believe to require EUIM motorist coverage unless one opts-out will cause an increase in premium to the consumer.

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As independent insurance agents, our members find the best product and the best price for our clients. Additionally, we find the most appropriate coverage benefits for the specific client. This legislation erodes that ability when it comes to this specific coverage.

As such, we respectfully ask for an unfavorable report on HB 128.

Sincerely,  
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