



Senate Bill 102

Insurance Pooling - Public Entity - Definition

MACo Position: **SUPPORT**

To: Finance Committee

Date: January 29, 2025

From: Michael Sanderson and Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 102. This bill makes helpful changes to state law authorizing cooperative purchasing of insurance coverage by local government entities, modernizing those references to include a locally-created resilience authority.

State law wisely allows local governments, and the entities under their direction or control, to collectively purchase commonly-sought services or products as a means to save on public funds for necessary expenses. Over time, purchasing through formal collaboratives (including one in the metropolitan Washington area, one in the Baltimore region, and another serving the Eastern Shore) has yielded meaningful taxpayer benefits. Even on a smaller scale, combining a county with another entity (such as a town, a library system, or a water district) may offer savings especially for the smaller entity. Insurance is one such area specifically so authorized.

SB 102 takes this sensible policy, and extends it to resilience authorities – a newly-evolving model for delivering sustainability-based, erosion-related, and comparable offerings to residents. Under this bill, residents who benefit from these services should enjoy lower prices for insurance, as the relative small authority may benefit from the market power of the larger sponsoring entities.

SB 102 extends a good government practice to an emerging new segment of public service delivery, where Maryland and its local governments are national leaders. For this reason, MACo urges a **FAVORABLE** report on SB 102.