

# INDEPENDENT INSURANCE AGENTS OF MARYLAND, INC.

DBA BIG I MARYLAND



## **Senate Finance Committee**

**Senate Bill 637**

**Position: Oppose**

Dear Chair Beidle, Vice Chair Hayes and the Members of the Senate Finance Committee,

Thank you for the opportunity to submit testimony on Senate Bill 637.

The Independent Insurance Agents of Maryland (DBA BIG I MARYLAND) is the State's oldest trade association of independent insurance agents. It represents 200 independent agencies, which employ over 2000 people in the state. We represent 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.

While we recognize the intent to provide flexibility to the Maryland Automobile Insurance Fund (MAIF) in managing its operations, the bill as drafted grants MAIF broad authority to unilaterally reduce agents' commissions — potentially to zero — without clear standards or oversight.

Our association's members represent independent, locally owned insurance agencies serving consumers across the state. While most of our members do not routinely place a large volume of MAIF business, MAIF policies remain an essential safety net for Marylanders who cannot obtain auto coverage elsewhere. When agents do assist clients with MAIF placements, these transactions typically require significant time and effort. Agents must confirm eligibility, gather documentation, explain MAIF procedures to consumers who may already be in stressful financial or legal situations, and ensure compliance with statutory requirements unique to MAIF.

These responsibilities are not merely administrative; they are consumer-protection functions that help MAIF operate fairly and efficiently. Eliminating or drastically reducing agent compensation would discourage experienced agents from continuing this work, which could ultimately harm consumers who most need knowledgeable guidance to secure basic auto coverage.

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IIAM urges the Committee to amend or reject HB 1387 to ensure that MAIF retains authority to manage its operations responsibly while maintaining a fair and consistent framework for agent compensation that reflects the professional effort and public service involved.

We appreciate the opportunity to provide these comments.

Sincerely,

Brett Lininger, Legislative Counsel